

### NOTICE

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held as under -:

Day : Saturday  
Date : 20<sup>th</sup> August, 2011  
Time : 10:30 Hrs.  
Venue : Conference Hall,  
CONCOR Bhawan, C-3,  
Mathura Road,  
Opp. Apollo Hospital,  
New Delhi - 110076

to transact, with or without modifications, as may be permissible, the following business :

### ORDINARY BUSINESS -:

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions -:

1. To receive, consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2011, Profit & Loss Account for the year ended on that date and the report of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. P. Alli Rani, who retires by rotation and being eligible, offers herself for reappointment.
3. To take note of the appointment of M/s. S. S. Poddar & Company, Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

1.

"RESOLVED THAT the appointment of M/s. S. S. Poddar & Company, Chartered Accountants as Statutory Auditors of the Company for the financial year 2010-11 in terms of order no. CA. V/COY/CENTRAL GOVERNMENT, F&HEL (1)/346 dated 20/07/2010 of C & AG of India; be and is hereby noted."

### **SPECIAL BUSINESS**

To consider, and if thought fit, to pass the following resolutions as Ordinary Resolutions -:

4. "RESOLVED THAT Lt. Gen. (Retd.) Arvind Mahajan, be and is hereby appointed as Director of the Company w. e. f. 27.06.2011 in terms of CONCOR's office letter no. CON/FAS/BOD/146/2011 dated 6<sup>th</sup> July, 2011 and shall be liable to retire by rotation."
5. "RESOLVED THAT Dr. A. K. Bandyopadhyay, be and is hereby appointed as Director of the Company w. e. f. 27.06.2011 in terms of CONCOR's office letter no. CON/FAS/BOD/146/2011 dated 6<sup>th</sup> July, 2011 and shall be liable to retire by rotation."

By order of Board of  
Fresh & Healthy Enterprises Limited

(Suman Lata)  
DM (Fin.) & Company Secretary

Date : 16<sup>th</sup> August, 2011  
Place : New Delhi

**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 / herself and proxy need not be a Member.
- (b) The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
- (c) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out the material facts, is annexed hereto.
- (d) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered office of the Company during office hours on all working days up to and inclusive of the date of Annual General Meeting.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956**

**Item No. 4-5**

CONCOR vide its office letter no. CON/FAS/BOD/146/2011 dated 06.07.2011 has intimated about nomination of Lt. Gen. (Retd.) Arvind Mahajan and Dr. A. K. Bandyopadhyay as Directors on the Board of FHEL.

The Company has filed the requisite particulars of the above named Directors in the prescribed forms with the Registrar of Companies, NCT of Delhi & Haryana, New Delhi.

In terms of Section 255 of the Companies Act, 1956, appointment is required to be confirmed in the Annual General Meeting.

None of the Directors except the above named Directors are concerned or interested in the resolutions.



# FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

## DIRECTORS' REPORT

To the shareholders

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31st March, 2011.

### OPERATIONAL REVIEW

The company procured 9361.373 MT of Apples from Shimla/ Kinnaur districts of Himachal Pradesh and sold 9538.54 MT (Inclusive of opening stock of 1374.109 MT) at Delhi, Mumbai, Chennai, Ahmedabad and other Fruit markets throughout India.

During the year under review, the company made significant improvements in operations by ensuring procurement of better quality fruit, quick movement to Rai, Recycling of packing material in very large quantities, putting different varieties and sizes of apples in different chambers to improve quality during storage and innovation in sorting/grading/packing of apples. The attempt has been made to supply international quality fruit of domestic origin to consumer.

### MARKETING REVIEW

Year, 2010-11 has been very good for apple business. FHEL procured 9,361 MT of apples. Bults of the apples stored were sold in the wholesale markets like Delhi, Chennai, Hyderabad, Bangalore, Mumbai etc. In the year 2010-11, the best of FHEL apples were sold at par with imported (Washington) Apples.

The company supplied apples to all the big Retail Chains namely Wal-Mart, Heritage, More, Reliance, Big Bazaar, Mother Dairy, Big Apple, etc. Apart from this, sizeable volume was sold through M/s. Unifrutti, a MNC in southern markets. In addition a number of buyers from Punjab, Mumbai, and Chennai directly procured fruit from FHEL. In line with our endeavor nearly 80-90% of off-season sales were done at fixed rates.

During Diwali, FHEL sold nearly 132 MT of apples in Gift Packs, of 6,12,&20/25 apples. This is the highest volume sold by any player in the market place. In addition, sale of gift packs continued even afterwards till almost end of March, 2011. Apart from apples FHEL also procured & sold 70 MT of Kinnows on trial basis. During off season FHEL has given chambers on hire for storage of Rice, Garlic & Carrots. We are also ripening Mangoes & Bananas for Retail Chains.

### FINANCIAL REVIEW

During the year under review, Operating turnover of your Company registered a growth of 158% appx., increasing from ₹ 24.92 Cr. in F/Y 2009-10 to ₹ 64.35 Cr. in F/Y 2010-11. Cost of Sales increased by 115% appx., from ₹ 23.78 Cr. in F/Y 2009-10 to ₹ 51.03 Cr. in F/Y 2010-11. Further, Employee Cost, Administrative / other expenses and Interest for F/Y 2010-11 are ₹ 1.43 Cr., ₹ 2.84 Cr. and ₹ 5.08 Cr., respectively. After providing for depreciation, deferred tax and writing off of preliminary expenses amounting to ₹ 3.64 Cr., ₹ 0.19 Cr. and ₹ 0.03 Cr., respectively the Company made landmark achievement by registering Net Profit after Tax of ₹ 0.42 Cr. as against Net Loss of ₹ 9.06 Cr. of previous year.

### CAPITAL STRUCTURE

There is no change in the Authorized Equity Share Capital of ₹ 50 Crore and Issued, Subscribed & Paid up Equity Share Capital of ₹ 48.27 Cr., with Container Corporation of India Ltd. (CONCOR) continuing to hold 100% of the Paid up Equity Share Capital of FHEL during the financial year 2010-11.

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SECURED LOANS

During F/Y 2010-11, Your Company paid four installments of ₹ 1.56 Cr. each aggregating to ₹ 6.24 Cr. towards repayment of Loan of ₹ 49.92 Cr. drawn from Axis Bank (formerly known as UTI Bank). After repayment, Secured Term loan from Axis Bank stood at ₹ 36.14 Cr. (inclusive of interest accrued & due of ₹ 0.26 Cr.) on 31st March, 2011.

In order to meet Working capital requirement for F/Y 2010-11, your Company entered into an arrangement with State Bank of Patiala (SBoP) for sanction of Secured Working Capital Limit & Contingency limit of ₹ 36 Cr. & ₹ 4 Cr., respectively. Out of Sanctioned Working Capital limit of ₹ 36 Cr., Company had drawn a sum of ₹ 33.47 Cr. during F/Y 2010-11. After repayment of ₹ 22.29 Cr. to SBoP, Secured Working Capital limit stood at ₹ 11.18 Cr. on 31st March, 2011 and the same was repaid in the month of May, 2011.

### UNSECURED LOAN

Total outstanding loan due to holding Company (CONCOR) stood at ₹ 28.58 Cr. (inclusive of ₹ 11.50 Cr. for 2009-10, ₹ 16.64 Cr. for 08-09 and interest accrued & due of ₹ 0.44 Cr. Net of TDS) as on 31.03.2011.

### CONTROLLED ATMOSPHERE (CA) STORE

In order to increase the shelf life of fruits and vegetables produced in the Country, Company has a Controlled Atmosphere (CA) Store consisting of 3 units of 4000 MT capacity each at Rai, Sonapat. The facility has been operating successfully during the F/Y 2010-11.

### PARTICULARS OF EMPLOYEES

Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 is not applicable.

### HUMAN RESOURCE MANAGEMENT

Human resources are the key assets of FHEL. As on 31.03.2011, the total employee strength of company remained 33 (which includes Regular-16, Adhoc-07, Deputationist-04, Management Trainees -02 and Contractual-04). All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

### INDUSTRIAL RELATIONS

Industrial relations remained harmonious and peaceful and no man-days were lost during the financial year. The company is complying with all the regulations prescribed under labour laws.

### RESERVATION POLICY

FHEL has been following the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2011, the total employees strength remained 33 including 05-OBC, 02-SC and 01-ST.

### PARTICULARS RELATING TO CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS & OUTGO

The particulars in respect of Conservation of energy, technology absorption are detailed in the Annexure.

There is no Foreign Exchange earning or outgo during the Financial year 2010-11.

### AUDITORS

M/s. S. S. Poddar & Co., Chartered Accountants, New Delhi were appointed as Company's Statutory Auditors for the F/Y 2010-11. Statutory Auditor is paid remuneration of ₹ 1,08,000/- plus Service Tax, as fixed by Board of Directors'.



## **FRESH & HEALTHY ENTERPRISES LIMITED**

(A Wholly owned subsidiary of CONCOR)

### **BOARD OF DIRECTORS**

The Board met 6 (Six) times for transacting business of the Company during the financial year 2010-11.

The tenure of Prof. Janat Shah & Shri T. R. Doongaji, Part-time Non-official Directors' expired on 31.12.2010 & 03.04.2011, respectively.

