

# **30th ANNUAL REPORT**

## **2010-2011**



**DESH RAKSHAK AUSHDHALAYA LIMITED**

**KANKHAL- HARIDWAR (UTTARAKHAND)**

**Ph: 01334-245877**

# DESHRAKSHAK AUSHDHALAYA LTD.

## XXXth (30<sup>th</sup>) ANNUAL GENERAL MEETING

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

Date : 26th September-2011  
Day : Wednesday  
Time : 4:00 P.M.  
Venue : Registered Office  
Kankhal, Haridwar  
Uttarakhand-249 408

### BOARD OF DIRECTORS

Shri Paras Kumar Jain  
(Chairman Cum Managing Director)  
Shri Tosh Kumar Jain (Executive Director)  
Smt. Sudesh Jain (Director)  
Shri R.C. Sharma (Independent Director)  
Ms. Ruchi Dawar (Independent Director)  
Shri Sachin Agarwal (Independent Director)  
Mrs. Anjul Agarwal (Company Secretary)

### AUDITORS

M/s Anil Jain & Co.  
10, Guru Mandal Ashram, Devpura  
Hardwar (Uttaranchal)

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### BANKERS

State Bank Of India  
Punjab National Bank

### REGISTRAR & TRANSFER AGENT

M/s Mas Services Limited  
T-34, II<sup>nd</sup> Floor, Okhla Phase-II  
New Delhi

### INVESTOR HELPDESK

01334-243833, 245877, 245866  
E-mail: dral95@yahoo.com



## NOTICE

Notice is hereby given that the 30th Annual General Meeting of the members of the company Deshrakshak Aushdhalaya Limited Will be held on Monday the 26th day of September 2011 at 4.00 P.M at the Registered Office of the Company situated at Bhagwant Kuti, Kankhal, Haridwar, Uttarakhand-249408 to transact the following business:-

**ORDINARY BUSINESS:**

1. To Receive consider and adopt the Audited Balance Sheet as at 31st March, 2011 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 Mr. Ramesh Chandra Sharma, Independent Director who retires by rotation and being eligible offers himself for re-appointment and to consider, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956 (including any modification or re-enactment thereof) and pursuant to the guidelines of SEBI, and provisions of Listing Agreement of BSE and subject to the approval of Shareholders in Forthcoming Annual General Meeting, Mr. Ramesh Chandra Sharma, the retiring Independent Director under section 257 of the Companies Act, 1956, be and is hereby appointed as Independent Director liable to retire by rotation, his consent being already received by the Company to act as an Independent director, with immediate effect."

"FURTHER RESOLVED THAT Mr. Ramesh Chandra Sharma, will provide his Expertise Knowledge in his Professional Capacity but will neither be part of day to day affairs of the Company and will nor be liable for any legal proceedings including Negotiable Instruments Act, 1881."

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."

**SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

## Extension of Tenure of Shri Paras Kumar Jain, Chairman cum Managing Director

"RESOLVED THAT, pursuant to provisions of sections 198, 269, 309, 311 read with Schedule XIII and other Applicable provisions of the Companies Act, 1956 and subject to such approvals as necessary, the Company hereby approves the Extension of Tenure of Shri Paras Kumar Jain, as Chairman cum Managing Director of the Company for a period of Five Years with immediate effect, on the terms and conditions as set out in the Explanatory Statement annexed hereto."

"FURTHER RESOLVED THAT pursuant to provisions of Section 198, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Paras Kumar Jain, as Chairman cum Managing Director of the Company, will receive remuneration of Rs. 25,000/- p.m. and remuneration Committee of the Board, without further approvals authorized to revise the remuneration package of the Chairman cum Managing Director as and when necessary during his tenure."

5. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

## Extension of Tenure of Shri Tosh Kumar Jain, Executive Director

"RESOLVED THAT, pursuant to provisions of sections 198, 269, 309, 311 read with Schedule XIII and other Applicable provisions of the Companies Act, 1956 and subject to such approvals as necessary, the Company hereby approves the Extension of Tenure of Shri Tosh Kumar Jain, as Executive Director of the Company for a period of Five Years with immediate effect, on the terms and conditions as set out in the Explanatory Statement annexed hereto."

"FURTHER RESOLVED THAT pursuant to provisions of Section 198, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956, Shri Paras Kumar Jain, as Chairman cum Managing Director of the Company, will receive remuneration of Rs. 25,000/- p.m. and remuneration Committee of the Board, without further approvals authorized to revise the remuneration package of the Chairman cum Managing Director as and when necessary during his tenure."

PLACE: Haridwar

DATE: 30.06.2011

For And On Behalf of the Board  
For Desh Rakshak Aushdhalaya Limited

S/d-

(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 19th day of September 2011 to 26th September 2011 (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.
4. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to item no. 4 and 5 of the notice setting out the material facts is annexed hereto.
5. Shareholders are requested to notify immediately change, if any, regarding their address to the Company.

**Annexure to the Notice**

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956

**Pursuant to Item No. 4**

Dr. Paras Kumar Jain, Chairman cum Managing Director, holds BIMS (Lucknow), is a renowned and respected name in ayurvedic industry.

Under the dynamic vision and leadership of Dr. Paras Kumar Jain has always set high quality standards for itself and produced pure Ayurvedic medicines and Herbal Health Care products.

Under his flagship, the company has earned itself trust and confidence in the Indian and Overseas Market.

Dr Paras Kumar Jain, Chairman cum Managing Director was appointed as Managing Director by the Board. The Board in its meeting further extended the tenure of Dr Paras Kumar Jain, Chairman cum Managing Director for a period of Five Years upto 31.03.2016 on the existing terms and conditions i.e. the pay scale of Rs. 25000/- p.m. and other

perquisites and benefits as per rule of the Company. As per the requirements of the Companies Act, 1956 the re-appointment of Managing Director is required to be approved by the Shareholders in the General Meeting.

The Board of Directors recommends the resolution to be passed as the special resolution. None of the directors is interested or concerned in the resolution.

