

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

SEVENTH ANNUAL REPORT
(2011-12)

MISSION AND OBJECTIVES

- ❖ To develop into a world class organisation using state-of-the-art technologies for procurement, transportation, storage and distribution of fruits and vegetables in the country.
- ❖ This is to be achieved by setting up modern controlled atmosphere storage facilities and by developing strong long term linkages with farmers, agricultural institutes logistics operators and governmental agencies with emphasis on information technology solutions for all activities.
- ❖ The company will strive to provide value for money to its customers and fulfill aspiration of its stakeholders by providing qualitative and efficient services.

CORPORATE OBJECTIVES

- ❖ To set up an integrated cold supply chain in India for fruits & vegetables using state-of-the-art technology.
- ❖ To establish standards of quality for fruits and vegetables procured and marketed by the company.
- ❖ To strive for providing value for money to farmers & customers.
- ❖ To follow highest standards of business ethics and be responsible to its social obligations.
- ❖ To maintain absolute integrity, honesty, transparency and fairplay in all its public dealings.

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

BOARD OF DIRECTORS

Shri Anil Kumar Gupta
Chairman

Shri Harpreet Singh
Director

Shri Yash Vardhan
Director

Ms. P. Alli Rani
Director

Dr. A. K. Bandyopadhyay
Director (w. e. f. 27.06.2011)

Lt. Gen. (Retd.) Arvind Mahajan
Director (w. e. f. 27.06.2011)

Shri N. K. Jawa
Chief Executive Officer

Ms. Suman Lata Khanna
Manager (Fin) & Company Secretary

STATUTORY AUDITORS

M/s Gupta Gupta And Associates
New Delhi.

BANKERS

Axis Bank
H.P. State Co-operative Bank
Punjab National Bank
UCO Bank
State Bank of India
State Bank of Patiala

REGISTERED OFFICE

CONCOR Bhawan,
C-3, Mathura Road,
Opposite Apollo Hospital,
New Delhi – 110076

FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly Owned Subsidiary of CONCOR)

Chairman's Address

Dear Shareholders,

I have great pleasure to welcome you to the Seventh Annual General Meeting of your Company. The Audited Annual Accounts of the Company for the period ended 31st March, 2012, Directors' Report, Auditors' Report along-with the comments of the Comptroller & Auditor General of India, have already been circulated to you and with your permission, I take them as read.

During the financial year 2011-12, Company procured 6898 MT of Apples from Shimla / Kinnaur districts of Himachal Pradesh and sold 4805 MT (inclusive of opening stock of 915 MT) at Delhi, Mumbai, Chennai, Ahmedabad and other fruit markets throughout India.

The Company achieved a turnover of Rs. 39.89 Crore in F/Y 2011-12 against Rs. 64.35 Crore in the previous year, registering a decline of 38% appx. The Company suffered Net Loss of Rs. 12.22 Cr. as against Net Profit of Rs. 0.42 Cr of last year. This has been due to worst apple crop in Himachal Pradesh, leading to very high procurement cost.

The company supplied apples to all the big Retail Chains namely Wal-Mart, More, Big Bazaar, Mother Dairy, Big Apple etc. In addition a number of buyers from Punjab, Mumbai and Chennai directly procured fruit from FHEL. In line with our endeavour nearly 80-90% of off-season sales were done at fixed rates.

During Diwali, FHEL sold nearly 113.77 MT of Supreme & AAA quality apples as Gift Packs/boxes. In addition, sale of gift packs continued even afterwards till almost end of March, 2012. Further, the Company has given 51 Chambers for different periods on hire in F/Y 2011-12 for apples, rice, garlic, carrots, oranges, flower bulbs etc. FHEL has been able to build its brand over the years and the brand is now known by all the retail chains and all the large players in the value chain. This will pay rich dividends to the Company in future as the retail chains grow.

Apart from apples FHEL also procured & sold 206 MT of Kinnows to Retail chains. The Company intends to increase the quantum of other fruits to reduce dependence on apples.

With respect to Corporate Governance, I would like to mention that your Company is voluntarily following the guidelines issued by Department of Public Enterprises. Further as a step towards attaining social objective, your Company is committed to help orchard owners to improve the yield.

