

# 28th ANNUAL REPORT 2008-2009



**DESHRAKSHAK AUSHDHALAYA LTD.**

28<sup>th</sup> ANNUAL REPORT

देशरक्षक

**DESHRAKSHAK AUSHDHALAYA LTD.****28<sup>th</sup> 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 &amp; Co.

 10, Guru Mandal Ashram,  
 Devpora, Hardwar (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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**28<sup>th</sup> ANNUAL REPORT****देशरक्षक****NOTICE**

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of the company Deshrakshak Aushdhalaya Ltd. Will be held on Tuesday the 29<sup>th</sup> 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 31<sup>st</sup> 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 27<sup>th</sup> day of September 2009 to 29<sup>th</sup> 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.

**28<sup>th</sup> ANNUAL REPORT****देशरक्षक****DIRECTORS' REPORT****TO THE MEMBERS.**

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

**FINANCIAL RESULTS**

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

|  | <b>(Rupees in Lacs)</b> |             |
|--|-------------------------|-------------|
|  | <b>2009</b>             | <b>2008</b> |
| 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:

**28<sup>th</sup> ANNUAL REPORT****देशरक्षक****(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 31<sup>st</sup> 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

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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

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## 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 31<sup>st</sup> 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 <sup>th</sup> April 2008      | 3                               |
| 12 <sup>th</sup> June 2008      | 3                               |
| 24 <sup>th</sup> July 2008      | 3                               |
| 5 <sup>th</sup> September 2008  | 3                               |
| 27 <sup>th</sup> September 2008 | 5                               |
| 10 <sup>th</sup> October 2008   | 5                               |
| 2 <sup>nd</sup> February 2009   | 5                               |

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## 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 20<sup>th</sup> May 2008, 25<sup>th</sup> July 2008, 20<sup>th</sup> October 2008 and 12<sup>th</sup> 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.