**Pursuant to Item No. 5**

Mr. Tosh Kumar Jain, Executive Director of the Company holds B Pharma from Delhi University also Chief Financial Officer of the Company was appointed as Executive Director by the Board. The Board in its meeting further extended the tenure of Mr. Tosh Kumar Jain, for a period of Five Years upto 31.03.2016 on the existing terms and conditions i.e. the pay scale of Rs. 25000/- p.m. and other perquisites and benefits as per rule of the Company. As per the requirements of the Companies Act, 1956 the re-appointment of Executive Director is required to be approved by the Shareholders in the General Meeting.

The Board of Directors recommends the resolution to be passed as the special resolution.

PLACE: Haridwar

DATE: 30.06.2011

For And On Behalf of the Board  
For Desh Rakshak Aushdhalaya Limited

S/d-

(Paras Kumar Jain)

Chairman Cum Managing Director

## DIRECTORS' REPORT

## TO THE MEMBERS,

Your Directors feel pleasure in presenting the 30th Annual Report on the business and operations of the Company together with the Audited Statement of accounts for the year ended 31st March, 2011.

## FINANCIAL RESULTS

The Highlights of financial Results of your Company for the year ended 31.03.2011 are:

|                                                  | (Amount in Rs.) |             |
|--------------------------------------------------|-----------------|-------------|
|                                                  | 2011            | 2010        |
| Sales                                            | 3,76,42,296     | 3,73,68,854 |
| Other Income                                     | 8,535           | 40,04,036   |
| Total Receipts                                   | 3,76,50,831     | 4,13,72,890 |
| Profit/ Loss before Dep. Financial Charges & Tax | 29,79,053       | 50,13,013   |
| Interest and Financial Charges                   | 11,65,606       | 13,20,387   |
| Depreciation                                     | 17,13,345       | 17,05,376   |
| Profit/ Loss before Tax                          | 1,00,102        | 19,87,251   |
| Provision for Tax                                | 0               | 0           |
| Profit/ Loss after Tax                           | 1,00,102        | 19,87,251   |

## REVIEW OF OPERATIONS

During the year under review, the turnover of the Company decline to Rs. 37,22,059 in comparison with the last year. However the profit after tax of the company decline to Rs. 18,87,149/- decrease of 94.96 % over the last year's profit due to increase in raw material cost and other factors. Despite high inflationary and cost pressures throughout the year, company capitalized on every available opportunity and undertook strategic initiatives coupled with to exploit the full industry potential, besides making efforts towards cost reduction and improved efficiency which enable the company to grew reasonably well.



In continuation of its efforts towards offering innovative, more effective and value added products to the consumers for providing them with value for money. Company continued combining traditional Ayurvedic Science with adoption of the modern manufacturing technology.

#### **DIVIDEND**

Your Directors have not recommended any dividend on equity shares for the year under review.

#### **OPERATIONS AND BUSINESS PERFORMANCE**

Kindly refer to Management Discussion and Analysis and Corporate Governance, which form part of this report.

#### **CORPORATE GOVERNANCE**

Company is committed to focus on good Corporate Governance in line with emerging Local and Global Standards. Company understands and respects its fiduciary role in the corporate world and besides adhering to the prescribed corporate practices, it voluntarily governs itself as per the highest national and international standards of corporate governance. Strong governance practices has earned for it recognition and has strengthened its bond of trust not only with the stakeholders but with the society at large.

The compliance Report on Corporate Governance and a certificate from Auditors of the Company regarding compliance of the conditions of Corporate Governance, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is attached as 'Annexure 1' and forms part of this report.

Certificate of the CEO/CFO, inter alia, confirming the correctness of the financial statements, compliance with Company's Code of Conduct, adequacy of the Internal Control measures and reporting of matters to the Audit Committee in terms of Clause 49 of the Listing Agreement with the Stock Exchanges, is attached in the corporate governance Report and forms part of this report.

#### **DIRECTORS**

As per Section 257 of the Companies Act, 1956 Mr. R C Sharma, Independent Director will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment.



The Tenure of Mr. Paras Kumar Jain, Chairman cum Managing Director and Mr. Tosh Kumar Jain, Executive Director and CFO will be extended for a period of Five Years.

The brief resumes of the Directors who are to be appointed/ re-appointed, the nature of their expertise in specific functional areas is furnished in the explanatory statement to the notice of the ensuing Annual General Meeting.

Your Director recommend their appointment/ re-appointment at the ensuing Annual General Meeting.

#### **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 2011, 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 care 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.

#### **REVOCATION OF SUSPENSION OF TRADING**

Company has fulfilled various Compliances to revoke the Suspension of Trading and as per the Letter received from Bombay Stock Exchange dated 25th January, 2011, Company's Application for revocation of Suspension of Trading of Securities was considered.

Further the Internal Committee of Bombay Stock Exchange decided to revoke the suspension in the trading of securities subject to the Lock in of Promoters Shares till 15.11.2011.

**AUDITORS AND THEIR REPORT**

M/s Anil Jain & Co., Chartered Accountants, Statutory Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment as statutory auditors for the financial year 2011-12. The Company has received a letter dated April 11, 2011 from them to the effect that their re-appointment, if made, would be within the limit prescribed under section 224(1B) of the Companies Act, 1956, and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Companies Act, 1956.

The Auditors have also confirmed that they have subjected themselves to the peer review process of Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the peer Review Board of the ICAI.

The observations of the Auditors, together with the notes to Accounts referred to in the Auditors' Report, are self-explanatory and do not call for any further explanation from the Directors.

**COST AUDITORS**

The Company has obtained Compliance Report as per the Cost Accounting Records Rules 2011 from M/s Rajesh Kumar Gupta & Co., Cost Accountants in Practice and were re-appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company, for the financial year 2011-12.

**INTERNAL CONTROL SYSTEM**

The Company has a well placed, proper and adequate internal control system, which ensures that all assets are safeguarded and protected and that the transactions are authorised, recorded and reported correctly. The Company's internal control system comprises audit and compliance by in-house Internal Audit Division, supplemented by internal audit checks.

Independence of the audit and compliance is ensured by direct reporting of Internal Audit Division to the Audit Committee of the Board.

**FIXED DEPOSITS**

During the year under review, the Company has not accepted any fixed deposits from the public, and as on March 31, 2011 the Company had no unclaimed deposits or interest thereon due to any depositor.