In conclusion, I would like to extend my sincere thanks and deep gratitude to the esteemed Shareholders, Board of Directors and Auditors' for their valuable support, advice and guidance.

Thanking you,

Place : New Delhi

Date :28.08.2012

(Anil Kumar Gupta)

Chairman

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

Seventh Annual Report (2011-12)

CONTENTS

| <u>Particulars</u> | <u>Page No(s)</u> |
|--|--------------------------|
| 1. Notice | 1 – 5 |
| 2. Directors' Report | 6 – 11 |
| 3. Addendum to Directors' Report | 12 |
| 4. Corporate Governance Report | 13 – 18 |
| 5. Management Discussion & Analysis Report | 19 – 25 |
| 6. Annexure to Directors' Report | 26 – 30 |
| 7. Balance sheet | 31 |
| 8. Profit & Loss Account | 32 |
| 9. Notes to Accounts | 33 – 50 |
| 10. Cash Flow Statement | 51 |
| 11. Auditors' Report | 52 |
| 12. Annexure to the Auditors' Report | 53 – 55 |
| 13. Proxy Form | 56 |
| 14. Offices | 57 |

NOTICE

Notice is hereby given that the 7th Annual General Meeting of the Shareholders of the Company will be held as under -:

Day : Tuesday
Date : 28th August, 2012
Time : 12:00 Hrs.
Venue : Conference Hall,
CONCOR Bhawan,
C-3, Mathura Road,
Opposite 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 31st March, 2012, 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 Shri Harpreet Singh, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Shri Yash Vardhan, who retires by rotation and being eligible, offers himself for reappointment.

HUMAN RESOURCE MANAGEMENT

Human resource is the key asset of FHEL. As on 31.03.2012, the total employee strength of company remained 35 (which includes Regular-18, Adhoc-07, Deputationist-02, Management Trainees-04 and Contractual-04) employees. 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 of SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2012, the total employees' strength (excluding deputationist) 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 2011-12.

AUDITORS

M/s. Gupta Gupta & Associates, Chartered Accountants, Delhi were appointed as Company's Statutory Auditors for the F/Y 2011-12. Statutory Auditor is paid remuneration of Rs 1,08,000/- plus Service Tax, as fixed by Board of Directors'.

BOARD OF DIRECTORS

The Board met 6 (Six) times for transacting business of the Company during the financial year 2011-12.

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) 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 SEC. 173(2)
OF THE COMPANIES ACT, 1956**

Item No. 5

1. Presently, FHEL has issued, subscribed & paid up Equity Share Capital of Rs. 76,32,96,420 (divided into 7,63,29,642 Equity Shares of Rs. 10/- each fully paid up).
2. CONCOR's Board of Directors in its 152nd meeting held on 21st February, 2012 approved the infusion of Fresh equity of Rs. 11 Crore for financing development of Infrastructure/Procurement Centers in other parts of India (to be released by CONCOR depending upon the progress of projects.), subject to valuation of Equity Shares by an independent agency to be appointed by CONCOR.
3. M/s. SBI Capital Markets Ltd. vide its Equity Advisory Report, April 2012 advised that FHEL's Equity Value Per Share is Rs. 10.03/- as on 1st April, 2012.
4. Recently, CONCOR (Holding Company) has been sanctioned land at Azadpur Mandi. Further, the land at Himachal Pradesh & Kashmir for development of infrastructure / procurement centers is in final stages of allotment. FHEL has to undertake development of these projects on priority.
5. In accordance with the Provisions of Section 81(1A)(a) read with Unlisted Public Companies (Preferential Allotment) Rules, 2003 as amended by Unlisted Public Companies (Preferential Allotment) Amendment Rules, 2011 consent of FHEL's shareholders is required to be obtained by special resolution for issue and allotment of 1,09,67,099 Equity Shares of Rs. 10/- each at premium of Re 0.03/- per share to CONCOR on account of fresh equity infusion of Rs. 11 Crore by CONCOR in FHEL for financing (depending upon the progress of projects) development of infrastructure / procurement centers in other parts of India.
6. As per Article 6 of Articles of Association of Company, Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property, goods or machinery supplied, sold or transferred or for services rendered to the Company, subject to the provisions of Articles and the Act.

