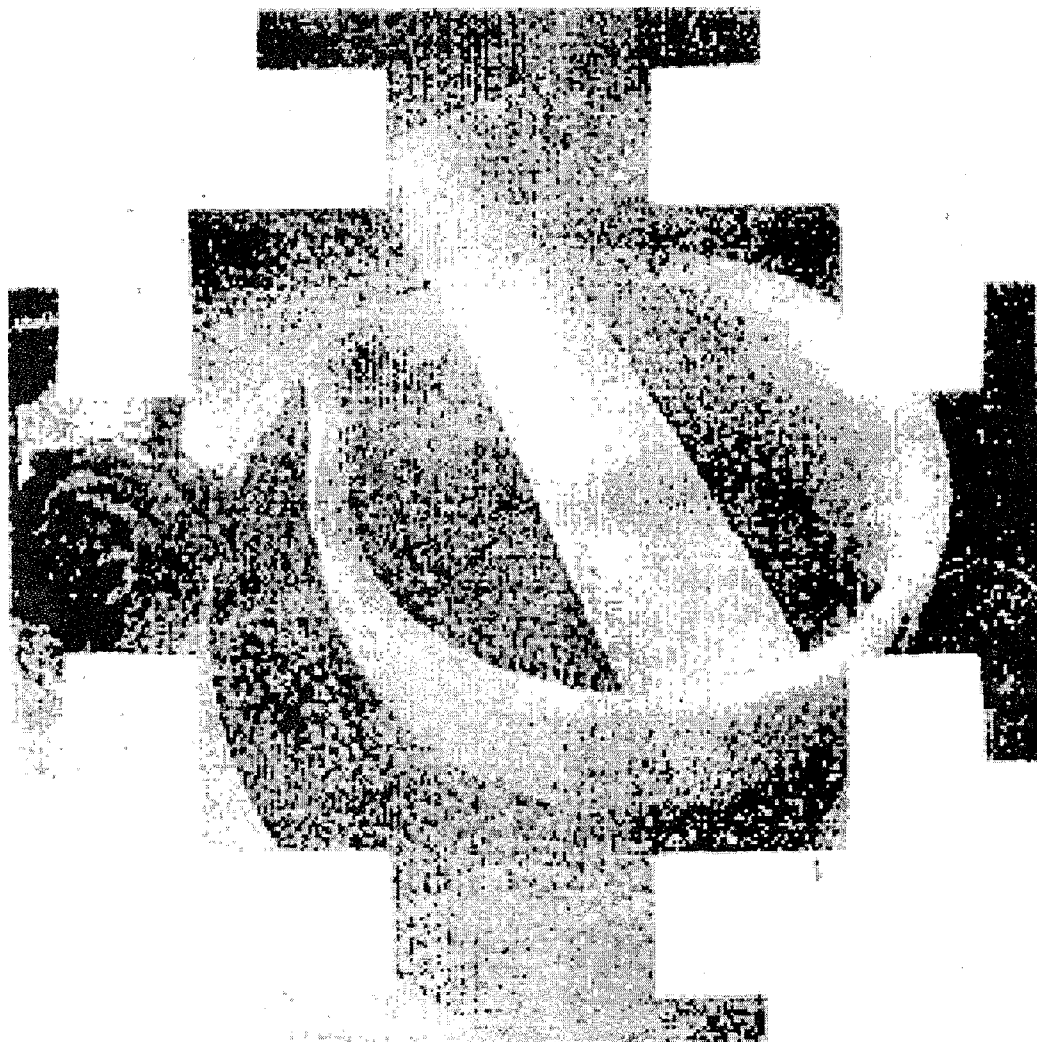


29th ANNUAL REPORT

2009-2010



देशरक्षक

DESHRAKSHAK AUSHDHALAYA LTD.

DESHRAKSHAK AUSHDHALAYA LTD.**XXIXth (29th) ANNUAL GENERAL MEETING****29th ANNUAL GENERAL MEETING**

Date : 29th September-2010
 Day : Wednesday
 Time : 4:00 P.M.
 Venue : Registered Office
 Kankhal, Haridwar
 Uttarakhand-249 408

CONTENTS**PAGE No.**

Notice of Annual General Meeting	1-5
Director's Report	6-9
Auditor's Certificate on Corporate Governance	10
Management Discussion & Analysis	11-21
Corporate Governance Report	
Auditor's Report on Financial Statements	22-23
Annexure to Auditor's Report	24-26
Balance Sheet	27
Profit & Loss Account	28
Schedules and Notes	29-33
Cash flow statement	34
Notes to the account	35-38
Balance sheet Abstract	39
Attendance Slip and Proxy Form	40

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)**Anjul Agarwal** (Company Secretary)**AUDITORS**

M/s Anil Jain & Co.