**NATURE OF BUSINESS**

There has been no change in the nature of business of the Company and any of its subsidiary companies during the year.

**PARTICULARS OF EMPLOYEES**

In terms of the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, there is no employee drawing remuneration above the limits set under section 217(2A) of the Companies Act, 1956.

**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 933117.

**(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**

Export Sales of Rs. 6493734/-

Out Go NIL

**OPERATIONS REVIEW**

For detailed operational review kindly refer to Management Discussion and Analysis and the Report on Corporate Governance, which forms part of this Annual Report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis of financial condition including the result of operations of the Company for the year under review, as required under clause 49 of the listing agreement with the stock exchanges, is given as a separate statement in Annual Report.

**D-MATERIALISATION OF SHARES**

The equity shares of the company have been dematerialized during the year under consideration.

**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.

PLACE: Haridwar

DATE: 30.06.2011

For And On Behalf of the Board  
For Desh Rakshak Aushdhalaya Limited

S/d-

(Paras Kumar Jain)

Chairman Cum Managing Director



**REPORT ON CORPORATE GOVERNANCE**

The Company pursuant to Clause 49 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 Six Directors, Two being Executive one is sitting and three 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 2011, 9 meetings of Board of Directors were held as against the minimum requirement of four meetings. The Dates and attendance are as follows:

| Date of Meetings       | No. of Directors Present |
|------------------------|--------------------------|
| 30th April 2010        | 4                        |
| 14th of May 2010       | 5                        |
| 30th of June 2010      | 4                        |
| 12th August, 2010      | 5                        |
| 2nd September 2010     | 5                        |
| 29th September 2010    | 5                        |
| 15th of November, 2010 | 4                        |
| 15th February 2011     | 5                        |
| 31st March 2011        | 4                        |

### BOARD COMMITTEES

#### I. 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 30th of April 2010, 31st of July 2010, 30th of October 2010 and 31st of January 2011 during the financial Year 2010-2011. 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.



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

| Name                  | Designation | Attendance |
|-----------------------|-------------|------------|
| Tosh Kumar Jain       | Executive   | 4          |
| Ramesh Chandra Sharma | Independent | 4          |
| Sachin Agarwal        | Independent | 4          |

## 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.

## III. 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. Two meeting were held during the Financial Year 2010- 2011. The Composition and details of attendance during the year are given below:

| Name                  | Designation     | Attendance |
|-----------------------|-----------------|------------|
| Shri Paras Kumar Jain | Chairman cum MD | 2          |
| Shri Tosh Kumar Jain  | Director        | 2          |
| Smt. Sudesh Jain      | Director        | 2          |

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.

### DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

Company has followed the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

### DETAILS OF NON-COMPLIANCE BY THE COMPANY

Company has complied with all the requirements of regulatory authorities.

### WHISTLE-BLOWER POLICY

The Company promotes ethical behaviour in all its business activities and in line with the best international governance practices and has established a system through which employees and business associates may report unethical business practices at work place without fear of reprisal. The Company has set up a direct touch initiative, under which all employees / business associates have direct access to the Chairman of the Audit Committee. The Whistle-Blower Protection Policy aims to:

- Allow and encourage employees and business associates to bring to the Management notice concerns about unethical behavior, malpractice, wrongful conduct, actual or suspected fraud or violation of policies.
- Ensure timely and consistent organizational response.
- Build and strengthen a culture of transparency and trust.

The Audit Committee periodically reviews the existence and functioning of the mechanism. It reviews the status of complaints received under this policy on a quarterly basis.

### CEO/ CFO CERTIFICATION

The CEO and CFO certification of the financial statements and the cash flow statement for the year is enclosed at the end of the report.

### RISK MANAGEMENT

Company has established comprehensive risk assessment and minimization procedures, which are reviewed by the Board periodically. At every Board meeting, the risk register is reviewed by the Board, new risks are identified, the same are then assessed, controls are designed, put in place and enforced through the process owner, and a fixed timeline is set for achieving the same.



**LEGAL COMPLIANCE REPORTING:**

The Board of Directors reviews in detail, on a quarterly basis, the reports of compliance to all applicable laws and regulations. The Company has developed a very comprehensive Legal Compliance Manual, which drills down from the CEO to the executive-level person (who is primarily responsible for compliance) within the Company. Any non-compliance is seriously taken up by the Board, with fixation of accountability and reporting of steps taken for rectification of non-compliance.

**DEMATERIALIZATION OF SHARES:**

For convenience of shareholders, the process of getting the shares dematerialized is given hereunder:

- a. Demat Account should be opened with a Depository Participant (DP).
- b. Shareholders should submit the Dematerialization Request Form (DRF) along with share certificates in original, to their DP.
- c. DP will process the DRF and will generate a Dematerialization Request Number (DRN).
- d. DP will submit the DRF and original share certificates to the Registrar and Transfer Agents (RTA)
- e. RTA will process the DRF and confirm or reject the request to DP/ Depositories.
- f. Upon confirmation of request, the shareholder will get credit of the equivalent number of shares in his Demat Account maintained with the DP.

**RECONCILIATION OF SHARE CAPITAL AUDIT**

An independent firm of Practicing Company Secretary, carries out the Reconciliation of Share Capital Audit as mandated by SEBI, and reports on the reconciliation of total issued and listed Capital with that of total share capital admitted / held in dematerialized form with NSDL and those held in physical form. This audit is carried out on quarterly basis and the report thereof is submitted to the Stock Exchanges, where the Company's shares are listed and is also placed before the Shareholders and Investors Grievances Committee of the Board.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

The Institute of Company Secretaries of India, a statutory body, has issued Secretarial Standards on various aspects of corporate law and practices. Though these standards are recommendatory in nature, the Company has voluntarily complied with each one of them.