7. After issue of 1,09,67,099 Fresh Equity Shares of of Rs. 10/- each, FHEL's Issued Share Capital shall be Rs. 87,29,67,410/- (divided into 8,72,96,741 Equity Shares of Rs. 10/- each). Fresh Equity share Capital shall be allotted by Board of Directors within sixty days from receipt of application money. Entire Equity Share Capital shall continue to be held by CONCOR (Holding Company).

None of the Director is concerned or interested in the resolution.

The Board recommends the passing of Resolution.

FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(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, 2012.

OPERATIONAL REVIEW

The company procured 6898.377 MT of Apples from Kinnaur district of Himachal Pradesh and sold 4805 MT (inclusive of opening stock of 915 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 quality fruit, quick movement to Rai, Recycling of packing material, improvement in quality during storage and innovation in sorting/grading/packing of apples. The attempt has been made to supply international quality of domestic origin fruit to consumers.

MARKETING REVIEW

In 2011-12, FHEL procured 6898.377 MT of apples. Bulk of the apples stored were sold in the wholesale markets like Delhi, Chennai, Bangalore, Maharashtra etc. In the year 2011-12, 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, More, Big Bazaar, Mother Dairy, Big Apple, etc. 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 113.77 MT of Supreme & AAA quality apples as Gift Packs/boxes valuing Rs. 101/- lacs of apples in gift packs of 6, 12, & 20/25 apples. In addition, sale of gift packs continued even afterwards till almost end of March, 2012. Apart from apples FHEL also procured & sold 206 MT of Kinnows to Retail chains. During off season FHEL has given chambers on hire for storage of Rice, Garlic & oranges.

As on 31.03.2012, the Company had inventory of 2878 MT of apples (one of the highest in the last 5 years) valuing Rs. 26.17 Cr.

FINANCIAL REVIEW

This was one of the most difficult years of business as the apple crop in Himachal Pradesh was one of the worst in the last 10 years, leading to very high rates during the procurement. The average procurement rate of apple in 2011-12 was Rs. 65.69/- per kg as compared to Rs. 34.77 per kg. during 2010-11.

During the year under review, Operating turnover of your Company registered a decline of 38% appx., decreasing from Rs. 64.35 Cr. in F/Y 2010-11 to Rs. 39.89 Cr. in F/Y 2011-12. Cost of Sales reduced by 28.51% appx., from Rs. 51.03 Cr. in F/Y 2010-11 to Rs. 36.48 Cr. in F/Y 2011-12. Further, Employee Benefits Expenses, Finance costs and other expenses for F/Y 2011-12 are Rs. 1.85 Cr., Rs. 8.26 Cr. and Rs. 2.47 Cr., respectively. After providing for depreciation, writing off of preliminary expenses & deferred tax amounting to Rs. 3.62 Cr. Rs. 0.02 Cr. and 0.19 Cr., respectively the Company suffered Net Loss of Rs. 12.22 Cr. as against Net Profit of Rs. 0.42 Cr. of previous year, mainly on account of high procurement costs during F/Y 2011-12.

CAPITAL STRUCTURE

There was no change in the Authorized Equity Share Capital of Rs. 50 Crore and Issued, Subscribed & Paid up Equity Share Capital of Rs. 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 2011-12.

Recently, FHEL's Shareholders' have accorded their consent for increasing Authorized Share Capital of the Company from Rs. 50 Cr. to Rs. 150 Cr. & consequent amendment in Clause V of Memorandum of Association of the Company, on account of decisions of CONCOR (Holding Company) in respect of Fresh Equity infusion of Rs. 28.14 Cr. in FHEL towards retiring of high cost debts taken from Axis Bank and Infusion of Fresh Equity of Rs. 11 Cr. for financing development of Infrastructure/Procurement Centers in other parts of India (to be released by CONCOR depending upon the progress of projects), subject to valuation of Equity Shares by an Independent Agency appointed by CONCOR.

Further, the Shareholders of the Company have also accorded approval for issue of 2,80,55,832 Equity Shares of Rs. 10/- each at a premium of Re. 0.03/- per share, as per the Valuation done by SBI Capital Markets Ltd. (independent agency) for the purpose of retiring of high cost debts taken from Axis Bank by FHEL.

