

**DAIRYFIELD LIMITED**



**Annual Report 2004 - 2005**

# **DAIRYFIELD LIMITED**



**13TH ANNUAL REPORT  
2004 - 2005**



# **DAIRYFIELD LIMITED**

## **BOARD OF DIRECTORS**

MR. NAND KUMAR GOSWAMI - CHAIRMAN  
MR. ASHOK KUMAR GOSWAMI - DIRECTOR  
MR. KISHORE KUMAR GOSWAMI - DIRECTOR  
MR. ANUPKUMAR GOSWAMI - DIRECTOR

## **AUDITORS**

JATIN PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS,  
AHMEDABAD.

## **REGISTERED OFFICE**

21, 2nd FLOOR, NATIONAL CHAMBERS,  
ASHRAM ROAD, AHMEDABAD-380009.

## **BANKERS**

I.D.B.I. BANK  
INDIAN BANK

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**DAIRYFIELD LIMITED****Notice**

Notice is hereby given that the Thirteenth Annual General Meeting of DAIRYFIELD LIMITED shall be held on Friday, 30th September, 2005 at 10:00 a.m. at the Registered office of the Company at 21, 2nd Floor, National Chambers, Ashram Road, Ahmedabad:- 380 009 to transact the following business:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2005 and the Profit & Loss Account for the year ended on that date, together with the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Shri Nandkumar Goswami, who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and to fix their remuneration.

By Order of the Board of Directors

For **DAIRYFIELD LIMITED****K. K. GOSWAMI**  
**DIRECTOR****PLACE: AHMEDABAD.****DATE : 31.08.2005**

Notes:

1. **MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.**
2. A proxy should be lodged with the Company not less than 48 hours before the scheduled commencement of the meeting.

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**DAIRYFIELD LIMITED****DIRECTORS' REPORT**

To  
The Members of  
**DAIRYFIELD LIMITED**

Gentlemen,

The Board of Directors present herewith the 13th Annual Report along with Audited Accounts and Report of the Auditors thereon for the year ended on 31st March 2005.

**FINANCIAL RESULTS**

<b>PARTICULARS</b>	<b>Year ended 31/03/2005 Amount Rs.</b>	<b>Year ended 31/03/2004 Amount Rs.</b>
Total Income	12000	68055
Total Expenditure	3503575	2928935
Loss before Tax	(3491575)	(2860880)
Less : Provision for Taxes	NIL	NIL
Less : Deferred tax	NIL	NIL
Loss after tax	(3491575)	(2860880)
Add: Balance B/F from last year	(104095046)	(101234166)
Balance Transferred to Balance Sheet	(107586621)	(104095046)

**OPERATIONS**

During the year the company could not carryout any commercial operations due to adverse market conditions and shortage of working capital. Your directors are exploring various alternatives and are hopeful of starting commercial operations in the next year.

**DIVIDEND**

In view of the accumulated losses, your directors do not propose dividend for the year 2004-05.

**DIRECTORS**

Shri Nandkumar Goswami, Director of the company retires by rotation at the ensuing Annual General Meeting of the company and being eligible offers himself for reappointment. Your directors recommend the resolution.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO**

The particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo, pursuant to Section 217(1)(e) of the Companies Act, 1956 are **nil**.

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**EMPLOYEES**

There is no employee who is in receipt of remuneration exceeding the limits specified under the Rules pursuant to the provisions of Section 217 (2A) of the Companies Act, 1956.

**DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217(2AA) OF THE COMPANIES ACT, 1956.**

The Directors hereby confirm :-

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) that the directors had 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 or loss of the Company for that period;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors had prepared the annual accounts on a going concern basis, even though the company is passing through bad times and has huge accumulated losses.

**AUDITORS**

Jatin Parikh & Associates, Chartered Accountants, hold the office as Auditors until the conclusion of the ensuing Annual General Meeting and are recommended for re- appointment. The Company has received certificate from the said auditors to the effect that their re-appointment, if made, would be within the prescribed limits u/s 224(1 B) of the Companies Act, 1956. Auditors' remarks are self explanatory.

**CORPORATE GOVERNANCE REPORT**

A separate report on corporate governance is attached herewith which may be considered as a part of Directors' Report.

**MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

A separate report on "management discussions and analysis" is attached herewith which may be considered as a part of Directors' Report.

**ACKNOWLEDGMENTS**

The Board of Directors place on record their appreciation for co- operation received from various parties and authorities during the year under review.

For and on behalf of the Board of Directors  
**DAIRYFIELD LIMITED**

Place: Ahmedabad  
Date : 31/08/2005

**A. K. GOSWAMI**  
DIRECTOR

**K. K. GOSWAMI**  
DIRECTOR

**DAIRYFIELD LIMITED**



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**JATIN PARIKH & ASSOCIATES  
CHARTERED ACCOUNTANTS**

B-705, 7<sup>th</sup> FLOOR, NIRMAN COMPLEX,  
OPP HAVMOR RESTAURANT,  
NAVRANGPURA,  
AHMEDABAD-380 009.  
PHONE : 26563949 TELE FAX 26569093  
E-mail : [jvparikh@yahoo.com](mailto:jvparikh@yahoo.com)

**AUDITORS' REPORT**

TO  
THE MEMBERS OF :  
**DAIRYFIELD LIMITED**

1. We have audited the attached Balance Sheet of DAIRYFIELD LIMITED as at 31st March, 2005 and the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date. These financial statements are the responsibility of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Central Government of India in terms of subsection (4A) of section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 & 5 of the said order.
4. Further to our comments in the Annexure referred to in Para 3 above we report that:
  - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of such books.