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL  
OFFICER OF THE COMPANY**

We, Paras Kumar Jain, Chief Executive Officer and Tosh Kumar Jain, Chief Financial Officer, of Desh Rakshak Aushdhalaya Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet and Profit and Loss Account of the Company for the year ended 31st March, 2011 and its entire schedule and notes on accounts, as well as the Cash Flow Statement.
2. To the best of our knowledge and information:
  - a. These statements do not contain any materially untrue statement or omit to state a material fact or contains statement that might be misleading;
  - b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. We also certify, that based on our knowledge and the information provided to us; there are no transactions entered into by the company, which are fraudulent, illegal or violate the company's code of conduct.
4. The company's other certifying officers and we are responsible for establishing and maintaining internal controls for financial reporting and procedures for the Company, and we have evaluated the effectiveness of the Company's internal controls and procedures.
5. The Company's have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and to the Audit Committee of the Company, the following:
  - a. All significant deficiencies in the design or operation of internal controls, which we are aware and have taken steps to rectify these deficiencies;
  - b. Significant changes in internal control during the year;
  - c. Any fraud, which we have become aware of and that involves Management or other employees who have a significant role in the Company's internal control systems;

Haridwar  
30.06.2011

Sd.  
**Paras Kumar Jain**  
CEO,  
Desh Rakshak Aushdhalaya Ltd

Sd.  
**Tosh Kumar Jain**  
CFO  
Desh Rakshak Aushdhalaya Ltd



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER OF THE COMPANY**

I declare that all board members and senior management have affirmed compliance with the Code of Conduct for the Current Financial Year Ended March 2011.

Haridwar  
30.06.2011

**Paras Kumar Jain**  
CEO  
Desh Rakshak Aushdhalaya Ltd

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The input Cost Pressures were managed effectively and the Company did not take any significant price increases during the year. Growth rates across quarters have been consistent and reflect your company's sound business strategies and strong execution capabilities.

Company continued to focus on expanding its product offerings to consumers by way of new product launches and expansion of existing products, thereby continuing to address the growing and ever changing needs of its consumers. Our Company's core competence in Ayurveda and range of Ayurveda Based ethical and Classical and Health care products of total turnover.

Health care has been identified as an important growth engine for the future. Your Company is lining up a host of new initiatives for the same.

The Company increased its efforts to improve productivity at its manufacturing location by deploying various cost reduction and energy saving initiatives, resulting in a reduction in manufacturing costs to lower levels. With a portfolio of Ayurvedic and natural products, nature and herbs are the key to our existence and company continues to invest in Research & development in order to establish beyond the boundaries of Uttaranchal.

Your Company has a robust internal audit and control system managed by qualified and experienced people. The internal Audit department reports to the audit Committee of the Board of Directors, which recommends control measures from time to time.

To ensure our Long term corporate success, company implements risk management system which includes recording, monitoring and controlling internal enterprise business risks and addressing them through informed and objective strategies.

**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.



## DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

| Meeting  | Year    | Venue of AGM     | Date     | Time    |
|----------|---------|------------------|----------|---------|
| 27th AGM | 2007-08 | Kankhal Haridwar | 27.09.08 | 4.00P.M |
| 28th AGM | 2008-09 | Kankhal Haridwar | 29.09.09 | 4.00P.M |
| 29th AGM | 2009-10 | Kankhal Haridwar | 29.09.10 | 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.

## Distribution of Shareholding (as on March 31, 2011)

## 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                | -                       | 16,77,004          | 37.78%                 |
| 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             | 2.95%                  |
| 50001-100000                      | -                   | -                       |                    |                        |
| Above100000                       | 5                   | -                       | 23,95,000          | 53.96%                 |
| TOTAL                             |                     | 100%                    |                    | 100%                   |

**On the basis of Category**

| Category                 | No. of Shares Held | % to Total shares |
|--------------------------|--------------------|-------------------|
| Promoter Holding         | 2875000            | 65%               |
| Private Corporate Bodies |                    |                   |
| Indian Public            | 1563324            | 35%               |
| 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, IInd Floor, Okhla Phase-II, New Delhi.
2. Any Query on Annual Report  
Deshrakshak Aushdhalaya Limited, Bhagwant Kuti, Kankhal Haridwar,  
Uttarakhand-249408



## AUDITOR'S REPORT ON CORPORATE GOVERNANCE

To,  
The Members of  
Desh Rakshak Aushdhalaya Limited

We have examined the compliance of conditions of Corporate Governance by Desh Rakshak Aushdhalaya Limited for the year ended 31st March 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examinations was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Haridwar  
Date : 30/06/2011

For Anil Jain & Company  
Chartered Accountants

Sd/-  
Anil Kumar Jain  
Proprietor

M/S DESH RAKSHAK AUSHDHALAYA LIMITED, HARIDWAR

## (ANNEXURE 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'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 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 the Unsecured loans covered in the register maintained under section 301 of the Companies Act, 1956 & already taken returned the Secured loans of Banks etc. Some Unsecured loans has been regrouped. The maximum amount involved during the year aggregating to Rs. 62.83 lacs at the beginning of the year and the year end balance of loans taken from such parties was Rs. 62.83 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 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's 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 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 and other statutory

- dues applicable to it.
- b. According to the information's and explanations given to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax and excise duty were outstanding as at 31st March, 2011 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 any 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 dues of 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 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 institutions.
  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 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 information's 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.

Sd.  
**( ANIL KUMAR JAIN )**  
PROPRIETOR  
MEMBERSHIP NO.070253

PLACE: HARDWAR

DATED: 30.6.2011

**DESHRAKSHAK AUSHDHALAYA LTD.  
KANKHAL HARIDWAR**

**BALANCE SHEET AS ON 31-3-2011**

(INRUPEES)