SECURED LOANS

During F/Y 2011-12, Your Company paid four installments of Rs. 1.56 Cr. each aggregating to Rs. 6.24 Cr. towards repayment of Loan of Rs. 49.92 Cr. drawn from Axis Bank (formerly known as UTI Bank). After repayment, Secured Term loan from Axis Bank stood at Rs. 29.92 Cr. (inclusive of interest accrued & due of Rs. 0.28 Cr.) on 31st March, 2012.

In order to meet Working capital requirement for F/Y 2011-12, your Company entered into an arrangement with Axis Bank for sanction of Secured Working Capital Demand Loan & CC Limit of Rs. 20 Cr. each. Out of total Sanctioned Working Capital limit of Rs. 40 Cr., Company had drawn a sum of Rs 38.19 Cr. during F/Y 2011-12. After repayment of Rs. 9.47 Cr. to Axis Bank, Secured Working Capital limit stood at Rs. 28.72 Cr. on 31st March, 2012.

UNSECURED LOAN

During F/Y 2011-12, the Company also took Working Capital Loan of Rs. 15 Cr. from CONCOR (Holding Company).

Total outstanding loan due to holding Company (CONCOR) stood at Rs. 45.73 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12 and interest accrued & due of Rs. 2.59 Cr. Net of TDS) as on 31.03.2012.

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 three units of 4000 MT capacity each at Rai, Sonapat. The facility has been operating successfully during the F/Y 2011-12.

PARTICULARS OF EMPLOYEES

The information required in accordance with the provisions of Section 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended by Company (Particulars of Employees) Rules, 2011 is Nil, as no employee has drawn remuneration in excess of amount specified in said Rules.

HUMAN RESOURCE MANAGEMENT

Human resource is the key asset of FHEL. As on 31.03.2012, the total employee strength of company remained 35 (which includes Regular-18, Adhoc-07, Deputationist-02, Management Trainees-04 and Contractual-04) employees. 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 of SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2012, the total employees' strength (excluding deputationist) 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 2011-12.

AUDITORS

M/s. Gupta Gupta & Associates, Chartered Accountants, Delhi were appointed as Company's Statutory Auditors for the F/Y 2011-12. Statutory Auditor is paid remuneration of Rs 1,08,000/- plus Service Tax, as fixed by Board of Directors'.

BOARD OF DIRECTORS

The Board met 6 (Six) times for transacting business of the Company during the financial year 2011-12.

Lt. Gen. (Retd.) Arvind Mahajan and Dr. A. K. Bandyopadhyay have been nominated as Independent Directors of the Company w.e.f. 27.06.2011.

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.
- (5) Lt. Gen. (Retd.) Arvind Mahajan, Director;
- (6) Dr. A. K. Bandyopadhyay, Director.

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 1956, Shri Harpreet Singh & Shri YashVardhan, Directors, are liable to retire by rotation and being eligible, offer themselves 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, 2012, 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, 2012 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, 2012.

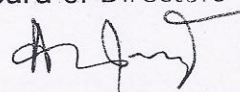
CORPORATE GOVERNANCE REPORT

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 :

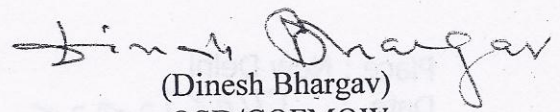
17/05/2012

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE FRESH AND HEALTHY ENTERPRISES LIMITED, DELHI FOR THE YEAR ENDED 31ST MARCH 2012.

The preparation of financial statements of Fresh and Healthy Enterprises Limited for the year ended 31st March 2012 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 (2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with 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 09.05.2012.

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 and Healthy Enterprises Limited, Delhi for the year ended 31st March 2012 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


(Dinesh Bhargava)
OSD/COFMOW

Place: New Delhi
Dated: June 2012

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 Six Part-time Directors including a Chairman (Ex-officio) and two Independent Directors, nominated by CONCOR (Holding company).

The Board met 6 (Six) times for transacting business during the financial year 2011-12 on the following dates :-

| <u>Board Meeting No.</u> | <u>Board Meeting Dates</u> |
|--------------------------|------------------------------|
| 32 | 18 th April, 2011 |
| 33 | 23 rd June, 2011 |
| 34 | 20 th July, 2011 |
| 35 | 13 th Oct., 2011 |
| 36 | 8 th Dec., 2011 |
| 37 | 3 rd Feb., 2012 |

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, 2012.