The following Directors were on Board till the date of the Report -:

- (1) Shri Anil Kumar Gupta, MD, CONCOR & Chairman/FHEL;
- (2) Shri Harpreet Singh, Director (P & S)/CONCOR & Director/FHEL;
- (3) Shri Yash Vardhan, Director (IM & O)/CONCOR & Director/FHEL;
- (4) Ms. P. Alli Rani, Director (Finance)/CONCOR & Director/FHEL.

### **RETIREMENT OF DIRECTORS BY ROTATION**

In terms of provisions of the Companies Act, 1956, Ms. P. Alli Rani, Director, is liable to retire by rotation and being eligible, offers herself for re-appointment.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2011 on a 'going concern' basis.

### **CODE OF CONDUCT**

The Company has adopted CONCOR's Code of Conduct for Board Members & Senior Management of the Company.

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Code of Conduct for the financial year ended on March 31st, 2011.

### **CORPORATE GOVERNANCE REPORT**

Report on Corporate Governance is enclosed.

### **CONCLUSION**

Your Company acknowledges the support and understanding extended by Container Corporation of India Limited, Bankers and Auditors of the Company.

For and on behalf of the Board of Directors

**(Anil Kumar Gupta)**  
CHAIRMAN

Place : New Delhi  
Date : 27.06.2011

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### ANNEXURE TO THE DIRECTORS' REPORT

#### CORPORATE GOVERNANCE REPORT

Fresh & Healthy Enterprises Ltd. (FHEL) is a Wholly Owned Subsidiary of Container Corporation of India Ltd. (CONCOR) to carry on Cold chain business.

#### COMPANY'S PHILOSOPHY

FHEL's mission is to develop into world class organization using state of the art technologies for procurement, transportation, storage and distribution of fruits and vegetables in the Country. The Company strives to provide value for money to its customers and fulfill aspiration of its stakeholders by providing qualitative and efficient services and to conduct its business according to best principles of good Corporate Governance as indicated by the disclosures given in the Annexure.

#### BOARD OF DIRECTORS

In terms of Article 86 (a) & 86(b) of Articles of Association of Company, MD / CONCOR is the ex-officio Part-time Chairman on the Board of FHEL and all other members of Board are nominated by CONCOR, subject to the provisions of Companies Act, 1956 and Govt. guidelines in force.

The Board of Directors of Company presently consists of four Part-time Directors including a Chairman (Ex-officio) nominated by CONCOR (Holding company).

The Board met 6 (Six) times for transacting business during the financial year 2010-11 on the following dates :-

Board Meeting No.	Board Meeting Dates
26	26th April, 2010
27	19th July, 2010
28	16th August, 2010
29	18th October, 2010
30	20th December, 2010
31	17th January, 2011

The Company has adopted CONCOR's Code of Conduct for Board Members & Senior Management of the Company.

Based on the affirmation received from Board Members and Senior Management Personnel, it is hereby declared that all the members of the Board and Senior Management Personnel have affirmed compliance of Code of Conduct for the financial year ended March 31st, 2011.

The Composition of Directors, attendance at the Board Meetings during the year, the last Annual General Meeting, the number of other directorships and committee memberships are given below :-

Sl. No.	Category of Directorship	Name of Director	No. of Board Mtgs Attended	Attendance at last AGM	No. of other Committee Membership/ Chairmanship	No. of other Directorship/ Chairmanship
<b>(I) Part-time Ex-Officio/Non-Executive Chairman</b>						
1	Managing Director, CONCOR	Sh Anil Kumar Gupta	Six	Yes	Nil	Three
<b>(II) Part-time/Non-Executive Directors</b>						
2	Dir. (P & S)/CONCOR	Sh. Harpreet Singh	Six	Yes	One	Two
3	Dir. (Intl. Mktg & Ops.)	Sh. Yash Vardhan	Six	No	Two	Seven
4	Dir. (Finance)/CONCOR	Ms. P. Alli Rani	Six	Yes	Five	Six
<b>(III) Part-time Non-official /Non-Executive Directors (Independent)</b>						
5		Sh. T. R. Doongaji <sup>^</sup>	Five	Yes	Four	One
6		Prof. Janat Shah <sup>@</sup>	Three	No	One	Five

<sup>^</sup>Term of director expired on 03.04.2011

<sup>@</sup>Term of directors expired on 31.12.2010



## FRESH & HEALTHY ENTERPRISES LIMITED

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### AUDIT COMMITTEE

The Audit Committee comprised :-

Shri T. R. Doongaji	-	Chairman
Shri Yash Vardhan	-	Member
Ms. P. Alli Rani	-	Member

On account of expiry of tenure of Directorship of Shri T. R. Doongaji, Part-time Non-Executive Director on 03.04.2011, Shri Harpreet Singh, Director (P & S)/CONCOR was nominated as Member of the Audit Committee.

**Presently, Committee comprises of the following :-**

Shri Harpreet Singh	-	Chairman
Shri Yash Vardhan	-	Member
Ms. P. Alli Rani	-	Member

Ms. Suman Lata, DM(Fin) & CS is the Secretary of the Committee.

The Committee met 4 (Four) times during the financial Year 2010-2011.

The details of the attendance of the members in the Committee meetings held during F/Y 2010-11 are as under :-

S. No.	Name of Members	No. of Committee Meetings Attended
1.	Shri T. R. Doongaji	Four
2.	Shri Yash Vardhan	Four
3.	Ms. P. Alli Rani	Four

The Committee reviews the Company's Annual / quarterly financial Results before submission to the Board. The Committee attempts to ensure that decision making in the company is objective and that there are adequate internal controls to ensure efficient realization of revenue, and due propriety of expenditure.

### Remuneration Committee & Policy

No remuneration is paid to Functional Directors of Holding Company nominated by CONCOR in FHEL. They draw their remuneration from CONCOR as per IDA Pay Scales and terms & conditions determined by Govt.

Part-time Non-Executive Directors (Independent)/FHEL who were also Part-time Non-Executive Directors (Independent) of CONCOR, were paid sitting fee of ₹ 20,000/- per meeting attended by them.

Hence, no Remuneration Committee has been constituted.

### SUBSIDIARY COMPANY

FHEL is a Wholly Owned Subsidiary Company of CONCOR and its turnover or net worth is less than 20% of turnover or net worth, respectively of CONCOR (Holding Company). The Company is voluntarily following Corporate Governance Guidelines and had two Independent Directors of BOD of CONCOR on its Board, and one Independent Director in Audit Committee, who had also been designated as the Chairman of Audit Committee. The Company also follows the practice of putting up of Minutes of Board Meetings of FHEL to the BOD of Holding Company, viz. CONCOR.

### GENERAL BODY MEETINGS

Details of location, time and date of last three AGMs are as under :

AGM Date	Location	Time
16.09.10	Conference Hall, First Floor, Container Corporation of India Ltd. CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi – 110076	15:00 Hrs.
07.09.2009	-----Do-----	17:00 Hrs.
22.08.2008	-----Do-----	15:00 Hrs.

No Special Resolution was passed during previous three AGMs.

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### AGM of Current Year

Date : 20.08.2011  
 Time : 10.30 hrs.  
 Venue : Conference Hall, First Floor, Container Corporation of India Ltd. CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi-110076

### DISCLOSURES

- (i) Transactions with related parties as per requirements of Accounting Standard (AS -18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Schedule 14 (Notes to Accounts).
- (ii) There were no instances of penalties / strictures imposed on the Company by any statutory authority due to non compliance on any matter related to any guidelines issued by Government during the last three years.
- (iii) Compliance with the requirement of these guidelines are detailed in this report
- (iv) FHEL has been following Presidential Directives and Guidelines issued by the Govt. of India from time to time regarding reservation of SCs, STs, OBCs, Physically Handicapped & Ex-Servicemen in letter and spirit.
- (v) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (vi) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.
- (vii) Details of Administrative and office expenses as percentage of total expenses -:

Fin.Year	Admn. & Office Exp. (Rs.in Lakhs)	Total Expenses (Rs. in Lakhs)	Percentage of Admn. & Office Expenses Vis-à-vis Total Expenses
2010-11	284.10	6403.94	4.44%
2009-10	179.43	3462.27	5.18%

### MEANS OF COMMUNICATION

**Financial Results :** The annual, half yearly and quarterly results are regularly posted by the Company on its website [www.fhel.co.in](http://www.fhel.co.in).

**Annual Report :** Annual Report containing inter-alia Audited Annual Accounts, Directors' Report, Auditors' Report and other information is circulated to members and others entitled thereto. Management Discussion & Analysis report forms a part of the Annual report.

### DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directorship held	Details of Other Committee Membership
Ms. P. Alli Rani	15.05.1960	09.07.2009	MAMPhil, MBA (Fin)	Worked in Planning Commission, Railway Finance & Telecom Finance for 26 years.	Six\$	Five\$\$

\$ 1. Container Corporation of India Ltd., 2.Himalayan Terminals Pvt. Ltd.Birganj, Nepal 3. Star Track Terminals Pvt. Ltd., Dadri 4. Albatross CFS Pvt. Ltd., Dadri 5. CMA-CGM Logistics Park (Dadri) Pvt. Ltd. 6. Infinite Logistics Solutions Pvt. Ltd.