| LIABILITIES                             | AS ON<br>31.3.2011 | AS ON<br>31.3.2010 |
|-----------------------------------------|--------------------|--------------------|
| <b>SHAREHOLDER'S FUND</b>               |                    |                    |
| SHARE CAPITAL                           |                    |                    |
| EQUITY CAPITAL (A)                      | 46,631,740         | 46,631,740         |
| RESERVE & SURPLUS (B)                   | 23,819,030         | 24,458,243         |
| <b>LOAN FUNDS</b>                       |                    |                    |
| SECURED LOANS                           | 0                  | 48,786             |
| UNSECURED LOANS/DEFERRED (C)            |                    |                    |
| PAYMENTS LIABILITIES (D)                | 6,282,749          | 0                  |
|                                         | <b>76,733,519</b>  | <b>71,138,769</b>  |
| <b>APPLICATION OF FUNDS</b>             |                    |                    |
| FIXED ASSETS (E)                        | 47,563,453         | 52,807,397         |
| INVESTMENTS (F)                         | 1,765,000          | 1,765,000          |
| CURRENT ASSETS, LOANS<br>& ADVANCES     |                    | 16,566,371         |
| INVENTORIES (G)                         | 6,163,824          |                    |
| SUNDRY DEBTORS (H)                      | 22,865,303         |                    |
| CASH & BANK BALANCES (I)                | 593,351            |                    |
| LOANS & ADVANCES (J)                    | 11,674,060         |                    |
|                                         | <b>41,296,539</b>  |                    |
| LESS : CURRENT LIABILITIES & PROVISIONS |                    |                    |
| LIABILITIES (K)                         | 13,013,101         |                    |
| PROVISIONS (L)                          | 878,372            |                    |
|                                         | <b>27,405,065</b>  |                    |
| NET CURRENT ASSETS                      |                    |                    |
| A. MISCELLANEOUS EXPENDITURE            | 0                  | 0                  |
|                                         | <b>76,733,519</b>  | <b>71,138,768</b>  |

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

Sd/-  
[Anjul Agarwal]  
Company Secretary

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

PALACE : HARDWAR  
DATED : 30.6.2011



**DESHRAKSHAK AUSHDHALAYA LTD.  
KANKHAL HARIDWAR**

**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31-3-2011**

| PARTICULARS                                                                         | AS ON<br>31.3.2011 | AS ON<br>31.3.2010 |
|-------------------------------------------------------------------------------------|--------------------|--------------------|
| <b>INCOME (M)</b>                                                                   |                    |                    |
| SALES                                                                               | 37,650,831         | 41,372,890         |
| <b>TOTAL</b>                                                                        | <b>37,650,831</b>  | <b>41,372,890</b>  |
| <b>EXPENDITURE</b>                                                                  |                    |                    |
| CONSUMPTION OF MATERIALS AND<br>INVENTORY AD. & MANUFACTURING EXPENSES (N)          | 23,303,882         | 25,410,651         |
| WAGES, SALARIES/BENEFITS (O)                                                        | 4,198,830          | 3,910,452          |
| SELLING EXPENSES (P)                                                                | 3,242,759          | 3,006,142          |
| OTHER EXPENSES (Q)                                                                  | 3,926,307          | 4,032,632          |
| <b>TOTAL</b>                                                                        | <b>34,671,778</b>  | <b>36,359,877</b>  |
| PROFIT BEFORE INTEREST AND<br>DEPRECIATION                                          | 2,979,053          | 5,013,013          |
| LESS:                                                                               |                    |                    |
| INTEREST (R)                                                                        | 1,166,606          | 1,320,387          |
| DEPRECIATION                                                                        | 1,713,345          | 1,705,376          |
| PROFIT                                                                              | 100,102            | 1,987,251          |
| PROFIT AFTER TAX [AVAILABLE FOR<br>APPROPRIATION] TRANSFERRED TO<br>GENERAL RESERVE | 100,102            | 1,987,251          |
| <b>APPROPRIATIONS</b>                                                               |                    |                    |
| OP. BAL. OF GENERAL RESERVE/P&L ACCOUNT                                             | (13,376,837)       | (15,186,368)       |
| ADD: PROFIT DURING THE YEAR                                                         | 100,102            | 1,987,251          |
| LESS: PRIOR YEAR TAXES                                                              | (739,315)          | 177,720            |
| BALANCE IN GENERAL RESERVE ACCOUNT                                                  | (14,016,050)       | (13,376,837)       |

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

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

Sd/-  
[T.K. JAIN]  
DIRECTOR

Sd/-  
[Anjul Agarwal]  
Company Secretary

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

PALACE : HARDWAR  
DATED : 30.06.2011

30<sup>th</sup> ANNUAL REPORT
**DESHRAKSHAK AUSHDHALAYA LTD.**  
**KANKHAL HARIDWAR**

**SCHEDULES FORMING PART OF BALANCE SHEET 31-3-2011**

| PARTICULARS                                                      | RUPEES<br>31.3.2011 | RUPEES<br>31.3.2010 |
|------------------------------------------------------------------|---------------------|---------------------|
| <b>SCHEDULE</b>                                                  |                     |                     |
| AUTHORISED CAPITAL<br>10000000 EQUITY SHARES<br>OF RS. 10/- EACH | 100,000,000         | 100,000,000         |
| ISSUED, SUBSCRIBED (A)<br>& PAID UP CAPITAL :-                   |                     | 46,631,740          |
| [A] 4438324 EQUITY SHARES OF<br>RS. 10/- EACH                    | 44,383,240          |                     |
| LESS: FORFEITED SHARES (FACE VALUE)                              |                     |                     |
| ADD: SHARE FORFEITTED ACCOUNT                                    | 2,248,500           | 46,631,740          |
| <b>SCHEDULE (B)</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          |
| PROFIT & LOSS ACCOUNT                                            | (14,018,050)        | (11,567,307)        |
|                                                                  | 23,819,030          | 26,267,773          |
| <b>SECURED LOANS (C)</b>                                         |                     |                     |
| PNB CAR LOAN                                                     | 0                   | 48,786              |
|                                                                  | 0                   | 48,786              |
| <b>SCHEDULE (D)</b>                                              |                     |                     |
| UNSECURED LOANS :                                                |                     |                     |
| S. E. INVESTMENTS DELHI                                          | 4,082,749           | 0                   |
| DOON INDUSTRIAL FUND LTD.                                        | 200,000             | 0                   |
| GANGA CORPORATION PVT. LTD.                                      | 2,000,000           | 0                   |
|                                                                  | 6,282,749           | 0                   |