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 | Atten- Dance At last AGM | No. of Other Committee Membership/ Chairman- Ship | No. of Other Directorship / Chairman Ship |
|---------|--|---------------------------------|----------------------------|--------------------------|---|---|
| (I) | Part-time Ex-Officio/Non-Executive Chairman | | | | | |
| 1. | Managing Director, CONCOR | Sh Anil Kumar Gupta | Six | Yes | Nil | Three One |
| (II) | Part-time /Non-Executive Directors | | | | | |
| 2. | Dir. (P & S)/CONCOR | Sh. Harpreet Singh | Six | Yes | Nil | Two Nil |
| 3. | Dir. (Intl. Mktg & Ops.) | Sh. Yash Vardhan | Five | Yes | Nil | Six One |
| 4. | Dir. (Finance)/CONCOR | Ms. P. Alli Rani | Six | Yes | Nil | Three One |
| (III) | Part-time Non-Executive Directors (Independent)* | | | | | |
| 5. | | Lt. Gen. (Retd.) Arvind Mahajan | Four | Yes | Four Nil | Three Nil |
| 6. | | Dr. A. K. Bandyopadhyay | Four | Yes | Three One | Two Nil |

* Nominated w.e.f. 27.06.2011

AUDIT COMMITTEE

The Audit Committee comprised -:

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

With the nomination of Lt. Gen. (Retd.) Arvind Mahajan as Independent Director on FHEL's Board, Audit Committee was reconstituted on 20th July, 2011, as under -:

| | |
|----------------------------------|----------|
| Lt. Gen. (Retd.) Arvind Mahajan, | - Member |
| Shri Harpreet Singh | - Member |
| Ms. P. Alli Rani | - Member |

Lt. Gen. (Retd.) Arvind Mahajan, Independent Director is the Chairman of Audit Committee.

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

The Committee met 5 (Five) times during the financial Year 2011-2012.

The details of the attendance of the members in the Committee meetings held during F/Y 2011-12 are as under :-

| S. No. | Name of Members | No. of Committee Meetings Attended |
|--------|---------------------------------|------------------------------------|
| 1. | Lt. Gen. (Retd.) Arvind Mahajan | Two |
| 2. | Shri Harpreet Singh | Four |
| 3. | Shri YashVardhan | Three |
| 2. | Ms. P. Alli Rani | Five |

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.

Lt. Gen. (Retd.) Arvind Mahajan, Part-time Non-Executive Director (Independent)/FHEL who was also Part-time Non-Executive Director (Independent) of CONCOR, was paid sitting fee of Rs. 20,000/- per meeting attended by him. Further, Dr. A. K. Bandyopadhyay, Part-time Non-Executive Director (also Part-time Non-Executive Director (Independent) of CONCOR, was paid sitting fee of Rs. 20,000/- for one meeting only, as per his volition.

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 :

| <u>AGM Date</u> | <u>Location</u> | <u>Time</u> |
|------------------------|--|--------------------|
| 20.08.11 | Conference Hall, Container Corporation of India Ltd. CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi – 110076 | 10:30 Hrs. |
| 16.09.10 | ----- Do ----- | 15:00 Hrs. |
| 07.09.2009 | ----- Do ----- | 17:00 Hrs. |

No Special Resolution was passed during previous three AGMs.

AGM of Current Year

Date : 28th August, 2012
Time : 12:00 Hrs.
Venue : Conference Hall, 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 Note - 18.
- (ii) There were no instances of penalties / strictures imposed on the Company by any statutory authority (except a minor penalty of Rs. 2,000/- by H. P. VAT during F/Y 2011-12) 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 -:

| <u>Fin. Year</u> | <u>Admn. & Office Exp.</u> <u>(Rs. in Lakhs)</u> | <u>Total Expenses</u> <u>(Rs. in Lakhs)</u> | <u>Percentage of Admn.</u> <u>& Office Expenses</u> <u>Vis-à-vis Total</u> <u>Expenses</u> |
|------------------|---|--|---|
| 2011-12 | 247.42 | 5269.94 | 4.69% |
| 2010-11 | 284.10 | 6403.94 | 4.44% |

MEANS OF COMMUNICATION

Financial Results : The annual, half yearly and quarterly results are regularly posted by the Company on its website.

