

DAIRYFIELD LIMITED

18th ANNUAL REPORT
2009-2010

DAIRYFIELD LIMITED

BOARD OF DIRECTORS

| | |
|-------------------------------|------------|
| SHRI ASHOK KUMAR GOSWAMI | - CHAIRMAN |
| SHRI KISHORE KUMAR GOSWAMI | - DIRECTOR |
| SHRI ANUP KUMAR GOSWAMI | - DIRECTOR |
| SHRI KAMAL K. GAJJAR | - DIRECTOR |
| SHRI RAKESH SINH RAGHUVANSINH | - DIRECTOR |
| SHRI MUKUNDRAI P. VADHER | - DIRECTOR |

AUDITORS

J.M.PARIKH & ASSOCIATES
CHARTERED ACCOUNTANTS
B-705, 7TH FLOOR, NIRMAN COMPLEX
OPP. HAVMOR RESTAURANT,
NAVRANGPURA, AHMEDABAD – 380 009.

REGISTERED OFFICE

21, NATIONAL CHAMBERS, 2ND FLOOR,
ASHRAM ROAD, AHMEDABAD-380009

BANKERS

I.D.B.I. BANK
INDIAN BANK

SHARE TRANSFER AGENT

SYSTEM SUPPORT SERVICES
209, SHIVANI IND. ESTATE,
89 ANDHERI KURLA ROAD, SAKINAKA
MUMBAI – 400072.

DAIRYFIELD LIMITED

NOTICE

NOTICE is hereby given that EIGHTEENTH ANNUAL GENERAL MEETING of the members of DAIRYFIELD LIMITED will be held on Wednesday, 30th June, 2010 at 11.00 A.M at the Registered office of the company at 21, 2ND FLOOR, National Chamber, 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, 2010 and Profit & Loss A/c. of the company for the year on that date together with the Auditors' and Director's Report thereon.
2. To appoint a Director in place of Shri Ashokkumar Goswami who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Kamal K.Gajjar Goswami who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and to fix their remuneration.

By Order of the Board of Directors
For DAIRYFIELD LIMITED

Place: Ahmedabad
Date: 28/05/2010

K. K. GOSWAMI
Director

NOTES:

- (A) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE, SHOULD LODGE THE PROXY FORM AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FOURTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (B) The Register of Members and the Share Transfer Book of the Company will remain closed from 25th June, 2010 to 30th June, 2010
- (c) Members are requested to kindly notify the Company of any change in their addresses so as to enable the Company to address future communication to their correct addresses.

Brief Resume of Directors proposed to be reappointed.
(in term of Clause 4 of the listing Agreement)

| | | |
|------|--------------------|--------------|
| | | |
| Name | Ashokkumar Goswami | Kamal Gajjar |
| Age | 58 | 50 |

| | | |
|--|---|------------|
| Date of Birth | 23.11.1952 | 08.03.1960 |
| Education Qualification | B.Com | Architect |
| Experience | 35 years | 30 years |
| Other Directorships in Companies | Oasis Investment Pvt. Ltd. Suvidha Rasayan Pvt. Ltd. Vishal Capital Trust Pvt. Ltd. | |
| Names of committees of other companies in which the director is a member | Nil | Nil |
| No. of shares held in the company | 95440 | Nil |

DAIRYFIELD LIMITED

DIRECTORS' REPORT

To
The Members of
DAIRYFIELD LIMITED

Gentlemen,

The Board of Directors present herewith the Eighteenth Annual Report along with Audited Accounts and Report of the Auditors thereon for the year ended on 31st March 2010.

FINANCIAL RESULTS

| PARTICULARS | YEAR ENDED 31/03/2010 AMT. RS. | YEAR ENDED 31/03/2009 AMT. RS. |
|---|--------------------------------------|--------------------------------------|
| Total Income | 745278 | 1002128 |
| Total Expenditure | 1144260 | 1800353 |
| Net Profit / (Loss) Before Tax | (398982) | (798225) |
| Provision for Taxation | Nil | Nil |
| Short Provision Of Income Tax | (66952) | Nil |
| Profit / (Loss) After Tax | (465934) | (798225) |
| Loss Brought Forward From Previous Year | (92937914) | (92139689) |
| Balance Transferred to Balance Sheet | (93403848) | (92937914) |

OPERATIONS

As you are aware, your company was formed for the purpose of carrying out dairy business. However, the same business incurred a lot of losses and therefore your director decided to close down the said business. Your directors are evaluating various other business offers and shall inform you about the next line of business. Although, the company is not carrying out any business presently the accounts of the company are prepared on going concern basis .

DIVIDEND

In view of the accumulated losses, your directors do not propose dividend for the year 2009-10.

DEPOSITS

There are no deposits which have been matured and claimed by the party but has remained unpaid on the Balance Sheet date.