**FIXED ASSETS SCHEDULE AS PER COMPANIES AS ON 31.03.2011**

| NAME OF ASSETS               | RATE OF<br>DEPRE-<br>CIATION | ORIGINAL<br>COST AS ON<br>31.3.10 | ADDITION<br>UPTO<br>SEPT. 10 | ADDITION<br>AFTER SEPT.<br>UPTO<br>MARCH 2011 | TOTAL      | DEPRE-<br>CIATION<br>UPTO<br>31.3.2010 | DEPRE-<br>CIATION<br>FOR<br>2010-2011 | TOTAL<br>DEPRE-<br>CIATION<br>UPTO 31.3.2011 | SLM<br>VALUE<br>31.3.2010 | SLM<br>VALUE<br>31.3.2011 |
|------------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------------------|------------|----------------------------------------|---------------------------------------|----------------------------------------------|---------------------------|---------------------------|
| 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  | 1,585,808                              | 108,888                               | 1,694,696                                    | 1,614,884                 | 1,507,796                 |
| BUILDING UNDER CONSTRUCTION  | 0                            | 12,914,290                        | 179,936                      | 138,544                                       | 13,232,770 | 0                                      | 0                                     | 0                                            | 12,914,290                | 13,232,370                |
| R & D BUILDING               | 3                            | 3,571,412                         | 0                            | 0                                             | 3,571,412  | 1,663,584                              | 119,285                               | 1,782,869                                    | 1,507,828                 | 1,788,543                 |
| OFFICE FURNITURE / EQUIPMENT | 6                            | 743,204                           | 46,000                       | 20,600                                        | 809,804    | 435,597                                | 41,693                                | 477,290                                      | 307,607                   | 332,514                   |
| MACHINERY                    | 5                            | 19,888,045                        | 42,731                       | 0                                             | 19,930,776 | 12,492,908                             | 801,510                               | 13,384,418                                   | 7,373,136                 | 6,524,357                 |
| ELECT EQUIPMENT              | 7                            | 335,145                           | 0                            | 0                                             | 335,145    | 297,871                                | 25,540                                | 313,511                                      | 47,273                    | 21,833                    |
| GAS PLANT                    | 5                            | 48,376                            | 0                            | 0                                             | 48,376     | 8,569                                  | 2,299                                 | 8,868                                        | 41,807                    | 36,508                    |
| MOTOR VEHICLES               | 10                           | 6,051,961                         | 0                            | 0                                             | 6,051,961  | 5,296,686                              | 514,155                               | 5,810,841                                    | 755,275                   | 241,120                   |
| SCOOTER                      | 10                           | 94,492                            | 41,900                       | 0                                             | 136,492    | 57,891                                 | 11,875                                | 69,766                                       | 36,801                    | 96,916                    |
|                              |                              | 49,083,921                        | 310,257                      | 159,144                                       | 49,553,322 | 21,826,515                             | 1,713,345                             | 23,539,860                                   | 27,257,406                | 26,013,462                |
| CAPITAL WORK IN PROGRESS     |                              | 25,549,991                        | 0                            | (4,000,000)                                   | 21,549,991 | 0                                      | 0                                     | 0                                            | 25,549,991                | 21,549,991                |
|                              |                              | 74,623,912                        | 310,257                      | (3,840,856)                                   | 71,103,313 | 21,826,515                             | 1,713,345                             | 23,539,860                                   | 52,807,397                | 47,563,453                |



## SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

| PARTICULARS                          | RUPEES     | RUPEES     |
|--------------------------------------|------------|------------|
|                                      | 31.3.2011  | 31.3.2010  |
| <b>SCHEDULE (F)</b>                  |            |            |
| INVESTMENTS IN INDIAN COMPANIES      | 1,765,000  | 1,765,000  |
| <b>SCHEDULE (G)</b>                  |            |            |
| INVENTORIES                          |            |            |
| RAW MATERIAL & FINISHED GOODS        | 4,931,059  | 6,135,880  |
| PACKING MATERIALS                    | 1,232,765  | 1,533,970  |
|                                      | 6,163,824  | 7,669,850  |
| <b>SCHEDULE (H)</b>                  |            |            |
| SUNDRY DEBTORS                       |            |            |
| OUTSTANDING FOR MORE THAN SIX MONTHS | 16,005,712 | 14,267,015 |
| OTHERS                               | 6,859,591  | 6,114,435  |
|                                      | 22,865,303 | 20,381,449 |
| <b>SCHEDULE (I)</b>                  |            |            |
| CASH & BANK BALANCES                 |            |            |
| CASH IN HAND HEAD OFFICE             | 703,659    | 685,594    |
| CASH IN HAND BRANCH OFFICE           | 251,689    | 220,228    |
| CASH AT BANKS:                       |            |            |
| SBI KANKHAL 80188                    | 69,705     | 88,967     |
| FDR PNB                              | 2,000      | 2,000      |
| BANK OF INDIA, NEW DELHI 10612       | 8,282      | 8,282      |
| PNB 1433                             | (525,884)  | 375,899    |
| BANK OF BARODA 1501                  | 21,713     | 94,245     |
| ALLAHABAD BANK                       | 8,772      | 18,858     |
| SBI HARIDWAR                         | 23,594     | 41,056     |
| SBI RANIPUR 64127                    | 10,027     | 20,027     |
| CBI KANKHAL                          | 19,795     | 17,245     |
|                                      | 593,351    | 1,572,400  |
| <b>SCHEDULE (J)</b>                  |            |            |
| LOANS & ADVANCES                     |            |            |
| SECURITY DEPOSITS                    | 447,588    | 606,338    |
| OTHER ADVANCES                       | 11,226,472 | 1,991,292  |
|                                      | 11,674,060 | 2,597,628  |

## SCHEDULES FORMING PART OF BALANCE SHEET CONTINUE

| PARTICULARS                    | RUPEES<br>31.3.2011 | RUPEES<br>31.3.2010 |
|--------------------------------|---------------------|---------------------|
| <b>SCHEDULE (K)</b>            |                     |                     |
| .....                          |                     |                     |
| <b>CURRENT LIABILITIES</b>     |                     |                     |
| SUNDRY CREDITORS AGAINST GOODS | 12,693,727          | 14,315,306          |
| SECURITIES RECEIVED            | 319,374             | 569,374             |
|                                | .....               | .....               |
|                                | 13,013,101          | 14,884,680          |
|                                | .....               | .....               |
| <b>SCHEDULE (L)</b>            |                     |                     |
| PROVISIONS                     | 878,372             | 770,277             |
|                                | .....               | .....               |



