

DAIRYFIELD LIMITED



**15th ANNUAL REPORT
2006-2007**



DAIRYFIELD LIMITED

BOARD OF DIRECTORS

| | |
|----------------------------------|-----------------------------|
| SHRI NANDKUMAR GOSWAMI | - CHAIRMAN (UP TO 31.01.07) |
| SHRI ASHOKKUMAR GOSWAMI | - CHAIRMAN (FROM 31.01.07) |
| SHRI KISHORKUMAR GOSWAMI | - DIRECTOR |
| SHRI ANUPKUMAR GOSWAMI | - DIRECTOR |
| SHRI HEMANTSINH N. JHALA | - DIRECTOR |
| SHRI KAMAL K. GAJJAR | - DIRECTOR |
| SHRI RAKESH SINGH RAGHUVAN SINGH | - DIRECTOR |
| SHRI MUKUNDRAI P. VADHER | - DIRECTOR (UP TO 31.01.07) |

AUDITORS

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

REGISTERED OFFICE

21, 2ND FLOOR, NATIONAL CHAMBERS,
 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.

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NOTICE TO MEMBERS

NOTICE is hereby given that FIFTEENTH ANNUAL GENERAL MEETING of the members of DAIRYFIELD LIMITED will be held on Monday, 17th September, 2007. 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 Directors' Report and Audited Balance Sheet and Profit & Loss A/c. of the company for the year ended 31st March, 2007. together with the Auditors' 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 Gajjar 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 : 17/08/2007

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 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (b) The Register of Members and the Share Transfer Book of the Company will remain closed from Monday, 10th September, 2007 to Monday, 17th September, 2007.
- (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.

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DIRECTORS' REPORT

To
The Members of
DAIRYFIELD LIMITED

Gentlemen,

The Board of Directors present herewith the Fifteenth Annual Report along with Audited Accounts and Report of the Auditors thereon for the year ended on 31st March 2007.

FINANCIAL RESULTS

| PARTICULARS | Year ended 31/03/2007 Amount Rs. | Year ended 31/03/2006 Amount Rs. |
|--------------------------------------|--|--|
| Total Income | 3533042 | 45066434 |
| Total Expenditure | 3569986 | 26780063 |
| Profit/(Loss)before Tax | (36944) | 18286371 |
| Less : Provision for Taxes | NIL | NIL |
| Less : Deferred tax | NIL | NIL |
| Less : Provision for FBT | NIL | 7480 |
| Profit/(Loss) after tax | (36944) | 18278891 |
| Add: Balance B/F from last year | (89307730) | (107586621) |
| Balance Transferred to Balance Sheet | (89344674) | (89307730) |

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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.

As you are aware your directors have started restructuring the financial assets of the company. In the last year the directors brought additional funds in the company and entered in to one time settlement with IDBI. As a result of which the loan of IDBI was repaid and unpaid interest provided on the loan was return back.

This year your directors have written off various credit balances which were remaining unclaimed in the books of the company for more than 3 years. Your directors also reduced current assets of the company and from the money received the unsecured loans were paid off. Thus during the year the size of the Balance Sheet was streamlined to the tune of Rs.48 Lacs. In the previous year the auditors had qualified their report by making various adverse remarks. We have cleared almost all the adverse remarks this year.

Your directors intend to sale some of the Plant and Machinery and from those dues clear the debts and liabilities. Your directors also intend to start a new line of business shortly.

DIVIDEND

In view of the accumulated losses, your directors do not propose dividend for the year 2006-07.

DEPOSITS

The company has not borrowed any funds from the public as on the Balance Sheet date.

DIRECTORS

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

During the year Shri Nandkumar Goswami resigned from the post of Chairman. He was the founder promoter of the company and associated closely with the company. Your directors place a warm vote of thanks to him for the services rendered by him during his tenure.

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Shri Hemendrasinh Jhala, director of the company also resigned during the year. The board places on record its warm appreciation for services rendered by Mr. Jhala during his tenure as a director.

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 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 and has stopped production.

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(1B) of the Companies Act, 1956. Auditors' remarks are self explanatory.

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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 : 17/08/2007

A. K. GOSWAMI
CHAIRMAN

DAIRYFIELD LIMITED**Annual Report 2006 - 2007****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 Eight (8) 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 2005 - 2006 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 29-04-06, 31-07-06, 31-08-06, 31-10-06 and 31-01-07. 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 | Category of Directorship | No of Board Meeting | Last AGM attended | No. of other Directorship in Public Ltd. Co. |
|----------------|--------------------------------|---------------------------------|----------------------------|--------------------------|---|
| 1. | Nandkumar Goswami | Chairman \$* | 5 | YES | NIL |
| 2. | Ashokkumar Goswami | Director \$ | 5 | YES | NIL |
| 3. | Kishorkumar Goswami | Director \$ | 5 | YES | NIL |
| 4. | Anupkumar Goswami | Director \$ | 5 | YES | NIL |
| 5. | Hemantsinh N Jhala | Director * | 2 | YES | NIL |
| 6. | Kamal K Gajjar | Director | 5 | YES | NIL |
| 7. | Rakeshsingh Raghuvanshsingh | Director | 5 | YES | NIL |
| 8. | Mukundrai P Vadher | Director | 4 | NO | NIL |

\$ Indicates Promoter Director.

* Resigned on 31st January 2007.

**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. Ashokkumar Goswami, Promoter Director and Shri. Kamal Gajjari, 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 | Chairman | 5 |
| Anupkumar Goswami | Promoter Director | Member | 5 |
| Kamal K. Gajjar | Independent Director | Member | 5 |
| Mukundrai Vadher | Independent Director | Member | 4 |

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 29th April, 2006, 31st July, 2006, 31st August, 2006, 31st October, 2006 and 31st January, 2007. 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.

**(5) 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 Attended | Out of 5 meeting Committee |
|--------------------------------|--------------------------------------|----------------------------------|-------------------------------|
| Nandkumar Goswami | Promoter & Non Executive Chairman | Chairman up to 31.01.07 | 5 |
| Ashokkumar Goswami | Promoter Director | Member Chairman from 01.02.07 | 5 |
| Rakeshsingh Raghuvanshsingh | Independent Director | Member | 5 |
| Kamal K. Gajjar | Independent Director | Member | 5 |

During the financial year 2006 -2007, Meetings of the shareholder's / Investor's Grievance Committee were held on once in every quarter from the period 1-4-2006 to 31-3-2007 and all the meetings have been attended by all members of the committee. Mr. Nandkumar Goswami / Mr. Ashokkumar Goswami appointed as chairman of company from 1st February 2007 has been authorized to approve transfer of shares.

Total 20 Investor's Grievance was received during the year 2006-07. 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.

(6) 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 |
|-------------|----------------|---|-----------------|
| 29.9.2004 | 2003 -2004 | 21,2nd Floor National Chambers, Ashram Road, Ahmedabad - 9 | 11 A. M. |
| 30.9.2005 | 2004-2005 | Same as above | 11 A. M. |
| 30.9.2006 | 2005-2006 | same as above | 11 A.M. |

During the year Special resolution was put through Postal Ballot , for purpose of change in main objects of the company and sale of assets of the company.