\$\$ 1.Himalayan Terminals Pvt. Ltd.- Member & Chairperson of Audit Committee 2. Albatross CFS Pvt. Ltd. – Member & Chairperson of Audit Committee 3. Star Track Terminals Pvt. Ltd. – Member of Audit Committee 4. CMA-CGM Logistics Park (Dadri) Pvt. Ltd. – Member of Audit Committee 5. Infinite Logistics Solutions Pvt. Ltd. – Member of Audit Committee



# FRESH & HEALTHY ENTERPRISES LIMITED

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## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure & Developments :

Fruit & vegetable business in India is almost entirely in the unorganized sector. The farm sizes are small and traditionally growers either bring their produce to nearby markets/mandis or send the produce to commission agents for sale. All the players in the supply chain: growers, commission agents, other middlemen and retailers, are totally unorganized. Only recently a few retail chains are also moving slowly and are developing formats which can generate profits. Due to the perishable nature of the Commodity, the emphasis on fresh produce in retail chains is very low and this also is bought from nearby mandis only. Further, the country lacks Cold Chain infrastructure and therefore, generally during the season we see glut in the market & prices dip to unsustainable levels. All factors mentioned above lead to losses of produce.

Most of the Cold Store facilities available are used for Potato storage. There is a gap with respect to availability of Cold Chain Infrastructure & Knowledge of storage of other Fruits & Vegetables. This presents both a problem & an opportunity in this sector.

FHEL is one of the first companies who have invested in specialized CA Store for storage of apples. Over the last 3 years some more facilities have come up in the country.

### 2. Strength & Weakness :

Strengths -:

- Fruit & Vegetable market in India is huge (approx ₹ 2,00,000 Crore) & hence holds tremendous business potential.
- There is huge latent demand for quality produce, as country is importing large quantities of Fruits.
- High Margins in this trade are possible, as the differential in cost at farm gate & at retail is large.

Weaknesses -:

- The sector is highly unorganized.
- Knowledge of Pre Harvest care and Post Harvest Management is lacking and therefore experiments have to be conducted and so process is slow.
- Retail Chains have not come up as expected and so organized distribution is not possible.
- The trade is by & large on credit to stakeholders who do not have bankable credentials.

### 3. Opportunity & Threats :

Opportunities -:

- Once the business is organized for one commodity, it will be easier to do so for other fruits & vegetables and thus, there is opportunity for huge upside in sales.
- Since every year fruit imports are growing impressively, it shows customers are preferring quality fruit and thus organized business can make a significant contribution.

Threats -:

- Traditional linkages between middlemen & grower, this affects sourcing of fruit in times of shortages.
- Cheap imports or reduction in custom duty.
- Non-availability of Trained Manpower.

### 4. Segment-wise or Product-wise Performance

The Company is dealing in logistics of fresh fruits. All the activities of the Company revolve around this business and all the operations are in India. As such, there is no other reportable segment defined by Accounting Standard AS-17 related to Segment reporting.

## FRESH & HEALTHY ENTERPRISES LIMITED

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### 5. Outlook :

India is a huge country and the market for quality fruit & Vegetables is growing rapidly. India is the second largest producer of Fruits & vegetables in the world and this business is in excess of nearly ₹ 2,00,000 Crores. Out of this more than ₹ 60,000 crore worth of fruit & vegetables perish due to lack of Cold Chain Infrastructure and lack of organized distribution and marketing. Due to the nature of business and perishable nature of the commodity, it is indeed a big challenge to organize it and generate profits. The company has been able to make substantial improvements in the business each year. Our main focus at present is on apples coming from Himachal Pradesh. The growing areas of Himachal Pradesh are dependent on rainfall for crop.

However, such a risk is once in a few years. Otherwise Himachal Pradesh produces apples worth approx ₹ 2,000 Crore per annum. The apple from Kinnaur Command premium price and company has a substantial presence in this area. The demand for Shimla & Kinnaur apples is expected to remain good.

The Company made landmark achievement by earning Net Profit after tax of ₹ 0.42 Cr. in F/Y 2010-11 as against Net loss of ₹ 9.06 Cr. during previous year.

### 6. Risks & Concerns :

- (i) The business is dependent on weather condition, particularly rainfall.
- (ii) Unorganized nature of the trade.
- (iii) Un-economical small farm holdings
- (iv) Competition from Cheaper imports
- (v) Lack of knowledge
- (vi) Lack of trained manpower
- (vii) Local competition

### 7. Internal Control Systems and their Adequacy :

The Company has in place well defined roles, responsibilities and authorities for employees at various levels. This coupled with robust internal MIS systems, ensures appropriate information flow to facilitate effective monitoring. Adherence to these processes is monitored through frequent internal audits. The Company has internal audit system that requires internal audit firm to certify the appropriateness of internal controls in operation and checks deviations from laid down procedures. The Internal Auditor is the external firm directly reporting to management at higher level, thus ensuring its independence. Reports of internal auditor are reviewed and compliances are ensured.

### 8. SECURED LOANS

During F/Y 2010-11, Your Company paid four installments of ₹ 1.56 Cr. each aggregating to ₹ 6.24 Cr. towards repayment of Loan of ₹ 49.92 Cr. drawn from Axis Bank (formerly known as UTI Bank). After repayment, Secured Term loan from Axis Bank stood at ₹ 36.14 Cr. (inclusive of interest accrued & due of ₹ 0.26 Cr.) on 31st March, 2011.

In order to meet Working capital requirement for F/Y 2010-11, your Company entered into an arrangement with State Bank of Patiala (SBoP) for sanction of Secured Working Capital Limit & Contingency limit of ₹ 36 Cr. & ₹ 4 Cr., respectively. Out of Sanctioned Working Capital limit of ₹ 36 Cr., Company had drawn a sum of ₹ 33.47 Cr. during F/Y 2010-11. After repayment of ₹ 22.29 Cr. to SBoP, Secured Working Capital limit stood at ₹ 11.18 Cr. on 31st March, 2011 and the same was repaid in the month of May, 2011.

### 9. UNSECURED LOAN

Total outstanding loan due to holding Company (CONCOR) stood at ₹ 28.58 Cr. (inclusive of ₹ 11.50 Cr. for 2009-10, ₹ 16.64 Cr. for 08-09 and interest accrued & due of ₹ 0.44 Cr. Net of TDS) as on 31.03.2011.

### 10. Fixed Assets

	(₹ in Crore)		
Year Ended March 31	2011	2010	%age Incr.(Decr.)
Original Cost of Assets	81.69	81.43	0.32
Less : Accumulated Dep.	13.06	9.42	38.64
<b>Net Fixed Assets</b>	<b>68.63</b>	<b>72.01</b>	<b>(4.69)</b>

An amount of ₹ 0.26 Cr. was capitalized during the year. The main addition is on account of purchase of plant & machinery.



## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### 11. Inventory

	Item	Opening	Purchased	Sold	Consumed*	Closing
Apple	Qty (Kgs.) C/Y	13,74,109	93,61,373	95,38,540	2,82,073	9,14,869
	Qty (Kgs.) P/Y	28,17,275	28,55,850	42,05,745	93,271	13,74,109
	Amount (in ₹) C/Y	7,95,35,123	32,55,17,973	58,86,51,869	-	4,74,74,162
	Amount (in ₹) P/Y	12,55,89,888	12,07,64,234	21,86,78,044	-	7,95,35,123
Packing Material	Qty (No.) C/Y	6,34,440	27,07,583	12,97,200	12,82,495	7,62,328
	Qty (No.) P/Y	4,37,513	6,80,491	1,85,883	2,97,681	6,34,440
	Amount (in ₹) C/Y	66,11,502	3,77,37,207	1,78,46,571	1,39,28,438	1,25,73,700
	Amount (in ₹) P/Y	42,33,520	1,03,68,477	43,65,865	36,24,630	66,11,502

\* Consumption includes moisture Loss, spoilage, testing of fruit etc.

### 12. Sundry Debtors

Sundry Debtors are 19.23% of operating income of the year. Provision for doubtful debts are ₹ 12,652/-.

### 13. Cash & Bank

The Company keeps available cash in short term Fixed Deposits with Banks for meeting financial obligations regarding Secured & Unsecured Loans.

### 14. Income

Income from operations has increased by 158.25% over F/Y 2009-10.

### 15. Expenses

Cost of Sales has grown up by 114.59% over F/Y 2009-10.

### 16. Administrative & Other Expenses

The Administrative & other expenses have increased by 58.33% over F/Y 2009-10.

### 17. Employee Remuneration

The Employee Cost has declined by 4.32% in comparison to last year.

### 18. Material Developments in Human Resources, Industrial Relations Front, including number of people employed

Human resources are the key assets of FHEL. As on 31.03.2011, the total employee strength of company remained 33 (which includes Regular-16, Adhoc-07, Deputationist-04, Management Trainees-02 and Contractual-04). All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

Industrial relations remained harmonious and peaceful and no man-days were lost during the financial year. The company is complying with all the regulations prescribed under labour laws.

As on 31.03.2011, the total employees strength remained 33 including 05-OBC, 02-SC and 01-ST.