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

| PARTICULARS                                                                             | RUPEE      |            |
|-----------------------------------------------------------------------------------------|------------|------------|
|                                                                                         | 31.3.2011  | 31.3.2010  |
| <b>SCHEDULE (M)</b>                                                                     |            |            |
| INCOMES                                                                                 |            |            |
| SALES OF PRODUCTS DOMESTIC                                                              | 15,715,338 | 20,951,309 |
| SALES OF PRODUCTS EXPORT                                                                | 6,493,734  | 2,852,785  |
| SALES BRANCH OFFICE                                                                     | 15,433,224 | 13,564,760 |
| OTHER INCOME, INTEREST                                                                  | 8,535      | 4,004,036  |
|                                                                                         | 37,650,831 | 41,372,890 |
| <b>SCHEDULE (N)</b>                                                                     |            |            |
| CONSUMPTION OF MATERIALS AND INVENTORY AND JUSTMENT & MANUFACTURING EXP.                |            |            |
| OPENING STOCK                                                                           | 7,669,850  | 5,848,740  |
| ADD: PURCHASES                                                                          | 20,826,800 | 25,702,408 |
|                                                                                         | 28,496,650 | 31,551,148 |
| LESS: CLOSING STOCK OF RAW MATERIALS, W.I.P., CRUDE HERBALS, SEMI FIN. & FINISHED GOODS |            |            |
|                                                                                         | 6,163,824  | 7,669,850  |
|                                                                                         | 22,332,826 | 23,881,298 |
| FREIGHT INWARDS                                                                         | 37,939     | 125,443    |
| ELECTRICITY & POWER                                                                     | 933,117    | 1,403,910  |
|                                                                                         | 23,303,882 | 25,410,651 |
| <b>SCHEDULE (O)</b>                                                                     |            |            |
| WAGES, SALARIES/BENEFITS                                                                |            |            |
| PRODUCTION WAGES                                                                        | 1,172,444  | 1,129,056  |
| PRINTING/MC EXPENSES                                                                    | 136,982    | 139,442    |
| SALARIES STAFF                                                                          | 1,276,752  | 1,221,626  |
| SALARIES MARKETING STAFF                                                                | 910,393    | 756,097    |
| E.S.I.                                                                                  | 140,268    | 138,401    |
| PROVIDENT FUND                                                                          | 438,191    | 423,058    |
| KITCHEN EXPENSES                                                                        | 13,800     | 15,152     |
| HOUSE RENT ALLOWANCE                                                                    | 110,000    | 87,620     |
|                                                                                         | 4,198,830  | 3,910,452  |
| <b>SCHEDULE (P)</b>                                                                     |            |            |
| SELLING EXPENSES                                                                        |            |            |
| SALES TAX                                                                               | 1,795      | 8,932      |
| CARTAGE & FREIGHT                                                                       | 869,668    | 680,175    |
| LEAKGE & BREAKAGE                                                                       | 292,859    | 44,304     |
| BONUS ON SALES                                                                          | 227,525    | 269,767    |
| COMMISSION                                                                              | 837,219    | 1,625,547  |
| SELLING/DISTRIBUTION                                                                    | 630,000    | 0          |
| INCENTIVE ON SALES                                                                      | 342,701    | 372,911    |
| SALES PROMOTION                                                                         | 40,992     | 4,506      |
|                                                                                         | 3,242,759  | 3,006,142  |

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## SCHEDULE (Q)

### OTHER EXPENSES

|                              |           |           |
|------------------------------|-----------|-----------|
| POSTAGE                      | 41,805    | 33,655    |
| STATIONARY & PRINTING        | 54,130    | 84,788    |
| DIWALI EXP.                  | 193,163   | 104,000   |
| AUDIT FEE                    | 30,000    | 20,000    |
| CONSUMABLE STORES            | 38,210    | 66,362    |
| SERVICE TAX                  | 19,710    | 20,460    |
| TENDER DOCUMENTS             | 2,150     | 1,625     |
| HOUSE / WATER TAX            | 31,214    | 17,936    |
| TRAVELLING DIRECTOR          | 76,580    | 20,294    |
| REPAIRS & MAINTENANCE        | 123,080   | 194,549   |
| MACHINERY REPAIRS            | 168,370   | 288,218   |
| CAR INSURANCE                | 30,474    | 36,627    |
| TRAVELLING EXPENSES          | 914,614   | 724,622   |
| ADVERTISEMENT                | 196,162   | 258,070   |
| FEE & TAXES                  | 434,391   | 307,616   |
| TELEPHONE/MOBILE EXP.        | 118,798   | 62,422    |
| CAR REPAIR & RUNNING EXP.    | 217,027   | 246,372   |
| NEWS PAPER/SUBSCRIPTION EXP. | 11,471    | 40,279    |
| PROFESSIONAL CHARGES         | 173,020   | 192,545   |
| DEPOT RENT                   | 30,000    | 24,000    |
| LATE DELIVERY CHARGES        | 57,013    | 87,506    |
| MEDICAL EXP.                 | 48,860    | 193,906   |
| OFFICE RENT                  | 36,000    | 36,000    |
| LISTING FEE                  | 44,296    | 21,964    |
| SCOOTER RUNNING/REPAIR       | 13,469    | 2,970     |
| WHITE WASHING EXP.           | 0         | 26,835    |
| MISC. EXP.                   | 22,297    | 128,250   |
| DISCOUNT                     | 200,023   | 178,481   |
| PRICE LIST & SEWAN VIDHI     | 0         | 12,480    |
| MANAGERIAL REMUNERATION      | 600,000   | 600,000   |
|                              | 3,926,307 | 4,032,632 |

## SCHEDULE 6 (R)

|                 |           |           |
|-----------------|-----------|-----------|
| BANK COMMISSION | 69,368    | 70,417    |
| INTEREST        | 1,096,238 | 1,249,970 |
|                 | 1,165,606 | 1,320,387 |

