

# **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)

### **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

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## 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 for 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.