### 19. Environment Protection and Conservation, Technological Conservation, Renewable Energy Developments, Foreign Exchange Conservation

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### Environmental protection and conservation, Technological conservation:

The company recognizes the vital importance of providing safe and healthy working environment and it complies with relevant statutory requirement w.r.t Occupational Health and safety within India.

The company believes sound environmental management enhances our competitive strength and benefits by contributing to the overall environment and economical well being of the communities we serve.

### Measures taken for environmental protection and conservation:

The company has facility for **rainwater harvesting pits** at the CA Store, Rai where all the rain water collected (on roof top of the store and pavement) is re-charged to the ground.

The **cull/damaged fruit** which comes out after sorting-grading is **disposed to the pig farms** thereby pollution is arrested.

**Air pollution** is arrested by proper installation of chimney of DG Sets as per the norms of Pollution control board.

**Sound pollution** of DG Sets is avoided by proper installation of Insulated canopy.

Disposal of sewer is made to the HSIIDC sewer treatment plant, thereby causing no **ground pollution**.

**Water conservation** is achieved by using electronic controllers for avoiding overflow of 442KL water tanks and timely detection and rectification of water leakages.

### Foreign Exchange Conservation :

India imports a large volume of Fruits & Vegetables. If we have proper Cold Chain Infrastructure large amount of foreign exchange can be conserved. As per the data bank of Deptt. of Commerce, in 2009-10, nearly, 98,895 MT of apples were imported from across the world and further same is 77,398 MT for the period of April-Sept., 2010. The company's main business is to encourage domestic horticulture which will automatically reduce imports and conserve foreign exchange.

### 20. Corporate Social Responsibility

As a step towards attaining social objective, Company has plan to help thirty orchard owners so as to improve yield with expenditure of ₹ 5 lakhs.



## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### ANNEXURE TO DIRECTORS' REPORT

#### PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

##### A. CONSERVATION OF ENERGY

During the year 2010-11, regular in-house Audits in areas of Refrigeration and Air Conditioning, Compressed Air, Lube Oil Systems, Lighting, Water Balancing, Cooling Water System, were carried out at Controlled Atmosphere (CA) Store, Rai.

The details of various measures taken during the year under various heads of Energy Conservation are as follows -:

##### 1. POWER CONSUMPTION FOR REFRIGERATION AND AIR CONDITIONING, AUXILIARY UNITS

(a) Energy Saving Screw Compressors and Chillers have been installed and used for refrigeration of CA Store, Processing Area Air Conditioning and Office building. Also, Variable frequency drives (VFDs) have been used for Refrigeration compressors, Cooling coil fan motors (312 motors), Air cooling unit fan motors for Air-conditioning (51 motors), Cooling tower fan motors (6 motors), Carbon dioxide scrubbers (12 motors).

(b) Cooling towers and Condenser water pumps are operated based on ambient conditions and actual requirement.

(c) Optimization of Running of refrigeration compressors and air conditioning system.

(d) Cleaning and replacement of air filters for air compressors, nitrogen generator compressors and diesel generators.

##### 2. Lighting :

Energy Conservation in lighting is achieved by use of Energy efficient tube lights for entire plant, use of CFL's for office building, use of electronic ballasts, cleaning of light fittings for optimum utilization of light illumination and lighting voltage optimization. During the year special care was taken to ensure that lights operated only in areas where it was required. Areas identified and implemented were External lighting, utility area, corridors, sorting hall, packing hall, machine room and office building.

##### 3. Heat energy :

Loss/Gain of heat energy in the cold room is prevented by optimum thermal insulation thickness for stores and cladding for pipe lines for minimal heat loss/ gain, cleaning of chilled water tubes, condenser water tubes and Minimum Infiltration of external Air to Cold Store and processing area by proper sealing of incoming and exit gates.

##### 4. Fuel oil :

By regular and proper preventive maintenance and calibration of components of diesel generators, minimum fuel consumption is ensured. By putting off the Nitrogen Generator plant, Forklifts and Stacker charging, the load on the DG is reduced and these equipment are run when power supply is available from electricity Board.

**FRESH & HEALTHY ENTERPRISES LIMITED****(A Wholly owned subsidiary of CONCOR)****5. Lubricants :**

Optimisation of lubricants consumption is achieved by prescribed topping up of lub oil and attending to lub oil leakages on day to day basis.

**6. Water for cooling towers and processing :**

Water conservation is achieved by use of electronic controllers for avoiding over flow for 442 KL water tanks, re-use of processed water, waste water and fruit washing water for horticulture and timely detection and rectification of water leakages.

**7. Battery chargers for material handling equipments and other purposes :**

Chargers are installed with automatic low current charging devices for energy saving.

**(B) Additional investments & Proposals for reduction in Consumption of Energy:**

Request is submitted to Uttar Haryana Bijli Vitran Nigam Ltd, Haryana for proposing for independent feeder for power supply directly from 132KV Substation to our store. At present the common feeder is supplying power to us along with all nearby industries. In case of any breakdown on HT line of any industry, the entire HT line is shut down. If independent feeder is sanctioned, power availability will increase.

**(C) Impact of measures taken for Energy Conservation:**

The per ton consumption of energy is 234 KWH which is lower than the previous year consumption of 348 KWH.



# FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

## FORM -A

### Disclosure of particulars with respect of Conservation of Energy

#### A. Power and fuel Consumption

		Current Year	Previous Year
1	Electricity		
1.1	Purchased		
	Unit	2483544.2	1295871.0
	Total Amount	13863501.6	5945858.3
	Rate/Unit	5.582	4.588
1.2	Own Generation		
1.2.1	Through Diesel generator		
	Unit (KWH)	437478.4	496918.4
	Unit per liter of Diesel oil	3.68	3.68
	Cost / Unit	9.64	8.55
1.2.2	Through steam turbine / generator		
	Unit (KWH)	Nil	Nil
	Unit per liter of fuel oil / gas	Nil	Nil
	Cost / Unit	Nil	Nil
2	Coal (specify quality and where used)		
	Quantity (tonnes)	Nil	Nil
	Total Cost	Nil	Nil
	Average rate	Nil	Nil
3	Furnace Oil		
	Quantity (K.Ltrs.)	Nil	Nil
	Total Amount	Nil	Nil
	Average rate	Nil	Nil
4	Others / internal generation (please give details)		
	Quantity	Nil	Nil
	Total Cost	Nil	Nil
	Rate / Unit	Nil	Nil

#### B Consumption per unit of production (per ton of storage of produce)

Detail	Standards (If any)	Current Year	Previous Year
Products unit: Energy cost per ton of storage of produce(in Rs)	-	1448.791	1982.22
Electricity	-		-
Furnace Oil	-		-
Coal (specify quality)	-		-
Others (Specify)	-		-

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

**FORM -B**  
(See rule 2)

**Form for disclosure of particulars with respect to absorption**

**A. Research and development (R & D)**

- 1) Specify areas in which R & D carried out by the company.: Studies were conducted in the in - house laboratory, on the shelf life extension of Guava fruits. Commercial storage of Other fruits and vegetables are Kinnow, Rice, Garlic, Carrot and ripening of Mango & Banana.
- 2) Benefits derived as a result of the above R & D: Storage of Rice, Garlic and Carrot being done for third parties. Further small quantities of Mango and Banana are being ripened for third parties.
- 3) Future plan of action: Trials are proposed to be done with ripening of mangoes and banana on large scale.
- 4) Expenditure on R & D : Nil
  - i. Capital ; Nil
  - ii. Recurring : Nil
  - iii. Total : Nil
  - iv. Total R & D expenditure as a Percentage of total turnover : -

**B. Technology absorption, adaptation and innovation**

1) Efforts, in brief, made towards technology absorption, adaptation and innovation	As of now our focus has been is doing as many trials as is possible to store different fruit & vegetables with this new technology so that utilization of the store is maximized. Thus many trials as mentioned above have been done and these have been quite successful. Due to the same the utilization has been increased substantially.
2) Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc	All fruit & vegetable storage is helping the company in offering these commodities for sale in off season. This is increasing consumer satisfaction, import substitution and more remuneration prices for produce to farmers.
3). In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished <ol style="list-style-type: none"> <li>a) Technology imported</li> <li>b) Year of import</li> <li>c) Has technology been fully absorbed</li> <li>d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action</li> </ol>	<ol style="list-style-type: none"> <li>a) CA technology for long term storage of fruit and vegetables.</li> <li>b) 2007-08</li> <li>c) In progress</li> <li>d) Presently used for apples. Trials with other fruits and vegetables under progress.</li> </ol>



# FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

## BALANCE SHEET AS AT 31ST MARCH 2011

(Amount in ₹)

PARTICULARS	SCHEDULE	Year Ended 31.03.2011 Audited	Year Ended 31.03.2010 Audited
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	1	482,738,100	482,738,100
Reserves and Surplus	2	1,061,900	1,061,900
		<u>483,800,000</u>	<u>483,800,000</u>
<b>LOAN FUNDS</b>	3		
Secured Loan		473,189,389	424,246,518
Unsecured Loan		285,842,750	336,432,750
		<u>759,032,139</u>	<u>760,679,268</u>
<b>Deferred Tax Liability</b>		1,885,245	-
		<u>1,244,717,384</u>	<u>1,244,479,268</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>	4		
Gross Block		816,922,972	814,316,428
Less: Depreciation		130,652,809	94,244,913
Net Block		<u>686,270,163</u>	<u>720,071,515</u>
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	5		
Inventories		62,230,262	87,680,625
Sundry Debtors		123,715,539	20,849,703
Cash and Bank Balances		4,043,422	29,874,087
Other Current Assets		1,548,506	524,179
Loans & Advances		7,635,853	7,751,823
		<u>199,173,582</u>	<u>146,680,417</u>
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>	6		
Current Liabilities		28,573,082	14,293,348
Provisions		2,927,361	3,234,271
		<u>31,500,443</u>	<u>17,527,619</u>
<b>NET CURRENT ASSETS</b>		<u>167,673,139</u>	<u>129,152,798</u>
<b>MISCELLANEOUS EXPENDITURE</b>	7		
(to the extent not written off or adjusted)			
Preliminary Expenses		585,000	850,000
		<u>585,000</u>	<u>850,000</u>
<b>PROFIT AND LOSS ACCOUNT</b>			
For the period		(4,215,873)	90,643,062
Opening balance		394,404,955	303,761,893
		<u>1,244,717,384</u>	<u>1,244,479,268</u>
Significant Accounting Policies	13		
Notes to Accounts	14		

Schedules 1 to 14 form an integral part of the accounts.