DIRECTORS

Shri Ashokkumar Goswami and Shri Kamal Gajjar Goswami, Directors of the company retire by rotation at the ensuing Annual General Meeting of the company and being eligible offers themselves for reappointment. Your directors commend 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.

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 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 and has stopped production.

AUDITORS

M/s J.M. Parikh & Associates, Chartered Accountants, Ahmedabad hold the office as Auditors until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. 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(1B) 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 its staff, bankers, various parties and authorities during the year under review.

For and on behalf of the Board of Directors
DAIRYFIELD LIMITED

Place: Ahmedabad.
Date: 28/05/2010

A. K. GOSWAMI
CHAIRMAN

CORPORATE GOVERNANCE: -

REPORT OF CORPORATE GOVERNANCE

(Pursuant to clause no. 49 of the listing agreement)

The Report of Corporate Governance is given below: -

(1) Company's philosophy on Code of Governance: -

Your Company's philosophy on the Code of Governance envisages the enhancement of the long term economic value of the company, its shareholders and all its stakeholders by adopting better corporate practices with highest levels of transparency, accountability and equity in all phases of its operations.

(2) Board of Directors: -

The Board of your company at present consists of Six (6) directors. Your company has an optimum combination of Executive and Non-Executive directors with not less than fifty percent of the Board of Directors comprising of Non-Executive and independent directors. Such Non-Executive directors are independent directors. None of the directors is director in any other Public Limited Company. All the members of the Board are eminent persons with expertise and extensive experience in different field and have made outstanding contribution to the Company. During the financial year 2009 – 2010 meeting of the Board were held at least once in each quarter inter- alia to review the quarterly performance and to take on record the financial results. During the year the Board of Director of the Company have held 5 (Five) meetings on 24-04-09, 30-07-09, 31-08-09, 14-10-09 and 07-01-10. A detailed agenda was sent to each director in advance of each meeting. The details of Board Meetings attended by each director are as under:-

The detailed composition of the Board and other related information is given below: -

| Sr. no. | Name of Director No. | Category of Directorship | No of Board Meeting attended | Last AGM attended | No. of other Directorship in Public Ltd. Co. |
|---------|------------------------------|--------------------------|------------------------------|-------------------|--|
| 1. | Ashokkumar Goswami | Director \$ | 5 | YES | NIL |
| 2. | Kishorkumar Goswami | Director \$ | 5 | YES | NIL |
| 3. | Anupkumar Goswami | Director \$ | 5 | YES | NIL |
| 4. | Kamal K. Gajjar | Director | 4 | YES | NIL |
| 5. | Rakesh singh Raghuvanshsingh | Director | 5 | YES | NIL |
| 6. | Mukundrai P Vadher | Director | 4 | YES | NIL |

\$ Indicates Promoter Director.

CODE OF CONDUCT: -

The Board of Directors of the Company adopted a code of conduct but the same has not been posted on company's website since the company does not have any website.

(3) Details of Directors seeking re-appointment at the ensuing AGM: -

Shri. Mukundrai P. Vadher, Director and Shri. Rakesh singh, Independent director retire by rotation and are seeking re-appointment.

(4) Audit Committee: -

During the year under review the following directors were members of audit committee: -

| Name | Category | Status in the Committee | Out of 5 meeting Attended |
|---------------------|----------------------|-------------------------|------------------------------|
| Kishorkumar Goswami | Promoter Director | Chanirman | 5 |
| Kamal K. Gajjar | Independent Director | Member | 4 |
| Mukundrai Vadher | Independent Director | Member | 5 |

The term of reference and powers of the Audit Committee are as per clause 49 of the Listing Agreement and also as per new section 292 A of the Companies Act, 1956. The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchange. These includes review of accounting and financial policies and procedures, disclosure of financial/ risk management policies, review of quarterly & annual financial statements ensuring compliance with regulatory guidelines before submission to the Board of Directors, Review of the adequacy of Internal Control Systems and discuss significant internal audit findings including internal control weaknesses, recommend appointment, removal of external auditors & payment of fees to them, Management Discussion & Analysis of financial condition & results of operation, review of Statement of significant related party transaction, Review areas of Internal control system. The Five Meetings of the Audit Committee was held on 24th April,2009, 30th July 2009, 31st August 2009, 14th October,2009 and 7th January,2010. The Statutory Auditors have also attended three Audit Committee meeting. The minutes of the Audit Committee meeting were circulated to the Board, discussed and taken note of. same.

5) Remuneration Committee:

Since no remuneration has been paid to any of the directors. The Committee for remuneration has not been formed.

6) Remuneration to Non executive Director:-

Non-executive director of the company are not paid any remuneration or sitting fees for attending Board/committee meeting.