10, Guru Mandal Ashram, Devpura
Hardwar (Uttaranchal)**BANKERS**

State Bank Of India

Punjab National Bank

REGISTRAR & TRANSFER AGENT

M/s Mas Services Limited

T-34, IInd Floor, Okhla Phase-II
New Delhi**INVESTOR HELPDESK**

01334-243833, 245877, 245866

E-mail: dral95@yahoo.com

NOTICE

Notice is hereby given that the 29th Annual General Meeting of the members of the company Deshrakshak Aushdhalaya Limited Will be held on Wednesday the 29th day of September 2010 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. 2010 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. Sudesh Jain who retires by rotation and being eligible offers herself for re-appointment.
3. To Appoint Auditors and fix their remuneration and in connection therewith to pass, with without modifications, the following resolution:

"RESOLVED THAT pursuant to the provisions of Section 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 Special Resolution.

"RESOLVED THAT, pursuant to provisions of section-31 and other applicable provisions of the Companies Act, 1956, if any, the existing Articles of Association of the Company containing total Articles 1 To 79 be and are hereby Substituted by a new set of Article of Association containing Articles 1 To 173 a draft copy of which has been initialed by the Chairman and made available for inspection by the shareholders at the Registered Office of the Company, be and are hereby approved and adopted as the Articles of Association of the Company in substitution for and to the inclusion of all the Articles hereof."

5. To consider and, 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 in respect of whom a notice in writing has been received by the Company proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as Independent Director liable to retire by rotation."

"FURTHER RESOLVED THAT Mr. Ramesh Chandra Sharma, will provide his Expertise Knowledge in his Professional Capacity.

6. To consider and, 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, Ms. Ruchi Dawar in respect of whom a notice in writing has been received by the Company proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as Independent Director liable to retire by rotation."

"FURTHER RESOLVED THAT Ms. Ruchi Dawar, will provide her expertise in her professional capacity."

7. To consider and, 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. Sachin Agarwal in respect of whom a notice in writing has been received by the Company proposing his candidature for the office of Director under section 257 of the Companies Act, 1956, be and is hereby appointed as Independent Director liable to retire by rotation."

"FURTHER RESOLVED THAT Mr. Sachin Agarwal, will provide his expertise in his Professional Capacity."

PLACE: Haridwar
DATE: 02.09.2010

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

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 22nd day of September 2010 to 29th September 2010 (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. 4,5,6,7 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

Company was incorporated on 14th Day of September 1981, and originally Articles were adopted in the year 1981. The company has amended its articles at the conversion of the company from private limited to public limited before its first public issue of equity shares in the year 1995. The Directors are of the view that Articles should be in accordance the latest changes under the provisions of SEBI guidelines and time to time amended provisions of the Companies Act, 1956. The Board of Directors of the company has considered that it would be appropriate for the Company to adopt a new set of Articles.

Pursuant to the provisions of Section 31 of the Companies Act, 1956 alteration of Articles of Association of the company requires approval of the members of the Company by way of passing a Special Resolution to that effect.

A copy of new sets of Articles of Association is available for inspection at the registered office of the Company on any working day during business hours.

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

Pursuant to Item No. 5

Mr. R C Sharma, aged about 43 years, is Fellow Member of Institute of Company Secretaries of India (FCS) and Commerce Graduate (B.Com) having an experience of more than 15 years in Corporate Laws, Tax Laws, Foreign Exchange Laws, Intellectual Property Laws, Legal Consultancy, Project Financing and Managing Public Issues. He has notched up much success during his career over 15 years, spanning diverse industries such as Ayurvedic Pharmaceuticals, Food Processing, Dairy Industries and Import and Export of precious and non precious metals. He has a meritorious track record and experience of consulting various units.

To comply with the Clause 49 of the Listing Agreement of BSE, with regard to composition of Board of Directors, Mr. R C Sharma has been appointed by the Board as an Independent director w.e.f. 18.08.2010 to fill Casual Vacancy. His tenure is concluding at the commencement of the forth coming annual general meeting and being eligible offers himself for re-appointment.