As per our report of even date  
For S.S. Poddar & Co.  
Chartered Accountant

S.S.Poddar  
Partner  
M.No. 015018

For and on behalf of Board of Directors

Anil Kr. Gupta  
Chairman

P.Alli Rani  
Director

Date: 27.06.2011  
Place: New Delhi

Naresh Kr. Jawa  
CEO

Suman Lata Khanna  
DM(F) & CS

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Amount in ₹)

PARTICULARS	SCHEDULE	Year Ended 31.03.2011 Audited	Year Ended 31.03.2010 Audited
<b>INCOME</b>			
Income from Operation	8	643,484,013	249,169,259
Other Income	9	3,011,282	6,414,794
<b>TOTAL</b>		<b>646,495,295</b>	<b>255,584,053</b>
<b>EXPENDITURE</b>			
Cost of Sales	10	510,262,078	237,781,142
Employees Remuneration & Benefits	11	14,281,423	14,926,133
Administrative & Other Expenses	12	28,410,092	17,943,347
Depreciation		36,407,896	36,651,109
Interest		50,767,688	38,177,344
Preliminary Expenses Written Off		265,000	748,040
<b>TOTAL</b>		<b>640,394,177</b>	<b>346,227,115</b>
<b>Profit/(Loss) before Tax</b>		<b>6,101,118</b>	<b>(90,643,062)</b>
Less: Provision for Deferred Tax		<b>1,885,245</b>	<b>-</b>
<b>Profit/(Loss) after Tax</b>		<b>4,215,873</b>	<b>(90,643,062)</b>
<b>Balance Carried to Balance Sheet</b>		<b>4,215,873</b>	<b>(90,643,062)</b>
<b>Basic and Diluted Earning/(Loss) per share of ₹ 10/- each(In ₹)</b>		<b>0.09</b>	<b>(1.88)</b>

Schedules 1 to 14 form an integral part of the accounts.

As per our report of even date  
For S.S. Poddar & Co.  
Chartered Accountant

S.S. Poddar  
Partner  
M.No. 015018

For and on behalf of Board of Directors

Anil Kr. Gupta  
Chairman

P. Alli Rani  
Director

Date: 27.06.2011  
Place: New Delhi

Naresh Kr. Jawa  
CEO

Suman Lata Khanna  
DM(F) & CS



## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SCHEDULE 1: SHARE CAPITAL

	(Amount in ₹)	
	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
<b>AUTHORISED</b>	<b>500,000,000</b>	<b>500,000,000</b>
5,00,00,000 (Previous year 5,00,00,000)		
Equity Shares of ₹10/- each	<b>482,738,100</b>	<b>482,738,100</b>
<b>ISSUED, SUBSCRIBED &amp; PAID-UP</b>		
4,82,73,810 Equity Shares of ₹10/- each fully paid-up (Previous year 4,82,73,810)		
<b>TOTAL</b>	<b>482,738,100</b>	<b>482,738,100</b>

### SCHEDULE 2: RESERVES & SURPLUS

	(Amount in ₹)	
	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
Share premium	<b>1,061,900</b>	<b>1,061,900</b>
<b>TOTAL</b>	<b>1,061,900</b>	<b>1,061,900</b>

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SCHEDULE 3: SECURED & UNSECURED LOANS

(Amount in ₹)

	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
--	--------------------------------	--------------------------------

#### SECURED LOAN

Term Loan from Axis Bank (Includes Interest Accrued and due ₹ 25,90,277/-)(P/Y ₹ 30,40,760/-)(Secured against first charge on the present and future fixed assets (Movable and immovable) of the Company and second charge on the present and future assets of the company)	361,395,182	424,246,518
Working Capital Limit from State Bank of Patiala (Secured against hypothecation of all current assets both present and future)	111,794,207	-
	<b>473,189,389</b>	<b>424,246,518</b>

#### UNSECURED LOAN

Loans from Corporate (Holding Company - Container Corporation of India Ltd.)(Including Interest accrued and due ₹ 44,10,000/-)(P/Y ₹ NIL) (Net of TDS ₹ 4,90,000/-)(P/Y ₹ NIL)	285,842,750	336,432,750
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<b>TOTAL</b>	<b>759,032,139</b>	<b>760,679,268</b>
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### SCHEDULE 4 : FIXED ASSETS

(Amount in ₹)

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.2010	Additions during the Year	Sale/ Adjustments	As at 31.03.2011	As At 01.04.2010	For the Year	On Sale/ Adjustments	Upto 31.03.2011	As at 31.03.2011	As at 31.03.2010
<b>Tangible Assets</b>										
Building	191,591,146	-	-	191,591,146	16,388,006	6,235,449	-	22,623,455	168,967,691	175,203,140
Plant & Machinery	451,431,297	2,383,719	-	453,815,016	56,980,441	21,877,568	-	78,858,009	374,957,007	394,450,856
Computer	1,145,906	176,146	-	1,322,052	497,806	195,987	-	693,793	628,259	648,100
Furniture & Fittings	1,573,149	46,679	-	1,619,828	389,580	94,915	-	484,495	1,135,333	1,183,569
Bins	168,574,930	-	-	168,574,930	19,989,080	8,003,977	-	27,993,057	140,581,873	148,585,850
<b>Total</b>	814,316,428	2,606,544	-	816,922,972	94,244,913	36,407,896	-	130,652,809	686,270,163	720,071,515
<b>Previous Year</b>	813,150,673	1,165,755	-	814,316,428	57,593,804	36,651,109	-	94,244,913	720,071,515	755,556,869



## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SCHEDULE 5: CURRENT ASSETS, LOANS AND ADVANCES

	(Amount in ₹)	
	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
<b>INVENTORIES</b>		
(As taken, valued & certified by the Management)		
Fresh Fruits	47,404,162	79,535,123
Packing Materials	12,573,700	6,611,502
WAX	1,534,000	1,534,000
Consumable Goods	718,400	-
<b>TOTAL (a)</b>	<b>62,230,262</b>	<b>87,680,625</b>
<b>SUNDRY DEBTORS</b>		
Outstanding for period exceeding six Months		
Unsecured Considered good	12,652/-	
Unsecured Considered doubtful	12,652/-	
	25,304/-	
Less : Provision for Doubtful Debts	(12,652/-)	25,304
Others Unsecured Considered Goods	123,702,887	20,824,399
<b>TOTAL (b)</b>	<b>123,715,539</b>	<b>20,849,703</b>
<b>CASH AND BANK BALANCES</b>		
Cash including Imprest	1,714	10,000
Balance with Scheduled Banks		
- Current Accounts	3,099,159	11,107,776
- Flexi Deposits	686,222	1,326,321
- Term Deposits*	256,327	17,429,989
<b>TOTAL (c)</b>	<b>4,043,422</b>	<b>29,874,087</b>
*Pledged with Axis Bank against Bank Guarantee to Sales Tax Authorities of ₹ 2,00,000/- (Previous Year ₹ 200000/-)		
<b>OTHER CURRENT ASSETS</b>	1,548,506	524,179
<b>TOTAL(d)</b>	<b>1,548,506</b>	<b>524,179</b>
<b>LOANS AND ADVANCES</b>		
Loans to Employees (Secured)	2,377,011	2,528,287
Advances(Unsecured)		
Recoverable in cash or in kind or for value to be received	45,873	50,633
Deposits(Unsecured)		
- Govt Authorities	2,682,758	2,996,357
- Others	63,000	70,800
Advance Income Tax/TDS (Net of Provisions)	2,467,211	2,105,746
<b>TOTAL(e)</b>	<b>7,635,853</b>	<b>7,751,823</b>
<b>TOTAL (a to e)</b>	<b>199,173,582</b>	<b>146,680,417</b>

