

AUDITOR'S REPORT

To,
The Members,
M/s Desh Rakshak Aushdhalaya Limited.
HARIDWAR

Gentlemen,

We have audited the attached Balance Sheet of M/s DESH RAKSHAK AUSHDHALAYA LIMITED, HARIDWAR as at 31st March 2013 and the relative manufacturing, Trading, Profit & Loss Account & Cash & Fund Flow Statement for the year ended on 31.3.2013 annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the companies (Auditor's report) order 2003, issued by the Central Govt. of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 we enclose in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order.

Further to our comments in the Annexure referred to above, we report that;

- (i) We have obtained all the information and explanations which is to the best of our knowledge and belief were necessary for the purpose of our audit.
- (ii) In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of those books.
- (iii) The Balance Sheet and , Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- (iv) In our opinion, the Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.



(v) On the basis of written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Director is disqualified as on March 31, 2013 from being appointed as Director in term of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

(vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and other notes thereon give the information's required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

a. In the case of Balance Sheet of the state of affairs of the company as at 31st March 2013.

b. In the case of Statement of Profit & Loss account of the profit for the year ended 31.3.2013.

c. In the case of the cash flow statement, of the cash flow for the year ended on that date.



PLACE: HARIDWAR
DATED: 27.5.2013

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


[ANIL KUMAR JAIN]

PROPRIETOR
MEMBERSHIP NO.070253
PAN NO. ACDPJ936IN

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 not taken the Unsecured loans covered in the register maintained under section 301 of the Companies Act, 1956 & have the Secured loans of Banks & one another party. The maximum amount involved during the year aggregating to Rs. 51.76 lacs at the beginning of the year and the year end balance of loans taken from such parties was Rs. 92.77 lacs approx. The Company has not 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 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, 2013 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 only and nothing has been invested in securities and debentures.

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 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.

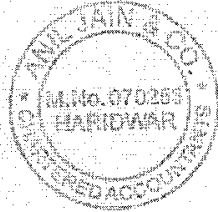


19.The company has not created securities in respect of debentures issued.

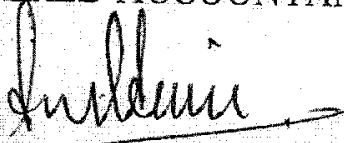
20.The Company has not raised any money by way of public issue during the year.

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.



PLACE: HARDWAR
DATED: 27.5.2013


(ANIL KUMAR JAIN)
PROPRIETOR
MEMBERSHIP NO.070253

FORM NO. 3CD

[See rule 6G(2)]

Statement of particulars required to be furnished under Section 44AB of the Income Tax Act, 1961**PART A**

- | | | |
|----|--------------------------|-----------------------------------|
| 1. | Name of the assessee | DESH RAKSHAK AUSHDHALAYA LIMITED. |
| 2. | Address | KANKHAL, HARIDWAR 249408 |
| 3. | Permanent Account Number | AAACD 7807-M |
| 4. | Status | PUBLIC LTD.CO. |
| 5. | Previous year ended | 31.3.2013 |
| 6. | Assessment year | 2013-2014 |

PART B

- | | | |
|------|---|--|
| 7.a. | If firm or Association of persons, indicate names of partners/members and their profit sharing ratios. | SH. T.K.JAIN, MANAGING DIRECTOR
SMT.MONIKA JAIN, DIRECTOR
SMT.SUDESH JAIN DIRECTOR |
| b. | If there is any change in the partners/members or their profit-sharing ratios, the particulars of such change. | NO CHANGE |
| 8.a. | Nature of business or profession. | MFG.& TRADING OF AYURVEDIC. MEDICINES. |
| b. | If there is any change in the nature of business or profession, the particulars of such change. | NO CHANGE |
| 9.a. | Whether books of account are prescribed under section 44AA, if yes, list of books so prescribed. | YES |
| b. | Books of account maintained.
(In case books of account are maintained in a computer system, mention the books of account generated by such computer system.) | CASH BOOK, LEDGER, JOURNAL
PURCHASE & SALES BILLS
VOUCHERS ETC. |
| c. | List of books of account examined. | ALL AS ABOVE |



10. Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB or any other relevant section.) NO
- 11.a. Method of accounting employed in the previous year. MERCANTILE SYSTEM
- b. Whether there has been any change in the method of accounting employed vis-a-vis the method employed in the immediately preceding previous year. NO CHANGE
- c. If answer to [b] above is in the affirmative, give details of such change, and the effect thereof on the profit or loss. NOT APPLICABLE
- d. Details of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed under section 145 and the effect thereof on the profit or loss. THERE IS NO DEVIATION
- 12.a. Method of valuation of closing stock employed in the previous year. COST PRICE
- B. Details of deviation, if any, from the method of valuation prescribed under section 145A, and the effect thereof on the profit or loss. THERE IS NO DEVIATION.
- 12A. Give the following particulars of the capital assets converted into stock-in-trade. NO SUCH AMOUNT.
- a. Description of capital assets
b. Date of acquisition
c. Cost of acquisition
d. Amount at which the assets is



converted into stock in trade.

13. Amounts not credited to the profit and loss account, being -
- a. The items falling within the scope of section 28, NO SUCH AMOUNT
 - b. The proforma credits, drawback, refund of duty of customs or excise, or refund of sales tax, where such credits, drawbacks or refunds are admitted as due by the authorities concerned. NIL
 - c. Escalation claims accepted during the previous years. NIL
 - d. Any other item of income NIL
 - e. Capital receipt, if any. NIL
14. Particulars of depreciation allowable as per the Income tax Act, 1961 in respect of each asset or block of assets, as the case may be in the following form -
- a. Description of asset/block of assets.
 - b. Rate of depreciation. AS PER DEP.SCHEDULE
 - c. Actual cost or written down value, as the case may be. AS PER DEP.SCHEDULE
 - d. Additions/deductions during the year with dates, in the case of any addition of an asset, date put to use, including adjustment on account of - AS PER SCHEDULE.
 - i. Modified value added tax credit claimed and allowed under the Central Excise Rules, 1944 in respect of asset acquired on or after 1st March, 1994 N.A.
 - ii. Change in rate of exchange of currency, and N.A.



- | | | |
|-------|---|---|
| iii. | Subsidy or grant or reimbursement, by whatever name called. | N.A. |
| e. | Depreciation allowable | AS PER DEP. |
| f. | Written down value at the end of the year. | SCHEDULE. |
| 15. | Amounts admissible under sections 33AB, 33ABA, 33AC, 35, 35ABB, 35AC, 35CCA, 35CCB, 35D, 35DD, 35DDA, 35E | N.A. |
| a. | Debited to the profit and loss account [showing the amount debited and deduction allowable under each section separately]. | NIL |
| b. | Not debited to the profit and loss account. | NIL |
| 16.a. | Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend [Section 36 (1) (ii).] | NIL |
| b. | Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in section 2 (24) (x); and due date for payment and the actual date of payment to the concerned authorities under section 36 (1) (va). | PROVIDENT FUND RS.149672-
FOR FEB.& MARCH 13
HAS TO BE DEPOSIT. |
| 17. | Amounts debited to the profit and loss account, being- | |
| a. | Expenditure of capital nature | NIL |
| b. | Expenditure of personal nature | NIL |
| c. | Expenditure on advertisement if any souvenir, brochure, tract, pamphlet or the like, published by a political party. | NIL |
| d. | Expenditure incurred at clubs- | |