7) Shareholders / Investor's Grievance Committee: -

During the year under review, the following directors were the members of the Shareholder's / Investor's Grievance Committee

| Name | Category | Status in the Committee | Out of 5 meeting Attended |
|--------------------|----------------------|-------------------------|------------------------------|
| Rakeshsingh | Independent Director | Chairman | 4 |
| Raghuvanshsing | | | |
| Kamal K. Gajjar | Independent Director | Member | 3 |
| Ashokkumar Goswami | Promoter Director | Member | 4 |

During the financial year 2009 –2010, Meetings of the shareholder's / Investor's Grievance Committee were held on once in every quarter from the period 1-4-2009 to 31-3-2010 and all the meetings have been attended by all members of the committee. Mr. Rakeshsingh Raghuvanshsingh appointed as chairman of company from 1st February 2007, Mr. Ashokkumar Goswami / Kishore Goswami have been authorized to approve transfer of shares.

None of the Investor's Grievance was received during the year 2009-10.

The term of reference of the Committee are as per clause 49 of the Listing Agreement which are looking into the redressing of Shareholders and Investors complaints regarding transfer of shares, non-receipt of Annual Reports and reviewing the share transfer process and status of share transfers pending for registration.

(8) General Body Meeting: -

The Particulars of the last three Annual General Meeting of the Company held as under:

| Date of AGM | Financial Year | Venue / Location of all meeting | Time of Meeting |
|-------------|----------------|---|-----------------|
| 17. 9.2007 | 2006-2007 | 21,2 nd Floor National Chambers, Ashram Road, Ahmedabad – 9 | 11 A. M. |
| 30.6.2008 | 2007-2008 | same as above | 11 A.M. |
| 31.8.2009 | 2008-2009 | same as above | 11 A.M. |

(9) Distribution of Shareholding on 31.03.2010
on the basis of category

| Sr. no | Category | No. of shares | % of paid up capital |
|--------|------------------|---------------|----------------------|
| 1 | Resident Indian | 29,57,410 | 33.24 |
| 2 | Directors | 3,29,310 | 3.70 |
| 3 | Relative/Friends | 18,05,380 | 54.02 |
| 4 | Body Corporate | 1,20,000 | 1.35 |
| 5 | NRI/ NRI company | 6,83,900 | 7.69 |
| TOTAL | | 88,96,000 | 100.000 |

Shareholding Distinction: -

On the basis of Nominal value of each share held

| Range of shares | Number of Shareholders | % | Total Holding in Rupees | % |
|--------------------|---------------------------|---------|----------------------------|---------|
| 0001 to 5000 | 1780 | 96.793 | 1,52,99,300.00 | 17.198 |
| 5001 to 10000 | 25 | 1.359 | 22,56,000.00 | 2.536 |
| 10001 to 100000 | 25 | 1.359 | 1,21,74,500.00 | 13.685 |
| 100001 & above | 9 | 0.489 | 5,92,30,200.00 | 66.581 |
| TOTAL | 1839 | 100.000 | 8,89,60,000.00 | 100.000 |

(10) Postal Ballots:-

No ordinary or special resolutions were passed through a postal ballot for the year ended 31st March 2010.

(11) Special Resolution:-

No Special resolutions were put through in last three years .

Annual General Meeting and no extra ordinary General meeting was held during the year 2009-2010

(12) Disclosures: -

Related Party Transactions: -

Related party transactions are disclosed in notes to the annual accounts. There are no significant related party transactions with the company's promoters, directors, the management, the subsidiaries or relatives that may have potential conflict with the interest of the company at large.

Accounting standards: -

The company has followed all relevant accounting standards while preparing the financial statements.

Proceeds from public issues, right issues, preferential issues etc.: -

No funds have been raised by the company through issue of equity or debt in the form of public or rights or preferential issues during the year.

Directors:-

The Company has a system where all the directors or senior management of the Company are required to disclose all pecuniary relationship or transactions with the Company. There is no material pecuniary transaction with any Non-Executive as well as Independent Directors of the Company that requires a separate disclosure.

Risk Management:-

The risk management issues are discussed in the report of Management Discussion & Analysis. The Company has laid down procedure to intimate Board members about the risk assessment and minimization procedure. Such procedures would be reviewed periodically within the given framework.

Instances of Non-compliance:-

The Company's equity shares were under suspension from trading due to non-compliance of certain requirements. However after completing the formalities of compliances, The Bombay Stock Exchange vide their letter dated 11th November 2008 has revoked suspension of trading of shares from 18th November 2008. since then the company has not defaulted in making required compliances.

(13) Means of Communication: -

Your Company's Quarterly, Half-yearly and Audited financial Results are sent to the Stock Exchange immediately after they have been taken on record /approved by the Board. The Company made no formal presentation to the Institutional Investors or Analysts.