## 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  | 17,615,861 | 21,615,861 |
| 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    |
|                                   | 21,549,991 | 25,549,991 |



30<sup>th</sup> ANNUAL REPORT

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M/S DESH RAKSHAK AUSHDHALAYA LIMITED, HARIDWAR  
CASH FLOW STATEMENT FOR THE PERIOD APRIL 2010 TO MARCH 2011

|                                                    |              |
|----------------------------------------------------|--------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>     |              |
| Net Profit before tax as per Profit & loss Account | 100,102      |
| Adjusted for:                                      | 0            |
| Miscellaneous Expenditure written off              | 0            |
| Net prior year adjustment                          | 0            |
| (Profit)/Loss on sale of discarded assets          | 0            |
| Depreciation                                       | 1,713,345    |
|                                                    | <hr/>        |
| Operating Profit before working capital changes    | 1,813,447    |
| Adjusted for:                                      |              |
| Trade and other receivables                        | (11,560,285) |
| Inventories                                        | 1,506,026    |
| Trade payables                                     | (1,763,484)  |
|                                                    | <hr/>        |
| Cash generated from operations                     | (10,004,296) |
| Net prior year adjustments                         | 739,315      |
| Taxes paid                                         | 0            |
|                                                    | <hr/>        |
|                                                    | (10,743,611) |
| <hr/>                                              |              |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>     |              |
| Purchase of fixed assets                           | 3,530,599    |
| Sale of fixed assets                               | 0            |
| Purchase of investment                             | 0            |
| Sale of investments                                | 0            |
| Movement in loans                                  | 6,233,963    |
| Interest Income                                    | 0            |
| Dividend Income                                    | 0            |
|                                                    | <hr/>        |
|                                                    | 9,764,562    |
| <hr/>                                              |              |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>     |              |
| Proceeds from Issue of Share Capital net           | 0            |
| Redemption of preference share capital             | 0            |
| Proceeds from long term borrowings                 | 0            |
| Repayment of long term borrowings                  | 0            |
| Short term loans                                   | 0            |
| Dividends paid                                     | 0            |
| Interest paid                                      | 0            |
|                                                    | <hr/>        |
|                                                    | 0            |
| <hr/>                                              |              |
| NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS | (979,049)    |
| OPENING BALANCE OF CASH & CASH EQUIVALENTS         | 1,572,400    |
|                                                    | <hr/>        |
| CLOSING BALANCE OF CASH & CASH EQUIVALENTS         | 593,351      |
|                                                    | <hr/>        |

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

PLACE: HARIDWAR  
DATED: 26.8.2012

[ ANIL KUMAR JAIN ]  
PROPRIETOR

M/S DESH RAKSHAK AUSHDHALAYA LIMITED, KANKHAL, HARIDWAR

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO  
ACCOUNTS FOR THE YEAR 2010-2011**

**1.A. SYSTEM OF ACCOUNTING**

The company follows the mercantile system of accounting and recognises 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 utilisation level.

**2. REVENUE RECOGNITION**

Revenue from the sale of manufacture and traded products are recognised 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. 25549991- work in progress upto last financial year 2009-2010. Rs. 4000000- given advance during the FY 2010-11 (Total balance amount Rs. 21549991- shown under the head of work in progress and pending since a long time for adjustments.

**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                 |

Stores 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. 6493734/- to the different countries.

**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. 172477/- has been shown in the Balance Sheet during the year.
- Provident Fund contributions Rs. 71657/- and ESI Rs. 17308/- are payable as on 31.3.2011.
- 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 profit of Rs. 100102- as per P&L account but during the year after adjustment, the company will pay Income Tax as per separate calculation..

Service Tax 12128, Income Tax Rs. 304698-, VAT UK 7293, VAT UP 52734, CST 92899 and TDS Rs. 107178- 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                             | 280 Tones       |
|    |                    | Kwach                               | 40 Tones        |
|    |                    | Capsules                            | 60 lacs Nos.    |

## 2. PARTICULARS OF OPENING &amp; CLOSING STOCK &amp; SALES

|               |                 |
|---------------|-----------------|
| Opening stock | Rs. 7669850.00  |
| Closing stock | Rs. 6163824.00  |
| Sales         | Rs. 37650831.00 |

**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 item wise details of raw material consumption in quantity has been given.

## 4. TOTAL MANAGERIAL REMUNERATION PAID/PAYABLE DURING THE YEAR

|    |                   |              |
|----|-------------------|--------------|
| a. | Managing Director | Rs. 300000/- |
| b. | Director          | Rs. 300000/- |

5. Fixed Assets include capital work in progress of Rs. 21549991/- paid as advance for Machinery, Building Materials and other equipments, pending for adjustments since since a long time and also the balances have not been confirmed by them.

6. An Unsecured loan of Rs. 6283749- has been taken during the financial year 2010-11



7. The branch office of the company is situated at Muzaffarnagar, UP.
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. 40000/-
10. Extension for sale proceeds of export sales worth US\$ 88609 is valid upto 30.6.1999.
11. Sundry Debtors includes various amounts which are more than 6 months old and no confirmation of the outstanding are available.
12. There are no previous losses in the company, hence Income Tax Rs. 370035- for the FY 2010-11 has to be deposit for which a provision of Rs. 304698- has been shown in the schedule.
14. Previous year figures have been regrouped wherever necessary.

Sd.  
[P.K.JAIN]  
[MG.DIRECTOR]

Sd.  
[T.K.JAIN]  
[DIRECTOR]

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

Sd.  
ANJUL AGARWAL  
COMPANY SECRETARY

Sd.  
[ ANIL KUMAR JAIN ]  
PROPRIETOR  
MEMBERSHIP NO.070253

PLACE: HARIDWAR  
Date: 30.06.2011



**DESHRAKSHAK AUSHDHALAYA LIMITED**

REGD. OFFICE KANKHAL

Haridwar-249408 (Uttarakhand)

**ADMISSION SLIP**

I hereby record my presence at the 30th Annual General Meeting of Members of the company held on 26th September, 2011 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 30th Annual General Meeting of the company to be held on 26th September 2011 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.



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PRINTED MATTER**



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