The Board recommends the resolution for approval of shareholders.

None of the other Directors are interested or concerned in the proposed resolution.

Pursuant to Item No. 6

Mr. Ruchi Dawar aged about 26 years, is Associate Member of Institute of Company Secretaries of India (ACS) and holds a Master Degree in Business administration besides a Commerce Graduate (B.Com) having an experience in Corporate Laws, Tax Laws, Foreign Exchange Laws, Intellectual Property Laws.

To comply with the Clause 49 of the Listing Agreement of BSE, with regard to composition of Board of Directors, Ms. Ruchi Dawar has been appointed by the Board as an Independent director w.e.f. 18.08.2010 to fill Casual Vacancy. Her tenure is concluding at the commencement of the forth coming annual general meeting and being eligible offers herself for re-appointment.

The Board recommends the resolution for approval of shareholders.

None of the other Directors are interested or concerned in the proposed resolution.

Pursuant to Item No. 7

Mr. Sachin Agarwal, aged about 32 years, is Associate Member of Institute of Chartered Accountants of India and Commerce Graduate (B.Com) having an experience in the field of Tax

Laws, Project Financing and have expertise knowledge in the field of Accounting and Financial Management.

To comply with the Clause 49 of the Listing Agreement of BSE, with regard to composition of Board of Directors, Mr. Sachin Agarwal has been appointed by the Board as an Independent director w.e.f. 18.08.2010 to fill Casual Vacancy. His tenure is concluding at the commencement of the forth coming annual general meeting and being eligible offers himself for re-appointment.

The Board recommends the resolution for approval of shareholders.

None of the other Directors are interested or concerned in the proposed resolution.

PLACE: Haridwar
DATE: 02.09.2010
Limited

For And On Behalf of the Board
For Desh Rakshak Aushdhalaya

Sd/
(Paras Kumar Jain)
Chairman Cum Managing Director

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors feel pleasure in presenting the 29th Annual Report on the business and operations of the Company together with the Audited Statement of accounts for the year ended 31st March, 2010.

FINANCIAL RESULTS

The Highlights of financial Results of your Company for the year ended 31.03.2010 are:

	(Amount in Rs.)	
	2010	2009
Sales	37,368,854	28,587,553
Other Income	4,004,036	-
Total Receipts	41,372,890	28,587,553
Profit/ Loss before Dep. Financial Charges & Tax	5,013,013	3,351,707
Interest and Financial Charges	1,320,387	870,799
Depreciation	1,705,376	1,708,476
Profit/ Loss before Tax	1,987,251	772,432
Provision for Tax	0	0
Profit/ Loss after Tax	1,987,251	772,432

REVIEW OF OPERATIONS

During the year under review, the turnover of the Company grew to Rs. 12,785,337 representing an overall increase of 30.90% in comparison with the last year and the profit after tax of the company increased to Rs. 1,214,819 constituting 157.27% over the last year's profit due to other factors. Despite high inflationary and cost pressures throughout the year, company capitalized on every available opportunity and undertook strategic initiatives to exploit the full industry potential. The company made all possible efforts towards cost reduction and improve the efficiency which enable the company to grow at satisfactory level. The company with the combination of traditional Ayurvedic Science and adoption of modern manufacturing technology, achieving growth of 30.90% in terms of turnover.

DIVIDEND

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

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.

FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year

DIRECTORS

Smt. Sudesh Jain, Director of the Company, retire by rotation and being eligible, offer herself for reappointment.

Mr. C B Gupta and Mr. Amit Singh were appointed as independent director of the company during the year and resigned on 18.08.2010.

Further Board places on record its great appreciation of contribution made by Mr. C B Gupta and Mr. Amit Singh in the progress of the Company during their tenure as Independent Director of the Company.

Pursuant to the provisions of Clause 49 of the Listing Agreement and to fill casual vacancy caused due to resignation of Mr. C B Gupta and Mr. Amit Singh, the Board appointed Mr. R C Sharma, Ms Ruchi dawar and Mr. Sachin Agarwal as independent directors.

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 2010, 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 measurement 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.

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.

PERSONNEL

There is no employee drawing remuneration above the limits set U/s 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 1,403,910

(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. 2,852,785

Out Go NIL