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 |
|---------------------|---------------|---------------------|--|--|--|---------------------------------------|
| Shri Harpreet Singh | 24.11.1957 | 16.09.2010 | Grad. I. Mech E (London), AMIE (Mech. Engg.), Institution of Engineers India, AMIE (Elect. Engg.), Institution of Engineers India, MBA (Finance) | Management of Projects & Services | Two@ | One@@ |
| Shri YashVardhan | 24.08.1956 | 16.09.2010 | M. Sc. M. Phil | Railway Operations Commercial, Safety and Planning. Setting up & Management of Container Terminals | Six \$ | Three \$\$ |

@ 1. Container Corporation of India Ltd., 2. Star Track Terminals Pvt. Ltd.

@@ 1. Star Track Terminals Pvt. Ltd. – Member, Audit Committee.

\$ 1. Container Corporation of India Ltd. 2. Hind CONCOR Terminals (Dadri) Pvt. Ltd. 3.APM Terminals Mumbai 4. India Gateway Terminals Pvt. Ltd. 5. Container Gateway Ltd. 6. CONYK Car Track Pvt. Ltd.

\$\$ 1. Container Corporation of India Ltd. – Member, Shareholders Grievance Committee
2 APM Terminals Mumbai – Member, Audit Committee
3 India Gateway terminal Pvt. Ltd. – Member, Audit Committee

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 4 years some more facilities have come up in the country.

2. Strength & Weakness :

Strengths :-

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

Weaknesses -:

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

3. Opportunity & Threats :

Opportunities -:

- (a) 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.
- (b) 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 -:

- (a) Traditional linkages between middlemen & grower, this affects sourcing of fruit in times of shortages.
- (b) Cheap imports or reduction in custom duty.
- (c) 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.

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 Rs. 2,00,000 Crores. Out of this more than Rs. 70,000 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. Further, there are risks of hail storm during the summer months April – June which effects crop. Otherwise Himachal Pradesh produces apples worth approx Rs.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.

6. Risks & Concerns :

- (i) The business is dependent on weather conditions, particularly rainfall. It can be adversely impacted with hail storm during pre-harvest period.
- (ii) Unorganized nature of the trade.
- (iii) Un-economical small farm holdings
- (iv) Competition from Cheaper imports
- (v) Lack of trained manpower
- (vi) 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 2011-12, Your Company paid four installments of Rs. 1.56 Cr. each aggregating to Rs. 6.24 Cr. towards repayment of Loan of Rs. 49.92 Cr. drawn from Axis Bank (formerly known as UTI Bank). After repayment, Secured Term loan from Axis Bank stood at Rs. 29.92 Cr. (inclusive of interest accrued & due of Rs. 0.28 Cr.) on 31st March, 2012.

In order to meet Working capital requirement for F/Y 2011-12, your Company entered into an arrangement with Axis Bank for sanction of Secured Working Capital Demand Loan & CC Limit of Rs. 20 Cr. each. Out of total Sanctioned Working Capital limit of Rs. 40 Cr., Company had drawn a sum of Rs 38.19 Cr. during F/Y 2011-12. After repayment of Rs. 9.47 Cr. to Axis Bank, Secured Working Capital limit stood at Rs. 28.72 Cr. on 31st March, 2012.

9. UNSECURED LOAN

During F/Y 2011-12, the Company also took Working Capital Loan of Rs. 15 Cr. from CONCOR (Holding Company).

Total outstanding loan due to holding Company (CONCOR) stood at Rs. 45.73 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12 and interest accrued & due of Rs. 2.59 Cr. Net of TDS) as on 31.03.2012.

10. Fixed Assets

(Rs. in Cr.)

| <u>Year Ended March 31</u> | <u>2012</u> | <u>2011</u> | <u>%age Incr.(Decr.)</u> |
|----------------------------|--------------|--------------|--------------------------|
| Original Cost of Assets | 81.77 | 81.69 | 0.10 |
| Less : Accumulated Dep. | 16.68 | 13.06 | 27.72 |
| Net Fixed Assets | 65.09 | 68.63 | (5.16) |

An amount of Rs. 0.08 Cr. was capitalized during the year. The main addition is on account of purchase of plant & machinery.