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- c. The Balance Sheet and Profit and Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
- d. In our opinion, the Balance Sheet and Profit and Loss Account and the Cash Flow Statement comply with the accounting standards referred in to Sub Section (3C) of Section 211 of the Companies Act, 1956 except Accounting Standard - 28 regarding provision of Impairment losses to be made as per note no. 22.
- e. On the basis of written representations received from the directors of the company and taken on record by the board of directors, we report that no director is disqualified as at March 31, 2005 from being appointed as director of the company under clause (g) of sub section (1) of Section 274 of the Companies Act, 1956.
- f. In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account subject to Note No.9 regarding non-provision of certain expenses which vitiates principle of accrual system of accounting and Note-4 not providing for the doubtful debts and read together with the notes thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principle generally accepted in India except to the extent of;
  - i. in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2005,
  - ii. in so far as it relates to the Profit and Loss Account, of the loss for the year ended on that date and
  - iii. in the case of Cash Flow Statement, of the cash flow for the year ended on that date.

**FOR JATIN PARIKH & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**

**Place : Ahmedabad.**  
**Date : 31/08/2005**

**Sd/-**  
**JATIN PARIKH**  
**PROPRIETOR**  
**MEMBERSHIP NO. 33811**



## **ANNEXURE TO THE AUDITORS' REPORT**

**TO  
THE MEMBERS OF  
DAIRYFIELD LIMITED.**

Referred to in paragraph (3) of our Report of even date

- (i) (a) The Company has not maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification' which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As the company is not maintaining the records showing full particulars of Fixed Assets we cannot comment on the identification of discrepancies on physical verification and its materiality.
- (c) As no Fixed Assets have been disposed off during the year the question of its effect on the Going Concern status of the Company does not arise.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. During the year there was no manufacturing activity. The company is carrying forward the stock of packing material and other materials. The said stock has been verified.
- (b) 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 is not maintaining proper records of inventory. As proper records are not maintained we can not comment on the identification of discrepancies and its materiality.
- (iii) (a) There are three Companies covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted unsecured, interest free loan. The maximum amount involved during the year was Rs. 20,70,200/-and the year end balance of loan granted to such Company was Rs. 20,70,200/-.

There are three Firms covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted unsecured, interest free loan. The maximum amount involved during the year was Rs. 4065890/- and the year-end balance of loan granted to such Company was Rs. 4065890/-.





There are two directors covered in the register maintained under section 301 of the Companies Act, 1956 to which the Company has granted unsecured, interest free loan. The maximum amount involved during the year was Rs. 150000/- and the year-end balance of loan granted to such directors was Rs. NIL.

- (b) In our opinion, the rate of interest and other terms and conditions on which loan has been granted to a companies, firms & other parties listed in the register maintained under section 301 of the Companies Act, 1956 are, prima-facie, prejudicial to the interest of the Company, as they are interest free and unsecured.
- (c) As the loans granted by the company are interest free and on demand, the question of timely repayment of interest and loan does not arise.
- (d) There are no over due amounts of loans granted to the companies, firms & other parties listed in the register maintained under section 301 of the Companies Act, 1956.
- (e) The company had taken unsecured, interest free loans from two other companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 62000/- and the year-end balance of loans taken from such parties was Rs.62000/-.

The company had taken an unsecured loan from ten other parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 10790000/- and the year-end balances of loan taken from such other parties were Rs. 10790000/-.

- (f) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from Companies listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima-facie, prejudicial to the interest of the Company as the said loans are interest free and repayable on demand.
- (g) There is no overdue amount in case of loans taken by the company, as the loans are repayable on demand and interest free.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system 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 & services. During the course of our audit, we have not observed any continuing failure to correct major weakness in the internal control system.

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- (v) (a) According to the information and explanations given to us, we are of the opinion that during the year there were no contracts or arrangements that needed to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) In our opinion and according to the information and explanations given to us there were no transactions made in pursuance of such contracts/ arrangement.
- (vi) The company has complied with provisions of section 58A & 58AA of the Companies Act, 1956 with regard to acceptance of deposit from the public except that it has accepted deposits in excess of statutory limits specified, it has not filed the return of deposit and statement in lieu of advertisement with the registrar of companies and has not maintained the necessary liquid assets. According to the information & explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits.
- (vii) In our opinion, the Company does not have an internal audit system, commensurate with the size and nature of its business.
- (viii) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of subsection (1) of section 209 of the Companies Act, 1956 in respect of services carried out by the Company. Accordingly, the provisions of clause 4(viii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (a) As explained to us, during the year there were no undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues. Hence, the question of their payment within a period of six months from their becoming payable does not arise except Sales Tax and Tax Deducted at Source The Company has not paid Sales Tax of Rs. 11627/-, and Tax Deducted at Source of Rs. 556945/-, which are outstanding for more than six months from that they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax , Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited on account of any dispute. The company is in appeal for the disputed dues of Income Tax, Sales Tax and Provident Fund Contribution. The details of which are as follows.