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SCHEDULE 6: CURRENT LIABILITIES AND PROVISIONS

	(Amount in ₹)	
	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
<b>A. CURRENT LIABILITIES</b>		
Sundry Creditors	9,789,254	5,580,471
Others	18,783,828	8,712,877
<b>TOTAL (a)</b>	<b>28,573,082</b>	<b>14,293,348</b>
<b>PROVISIONS</b>		
Retirement Benefits	2,788,153	3,234,271
Other Provisions	139,208	-
<b>TOTAL (b)</b>	<b>2,927,361</b>	<b>3,234,271</b>
<b>TOTAL (a+b)</b>	<b>31,500,443</b>	<b>17,527,619</b>

### SCHEDULE 7 MISCELLANEOUS EXPENDITURE

	(Amount in ₹)	
	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
<b>Preliminary Expenses</b>		
Opening Balance	850,000	623,040
Add: Incurred During the year	-	975,000
Less: Written Off during the period	265,000	748,040
<b>TOTAL</b>	<b>585,000</b>	<b>850,000</b>

### SCHEDULE 8: INCOME FROM OPERATION

	(Amount in ₹)	
	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
Sale of Fresh Fruits	590,072,961	218,678,044
Sale - Off Seasonal Activity	30,662,546	22,441,976
Sale of Cartons	17,846,571	4,365,865
Sale of Scrap	1,020,326	1,296,571
Cooling Charges	3,881,609	2,386,803
<b>Total</b>	<b>643,484,013</b>	<b>249,169,259</b>



## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SCHEDULE 9: OTHER INCOME

(Amount in ₹)

	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
<b>Interest earned on :</b>		
- Short Term Deposit with Financial Institutions	-	-
- Short Term Deposit with Banks (TDS ₹ 172,814/-)(P/Y ₹ 142,613/-)	681,191	1,376,273
Miscellaneous Income	2,330,091	5,038,521
<b>TOTAL</b>	<b>3,011,282</b>	<b>6,414,794</b>

### SCHEDULE 10: COST OF SALES

(Amount in ₹)

	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
<b>Cost of Sales</b>		
<b>Opening Stock (A)</b>		
Fresh Fruits	79,535,123	125,589,888
Wax	1,534,000	1,574,000
Packing Material	6,611,502	4,233,520
<b>(A)</b>	<b>87,680,625</b>	<b>131,397,408</b>
<b>Add: Purchases (B)</b>		
Fresh Fruits	327,007,811	120,764,234
Wax	-	-
Packing Material	37,737,207	10,368,477
<b>(B)</b>	<b>364,745,018</b>	<b>131,132,711</b>
<b>Less: Closing Stock (C)</b>		
Fresh Fruits	47,404,162	79,535,123
Wax	1,534,000	1,534,000
Packing Material	12,573,700	6,611,502
<b>(C)</b>	<b>61,511,862</b>	<b>87,680,625</b>
<b>Net (A+B-C)</b>	<b>(a) 390,913,781</b>	<b>174,849,494</b>
<b>Purchase/CA Store/ Storage Expenses</b>		
CA store maintenance	10,295,000	8,308,120
Freight Exp	36,975,521	11,533,294
Handling Expenses	1,523,296	999,070
Loading/Unloading Charges	12,207,291	3,992,178
Power & Fuel	18,618,627	10,116,196
Testing Exps./ Charges /Consumable Goods	32,052	10,180
Procurement Supervision Consultants	7,363,080	4,862,160
Water Spray at Control Room	227,100	57,600
Consumable Goods	1,556,072	469,792
APMC Fees	3,115,647	1,108,327
Performance Award	150,000	120,500
Store Rent	140,886	123,165
Hiring Charges Forklift	-	4,000
<b>(b)</b>	<b>92,204,572</b>	<b>41,704,581</b>
Purchase - Off Seasonal Activity	<b>(c) 27,143,725</b>	<b>21,227,067</b>
<b>TOTAL (a to c)</b>	<b>510,262,078</b>	<b>237,781,142</b>

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### SCHEDULE 11: EMPLOYEES REMUNERATION AND BENEFITS

(Amount in ₹)

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
Salary, Allowances & Other Employee Benefits	11,428,821	12,799,571
Contribution to CPF & FPF	1,009,860	930,997
Rent for Leased Accomodation	446,257	500,507
Employee Welfare & Medical	1,368,521	471,379
Gratuity	-	218,193
Training Expenses	27,964	5,486
<b>TOTAL</b>	<b>14,281,423</b>	<b>14,926,133</b>

### SCHEDULE 12: ADMINISTRATIVE AND OTHER EXPENSES

(Amount in ₹)

	AS AT 31.03.2011 Audited	AS AT 31.03.2010 Audited
Printing & Stationer Exp	279,021	182,560
Travelling & Conveyance	1,314,540	1,087,023
Travelling & Conveyance -Dir.	2,400	88,894
Rent Office Space/ Rai Land and Licence Fee	2,355,920	2,187,019
Research & Development Exps.	12,744	-
office/ CA Store Upkeeping Exps,	1,568,907	990,537
Electricity Expenses	47,822	66,768
Repairs & Maintenance		
- Building	17,986	-
- Plant & Machinery	773,102	468,706
Security Expenses	1,085,529	968,546
Office Vehicle/ Car Hire Charges	2,202,837	2,009,642
Business Development	37,144	24,572
Postage, Telephone & Internet	629,633	628,635
Books & Periodicals	8,100	21,550
Bank Charges	47,684	31,416
Legal & Professional Charges	671,502	385,126
Agency Charges-Commission	14,274,335	6,966,472
Insurance Premium	566,849	744,506
Subscription & Membership Fee	3,425	1,625
Exhibition Exps.	-	20,327
Discount	1,601,027	98,753
Advertisement	547,219	661,628
Auditors Remuneration		
- Statutory Audit Fee	83,387	77,210
- Tax Audit Fee	35,737	33,090
Provision for Doubtful Debts	12,652	-
Miscellaneous Expenses	230,590	198,742
<b>TOTAL</b>	<b>28,410,092</b>	<b>17,943,347</b>



# FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

## SCHEDULE 13: SIGNIFICANT ACCOUNTING POLICIES

### 1. Accounting Convention & Concepts

The financial statements are prepared under the historical cost convention generally on accrual basis, in accordance with the applicable mandatory Accounting Standards and relevant presentational requirements of the Companies Act, 1956. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

### 2. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction, less accumulated depreciation. Cost of acquisition is net of interest on capital advances and is inclusive of freight, duties, taxes and other incidental expenses. In respect of assets due for capitalization where final bills /claims are to be received or passed, the capitalization is based on engineering estimates. Final adjustments for cost and depreciation are made retrospectively in the year of ascertainment of actual cost and finalization of claim. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized.

### 3. Borrowing cost

Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets and all other borrowing costs are charged to revenue. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use.

### 4. Inventories

Inventories are valued at cost or Net realizable value, whichever is lower. Cost includes direct purchase cost and proportion of direct allocable expenses. Cost is determined on a weighted average basis.

### 5. Depreciation

Depreciation is provided on the straight line method at the rate and in the manner provided in Schedule XIV of the Companies Act, 1956.

### 6. Impairment of assets

An asset is said to be impaired when the carrying amount of asset is more than the recoverable value of the asset. An impairment loss is charged to the Profit & Loss Account in the year in which an asset is identified as impaired.

### 7. Retirement Benefits

Gratuity liability to employees is provided for on accrual basis based on valuation done by an independent actuary as at the balance sheet date.

Liability for leave travel concession & leave salary payable to employees is provided for on accrual basis based on valuation done by an independent actuary as at Balance Sheet date.

Contribution to defined contribution schemes such as Provident fund & Family Pension Fund are charged to Profit and Loss account as and when accrued.

### 8. Revenue Recognition:

#### Sales

Revenue from Sale of Goods is recognized when the significant risk and reward of ownership of goods are transferred to the customer and no significant uncertainty as to its determination or realization exists.

#### Rental Income

Revenue is recognized on accrual basis.

#### Other Income

Revenue is recognized on accrual basis.

### 9. Taxes on income

i) Provision for current tax is made as per applicable provisions of Income Tax Act, 1961.

ii) Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent years.

### 10. Provisions, Contingent Liabilities & Contingent Assets:

Provisions are recognized in respect of obligations where based on the evidence available, their existence on the Balance Sheet date is considered probable.

Contingent liabilities are determined on the basis of available information. These liabilities are not provided for and disclosed by way of notes on accounts.

## FRESH & HEALTHY ENTERPRISES LIMITED

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Contingent assets are not recognized in the accounts unless there are absolute certainties of its recovery in future.

### 11. Preliminary expenses

Preliminary Expenses are amortized over a period of five years.

### 12. Leases

Lease rentals are in the nature of operating lease. Therefore, same are recognized with reference to lease terms.

## SCHEDULE 14 : Notes to Accounts

1. Contingent Liabilities not provided for in respect of Bank Guarantee is ₹ 200,000/- (Previous Year: ₹ 200,000/-)
2. The company has taken land on lease from HSIIDC Limited for 30 years from 26.03.2003, further expandable for a period of 99 years for which no lease premium has been paid. Lease rent is @ ₹ 1.50 per sq. mtr. per month for 66,400 sq. mtr. area for first 15 years and thereafter will be fixed mutually.
3. Sales have been accounted for based on the consignment notes received from the marketing associates.