11. Inventory

| | Item | Opening | Purchased | Sold | Consumed* | Closing |
|------------------|---------------------|-------------|--------------|--------------|-------------|--------------|
| Fruits | Qty (Kgs.) C/Y | 9,14,869 | 71,13,336 | 50,09,231 | 1,40,568 | 28,78,406 |
| | Qty (Kgs.) P/Y | 13,74,109 | 93,61,373 | 95,38,540 | 2,82,073 | 9,14,869 |
| | Amount (in Rs.) C/Y | 4,74,74,162 | 45,65,80,603 | 35,31,44,871 | - | 26,16,81,179 |
| | Amount (in Rs.) P/Y | 7,95,35,123 | 32,55,17,973 | 58,86,51,869 | - | 4,74,74,162 |
| Packing Material | Qty (No.) C/Y | 7,62,328 | 8,57,527 | 2,93,022 | 70,487 | 12,56,346 |
| | Qty (No.) P/Y | 6,34,440 | 27,07,583 | 12,97,200 | 12,82,495 | 7,62,328 |
| | Amount (in Rs.) C/Y | 1,25,73,700 | 1,69,28,189 | 1,01,34,440 | 48,01,426 | 1,45,66,023 |
| | Amount (in Rs.) P/Y | 66,11,502 | 3,77,37,207 | 1,78,46,571 | 1,39,28,438 | 1,25,73,700 |

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

12. Sundry Debtors

Sundry Debtors are 26.80% of operating income of the year. Provision for doubtful debts are Rs. 25,304/-.

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 decreased by 38.01% over F/Y 2010-11.

15. Expenses

Cost of Sales has decreased by 28.51% over F/Y 2010-11.

16. Administrative & Other Expenses

The Administrative & other expenses have decreased by 13.04% over F/Y 2010-11.

17. Employee Remuneration

The Employee Cost has declined by 29.31% in comparison to last year.

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

Human resource is the key asset of FHEL. As on 31.03.2012, the total employee strength of company remained 35 (which includes Regular-18, Adhoc-07, Deputationist-02, Management Trainees-04 and Contractual-04) employees. 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 31.03.2012, the total employees' strength (excluding deputationist) remained 33 including 05-OBC, 02-SC and 01-ST.

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

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.

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 2010-11, nearly, 1,34,577 MT of apples were imported from across the world and further same is 80,027 MT for the period of April-June (2011-12). 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 helped orchard owners so as to improve yield with expenditure of Rs. 5 lakhs during F/Y 2011-12.

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 2011-12, 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. Area identified and implemented were External lighting, utility area, corridors, sorting hall, packing hall, machine room, and office building.

Heat energy :

Loss/Gain of heat energy in the cold room is prevented by optimum 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 calibrations of components of diesel generators, minimum fuel consumption is ensured. By putting off 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 Boards.

5 Lubricants :

Optimisation of lubricants consumption is achieved by prescribed topping up of lube oil and attending to lube 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
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 132 KV 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 industries, the entire HT line is shut down. If independent feeder is sanctioned, power availability will increased.

(C) Impact of measures taken for Energy Conservation

Units consumed per MT in 2011-12 is 55.78 KWH as compared to 59.07 KWH in 2010-11

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 | 2425092.67 | 2483544.19 |
| | Total Amount | 13332228.37 | 13863501.60 |
| | Rate/ Unit | 5.50 | 5.58 |
| 1.2 | Own Generation | | |
| 1.2.1 | Through Diesel generator | | 437478.40 |
| | Unit (KWH) | 888609.60 | |
| | Unit per liter of Diesel oil | 3.68 | 3.68 |
| | Cost / Unit | 10.76 | 9.64 |
| 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 apples) | | |

| Detail | Current Year (2011-12) | Previous Year (2010-11) |
|--------------------------------------|------------------------|-------------------------|
| a. Total Nos of Units consumed (KWH) | 3313702.27 | 2921022.5 |
| b. Total Cost (Rs.) | 22889723.17 | 18080460.8 |
| c. Cost per unit (a / b) Rs. | 6.91 | 6.1 |
| d. Cumulative annaul Tonnage (MT) | 59404.49 | 49451.5 |
| e. Power cost per Unit (Rs.) [b / d] | 385.32 | 365.6 |

FORM -B

(See rule 2)

Form for disclosure of particulars with respect to Technology 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.