### 4. Related party disclosure

Related party disclosure as required under accounting standard -18 on "Related Party disclosures" issued by the Institute of Chartered Accountants of India are given below:

#### a) Relationship:

##### i) Parties whose control exists

Holding company Container Corporation of India Ltd.

##### ii) Key management personnel

Shri Anil Kumar Gupta  
 Shri Harpreet Singh  
 Ms. P. Alli Rani  
 Shri Yashvardhan  
 Shri T.R. Doongaji

Chairman  
 Director  
 Director  
 Director  
 Director

#### b) The following transactions were carried out with related party in the ordinary course of business :

(Amount in ₹)

	2010-11	2009-10
<b>i) Parties whose control exists (Holding Company)</b>		
Intt. Free Unsecured Loan Taken	NIL	₹ 22,00,00,000
Intt. Free Unsecured Loan Refunded	₹ 5,50,00,000	₹ 16,00,00,000
Interest on Loan	₹ 49,00,000	NIL
TDS Deducted on Interest on Loan	₹ 4,90,000	NIL

##### ii) Key management personnel

Sitting Fee to Directors:

Sh. Janat Shah	₹ 60,000	₹ 60,000
Sh. T.R. Doongaji	₹ 1,80,000	₹ 1,00,000

#### c) Balances at the end of the Year

(Amount in ₹)

	2010-11	2009-10
<b>i) Parties Whose Control Exists (Holding Company)</b>		
Unsecured Loan	₹ 28,14,32,750	₹ 33,64,32,750
Interest Accrued and Due	₹ 44,10,000	NIL
<b>ii) Key management personnel</b>		NIL

### 5. Earning Per Share

Profit/loss after taxation as per Profit and Loss account (₹)	42,15,873	(9,06,43,062)
Weighted Average number of Equity Shares outstanding (Nos.)	4,82,73,810	4,82,73,810
Basic and diluted Earning/loss Per Share (₹)	0.09	(1.88)



## FRESH & HEALTHY ENTERPRISES LIMITED

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6. Pending issuance of Notification u/s 441A of Companies Act, 1956 no provision has been made towards Cess on turnover.
7. Details of expenditure and earnings in foreign currency:

	2010-11	2009-10
a) Expenditure in Foreign Currency:		
Traveling (₹)	NIL	NIL
b) Earning in Foreign Currency:	NIL	NIL

8. Additional information required as per Part II of schedule VI of companies Act 1956 regarding purchase, sale and stock of main items:

	Item	Opening	Purchased	Sold	Consumed*	Closing
Apple	Qty (Kgs.) C/Y	13,74,109	93,61,373	95,38,540	2,82,073	9,14,869
	Qty (Kgs.) P/Y	28,17,275	28,55,850	42,05,745	93,271	13,74,109
	Amount (in ₹) C/Y	7,95,35,123	32,55,17,973	58,86,51,869	-	4,74,74,162
	Amount (in ₹) P/Y	12,55,89,888	12,07,64,234	21,86,78,044	-	7,95,35,123
Packing Material	Qty (No.) C/Y	6,34,440	27,07,583	12,97,200	12,82,495	7,62,328
	Qty (No.) P/Y	4,37,513	6,80,491	1,85,883	2,97,681	6,34,440
	Amount (in ₹) C/Y	66,11,502	3,77,37,207	1,78,46,571	1,39,28,438	1,25,73,700
	Amount (in ₹) P/Y	42,33,520	1,03,68,477	43,65,865	36,24,630	66,11,502

\* Consumption includes moisture Loss, spoilage, testing of fruit etc.

9. As per As-19 amount charged to Profit & Loss Account in respect of operating leases for office premises and accommodation provided to staff is ₹ 27,69,709/- (Previous Year ₹ 26,61,474/-) which is net of recovery of ₹ 32,968/- (Previous Year ₹ 26,052/-). The period of lease arrangements varies from case to case.
10. Income from Operation includes sale of Apples, Kinnows, CFB-carton (boxes), off-seasonal activities and cooling charges.
11. An amount of ₹ 12,652/- (P/Y ₹ NIL) has been provided towards Bad & Doubtful Debtors.
12. The company is dealing in logistics of fresh fruits. All the activities of the company revolve around this business and all the operations are in India. As such there is no other reportable segment defined by Accounting Standard As-17 related to segment reporting.
13. The company has, with effect from 1st April 2010, adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India (ICAI). The disclosure as required as per the above accounting standard are as under:

**(a) Defined Contribution plans:**

- i) Employers' contribution to Provident Fund Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, 'CONCOR Employees CPF Trust', which invests the fund in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to profit & loss account. The obligation of the company is limited to such fixed contribution. However, the trust is required to pay a minimum rate of interest on contributions to the members as specified by Government. During the year, the company has recognized the following amounts in the profit & loss account.
- ii) Employers' contribution to Provident Fund – ₹ 8.21 Lakh (previous year : ₹ 7.53 lakh)

**(b) Defined Benefit Plans:**

**Gratuity:** The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is non funded. The liability for the same is recognized on the basis of actuarial valuation.

**Leave Travel Concession:** The Company provides LTC facility to its employees, which is regulated in accordance with the policy framed in this regard. The liability for the same is recognized on the basis of actuarial valuation.

**Leave Encashment:** The Company has a defined benefit leave encashment plan for its employees. Under this plan, they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same. The liabilities towards leave encashment have been provided on the basis of actuarial valuation.

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

**(c) Summarized Position:**

(Amount in ₹)

Particulars	Leave Travel Concession (Non- Funded)		Gratuity (Non- Funded)		Leave Encashment (Non – Funded)	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Expenses Recognised in Profit & Loss Account	<b>254,941</b>	52,626	-	2,18,193	-	961,730
Amount Recognized in the Balance Sheet :						
Present Value of obligations as at 31st March (i)	<b>1,39,208</b>	-	<b>7,51,563</b>	8,71,392	<b>20,36,590</b>	23,62,879
Fair Value of Plan Assets (ii)	-	-	-	-	-	-
Difference (ii)-(i)	<b>(1,39,208)</b>	-	<b>(7,51,563)</b>	(8,71,392)	<b>(20,36,590)</b>	(23,62,879)
Net Asset/(Liabilities) Recognised in the Balance Sheet	<b>(1,39,208)</b>	-	<b>(7,51,563)</b>	(8,71,392)	<b>(20,36,590)</b>	(23,62,879)

**(d) Actuarial assumptions: Principal assumptions used for actuarial valuation are:**

	2010-11	2009-10
i) Method Used	Projected Unit Credit Method	N/A
ii) Discount Rate	8.00%	N/A
iii) Future Salary Increases	5.50%	N/A

Salary increase rate has been assumed keeping in view the inflation rate on long term basis.

14. During the year the company had no employee drawing remuneration equal to or more than the limits prescribed under the Companies (Particulars of Employees) Amendment Rules, 2011.
15. During the year, provision for current tax is not made as the company has brought forward losses and unabsorbed depreciation amounting to ₹ 58.77 crore upto A/Y 2010-11 in accordance with the provisions of Income Tax Act, 1961.
16. Deferred Tax asset is not being recognized since there is uncertainty regarding sufficient future taxable income being available for realizing such deferred tax asset. However deferred tax liability on profit as per profit & loss account has been created.
17. The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, as at the Balance Sheet date and therefore no such disclosures under the said Act have been made.
18. Depreciation on assets created on leasehold land is provided in line with the accounting policy of the company irrespective of the land lease period, as the leases are likely to be renewed /extended.
19. Balances of Sundry Debtors, Loans & Advances, Deposits, Sundry Creditors, etc. are subject to confirmation / reconciliation.
20. During the year expenditure on imported consumable goods was ₹ NIL (previous year: ₹ NIL)
21. Other Income includes ₹ 8,65,856/- of credit received for Haryana VAT for the previous years.
22. The impact of pay revision in respect of security expenses etc. will be accounted for on receipt of claims.
23. In the opinion of the management, during the year there are no indications that impairment of any asset has taken place. Accordingly, no provision for impairment of assets is required as per Accounting Standard 28.
24. Liability towards allowances to employees (based on cafeteria approach) in accordance with CONCOR circular no. CON/HR/276/6/912 dt 23.04.2009 (as per DPE O.M. No. 2(70)/08-DPE(WC)-GLXVI/08 dt 26.11.2008) is ₹ 3,98,901/-. The same will be considered after approval of competent authority.
25. A claim for ₹ 2,15,560/- has been lodged and is under consideration as on 31.03.2011 with M/s United India Assurance Ltd. The same has been settled for ₹ 2,13,760/- on 10.05.2011.
26. A Grant of ₹ 7,13,600/- has been received from National Horticulture Board for procurement of Chiller Units (10Nos.). The same has been procured and accounted at nominal value in accordance with AS-12, Accounting for Government Grant issued by ICAI.



# FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

27. As per Accounting Standard 29, the particulars are as under:

Particulars	(Amount in ₹)	
	Gratuity & Leave Encashment 2010-11	2009-10
Opening Balance	32,34,271/-	27,28,597/-
Addition during the year	-	11,79,923/-
Amount used/incurred	4,46,118/-	6,74,249/-
Closing Balance	27,88,153/-	32,34,271/-

28. a) Unless Otherwise stated, the figures are in rupees.

b) Previous year's figures have been recast/regrouped/rearranged wherever considered necessary to confirm to this year's classification.

## 29. Balance sheet Abstract and Company's General Profile

(IN TERMS OF AMENDMENT TO SCHEDULE VI Part IV)

### I Registration details

Registration No	U51909DL2006PLC145734		
State code:	55		
Balance sheet Date	31	03	2011
	Date	Month	Year

### II Capital raised during the year (₹ In Thousands)

Public issue	Right Issue
NIL	NIL
Bonus issue	Private Placement
NIL	NIL

### III. Position of Mobilization and Deployment of Funds (₹ In Thousands)

<b>Total liabilities</b>	<b>Total assets</b>
1,276,218	1,276,218

### Sources of Funds

Paid Up capital	Reserves & Surplus
482738	1062
Secured Loan	Unsecured Loan
473189	285843
Current liabilities	Deferred Tax liability
31501	1885
Application of Funds Net Fixed Assets	Investments
686270	NIL
Current Assets	Misc. Expenditure
199174	585
Accumulated Loss	
390189	

### IV Performance of company

Turnover (including other income)	(₹ In Thousands)
646495	Total Expenditure
Profit/(Loss) Before Tax	640394
6101	Profit/(Loss) after tax
	4216

### V. Generic Names of principal Product (As per monetary terms)

Product description	Apple
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"SIGNATURES TO SCHEDULE 1 TO 14"

As per our Report of even date

For S.S.Poddar & Co.

Chartered Accountants

For and on behalf of Board of Directors

S.S.Poddar  
Partner  
M.No. 015018

Anil Kumar Gupta  
Chairman

P.Alli Rani  
Director

Date: 27.06.2011

Place: New Delhi

Naresh Kr. Jawa

C.E.O.

Suman Lata

D.M.(F) & C.S.

**FRESH & HEALTHY ENTERPRISES LIMITED****(A Wholly owned subsidiary of CONCOR)****AUDITORS' REPORT**

The Members of Fresh &amp; Healthy Enterprises Limited

- 1) We have audited the attached balance sheet of Fresh & Healthy Enterprises Limited as at 31st March 2011 and the profit and loss account and the Cash Flow Statement for the year ended on that date 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.
- 2) We conducted our audit in accordance with the 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 statement. 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 Companies (Auditors' Report) Order' 2003 issued by Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to above, we report that:
  - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (ii) 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 those books.
  - (iii) The balance sheet and profit and loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account
  - (iv) In our opinion, the balance sheet and profit and loss account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
  - (v) In terms of Department of Company Affairs GSR 829(E) dated 21st October, 2003 Government Companies are exempt from applicability of provisions of Section 274(1)(g) 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 accounting policies and schedule of notes 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 principles generally accepted in India:
    - (a) In the case of the balance sheet, of the state of affairs of the company as at 31st March 2011;
    - (b) In the case of the profit and loss account, of the profit for the year ended on that date, and
    - (c) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For S.S.Poddar & Company  
Chartered AccountantsPlace : New Delhi  
Date : 27.06.2011(S.S.Poddar)  
Partner  
M.No. 015018



## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

### ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date

Re.: Fresh & Healthy Enterprises Limited

- (I) (a) The company has maintained proper records showing full particulars Including quantitative details and situation of fixed assets.
- (b) Fixed assets of the company have been physically verified by management during the year and no material discrepancies between the book records and the physical verification have been noticed. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company.
- (c) During the year, the company has not disposed off a major part of the plant and machinery so as to affect the going concern status of the company.
- (II) (a) As informed to us the inventory has been physically verified by the company as at 31st March 2011. Management considered it reasonable to conduct physical verification of all the items once in a year. 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.
- (b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
- (c) (i) In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory.
- (ii) As explained to us the discrepancies noticed on verification between the physical stocks and book records which were not material, have been properly dealt with in the books of accounts.
- (III) (a) As informed, Company has not granted any loan to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and as such clause 4(iii) (a) to 4(iii)(d) of the Companies (Auditor's Report) Order, 2003(as amended) are not applicable..
- (b) The company has taken an interest free unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 33, 64, 32,750/- and the year end balance of loans taken from such party was ₹ 28, 58, 42,750/-.
- (c) In our opinion, terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
- (d) The Company has been regular in repaying the principal amounts as stipulated.
- (IV) In our opinion and according to the information 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 & services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls of the company.
- (V) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (VI) The company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the order is not applicable.
- (VII) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

## FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

- (VIII) In our opinion, the company is not required to maintain cost records under section 209(1) (d) of the companies Act, 1956.
- (IX) (a) According to the records of the Company, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other undisputed were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (X) (i) Accumulated losses of the company at the end of the financial year are not less than fifty percent of its net worth.
- (ii) The company has not incurred any cash loss during the year.
- (iii) The company had incurred cash loss in the immediately preceding financial year.
- (XI) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- (XII) According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (XIII) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(XIII) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (XIV) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(XIV) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (XV) In our opinion and according to the information and explanations given to us the company has not given any guarantee for loans taken by its associates or subsidiaries from banks or financial institutions.
- (XVI) In our opinion, the term loans have been applied for the purpose for which they are raised.
- (XVII) According to the information and explanations given to us and on an overall examination of the balance sheet and Cash Flow Statement of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (XVIII) On the basis of records available and representations made before us, the company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (XIX) During the period covered by our audit report, the company did not have any outstanding debentures during the year.
- (XX) During the period covered by our audit report, the company has not raised any money by public Issue.
- (XXI) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For S.S.Poddar & Company  
Chartered Accountants

Place : New Delhi  
Date : 27.06.2011

(S.S.Poddar)  
Partner  
M.No. 015018



# FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly owned subsidiary of CONCOR)

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2011

(Amount in ₹)

	YEAR ENDED 31.03.2011	YEAR ENDED 31.03.2010
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax and extraordinary items	6,101,118	(90,643,062)
<b>Adjustments for :</b>		
Depreciation	36,407,896	36,651,109
Preliminary Expenses	265,000	748,040
Interest Debited	50,767,688	38,177,344
Interest Earned	(681,191)	(1,376,273)
<b>Operating Profit before Working Capital changes</b>	<b>92,860,511</b>	<b>(16,442,842)</b>
<b>Adjustments for :</b>		
Trade & other receivables	(102,865,836)	25,598,838
Inventories	25,450,363	43,716,783
Fringe Benefit Tax Charged	-	-
Advances & other Current Assets (Decrease)	(902,454)	819,723
Trade & other Payable	13,972,824	(147,101,262)
<b>Cash Flow from operating Activities</b>	<b>28,515,408</b>	<b>(93,408,760)</b>
Less: Taxes paid	-	(75,000)
<b>Net Cash Flow from operating activities</b>	<b>28,515,408</b>	<b>(93,483,760)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Decrease/ (Increase) in Fixed Assets	(2,606,544)	(1,165,755)
Interest Received	675,288	1,311,182
<b>Net Cash from / (Used) in Investing Activities</b>	<b>(1,931,256)</b>	<b>145,427</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital at premium	-	133,800,000
Preliminary Expenses	-	(975,000)
Increase in Working Capital Limit	111,794,207	-
Proceeds from Borrowings	-	220,000,000
Repayment of Borrowings	(117,400,853)	(222,400,853)
Interest paid	(46,808,171)	(38,627,826)
<b>Net cash from/(Used) in financing Activities</b>	<b>(52,414,817)</b>	<b>91,796,321</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(25,830,665)</b>	<b>(1,542,012)</b>
Opening cash and Cash Equivalents	29,674,087	31,216,099
Closing Cash and Cash Equivalents	3,843,422	29,674,087
<b>Net Increase/(Decrease) as per Books</b>	<b>(25,830,665)</b>	<b>(1,542,012)</b>

As per our report of even date  
**For S.S. Poddar & Co.**  
 Chartered Accountant

S.S.Poddar  
 Partner  
 M.No. 015018

Date: 27.06.2011  
 Place: New Delhi

**For and on behalf of Board of Directors**

Anil Kr. Gupta  
 Chairman

P.Alli Rani  
 Director

Naresh Kr.Jawa  
 CEO

Suman Lata Khanna  
 DM(F) & CS

**FRESH & HEALTHY ENTERPRISES LIMITED****(A Wholly owned subsidiary of CONCOR)****COMMENTS OF COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE  
ACCOUNTS OF FRESH & HEALTHY ENTERPRISES LIMITED FOR THE YEAR  
ENDED 31<sup>st</sup> MARCH 2011.**

The preparation of financial statements of Fresh & Healthy Enterprises Limited for the year ended 31<sup>st</sup> March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(4) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27.06.2011.

I, on behalf of the Comptroller and Auditor General of India, have decided not to review the report of the Statutory Auditors on the accounts of Fresh & Healthy Enterprises Limited for the year ended 31<sup>st</sup> March 2011 and as such have no comments to make under Section 619(4) of the Companies Act, 1956.

For and on the behalf of the Comptroller  
and Auditor General of India

(John K. Sellate)  
Pr. Director of Commercial Audit &  
Ex-Officio Member, Audit Board-IV