Experiment are conducted on the shelf life extension of lemon, Kinnow, and oranges in CA films.

Commercial storage of other fruits & vegetable are Kinnow, Rice, Garlic, carrot, orange, flower seeds and ripening of mango.

2) Benefits derived as a result of the above R & D: storage of Rice, Garlic, Orange and carrot, being done for third parties. Further small quantities of mango are being ripened for third parties.

3) Future plan of action Trials are proposed to be done with ripening of mangos and banana on large scale.

4) Expenditure on R & D

| | |
|----------------------------------|-------|
| i. Capital | : Nil |
| ii. Recurring | : Nil |
| iii. Total | : Nil |
| iv. Total R & D expenditure as a | : Nil |
| 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 fruits and 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 fruits and vegetables 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

a) Technology imported

b) Year of import

c) Has technology been fully absorbed

d) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action

a) CA technology for long term storage of fruit and vegetables.

b) 2007-08

c) In progress

d) Presently used for apples. Trials with other fruits and vegetables under progress

FRESH & HEALTHY ENTERPRISES LIMITED
BALANCE SHEET AS AT 31st MARCH 2012

(Amount in Rs. hundred)

| Particulars | Note No. | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
|--|----------|--------------------------------|--------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1 Shareholder's Funds | 1 | 4,827,381.00 | 4,827,381.00 |
| a) Share Capital | 2 | (5,113,684.07) | (3,891,271.82) |
| b) Reserve and Surplus | | | |
| c) Money Received against Share warrants | | (286,303.07) | 936,109.18 |
| 2 Share application Money pending allotment | | | |
| 3 Non-current Liabilities | 3 | 2,340,031.99 | 2,964,040.52 |
| a) Long Term Borrowings | | | 18,852.45 |
| b) Deferred Tax Liabilities (Net) | | | |
| c) Other Long Term Liabilities | | 44,979.47 | 27,892.40 |
| d) Long Term Provisions | | 2,385,011.46 | 3,010,785.37 |
| 4 Current Liabilities | 4 | 7,158,958.93 | 3,932,269.57 |
| a) Short Term Borrowings | | 82,709.06 | 97,892.54 |
| b) Trade Payables | | 1,110,404.21 | 881,849.58 |
| c) Other Current Liabilities | | 6,304.74 | 1,381.21 |
| d) Short Term Provisions | | 8,358,376.94 | 4,913,392.90 |
| Total | | 10,457,085.33 | 8,860,287.45 |
| II Assets | | | |
| 1 Non-Current Assets | 5 | 6,509,096.06 | 6,862,701.63 |
| a) Fixed Assets | | | |
| i) Tangible Assets | | | |
| b) Non-Current Investments | | | |
| c) Deferred Tax Assets (Net) | 6 | 46,349.54 | 45,867.71 |
| d) Long Term Loans and advances | 7 | 4,397.12 | 5,657.93 |
| e) Other non-current Assets | | 6,559,842.72 | 6,914,227.27 |
| 2 Current Assets | 8 | 2,781,835.92 | 622,302.62 |
| a) Current Investments | | 1,068,957.19 | 1,237,155.39 |
| b) Inventories | | 12,537.48 | 40,434.22 |
| c) Trade Receivables | | 29,404.38 | 39,149.37 |
| d) Cash and Cash equivalents | | 4,507.64 | 7,018.58 |
| e) Short-term Loans and advances | | 3,897,242.61 | 1,946,060.18 |
| f) Other Current Assets | | | |
| Significant Accounting Policies | 14 | | |
| Other Notes | 15-31 | | |
| Total | | 10,457,085.33 | 8,860,287.45 |

As per our report of even date
For Gupta Gupta & Associates
Chartered Accountant

CA Ekta Jain
Partner
M.No. 512940
Date: 9/5/12
Place: New Delhi

For and on behalf of Board of Directors

Anil Kr. Gupta
Chairman

Naresh Kr. Jawa
CEO

P. Alli Rani
Director

Suman Lata
Mgr(F) & CS

FRESH & HEALTHY ENTERPRISES LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2012

| Particulars | Note No. | (Amount in Rs. hundreds) | |
|--|----------|--------------------------------|--------------------------------|
| | | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| I Revenue from Operations | 9 | 3,989,266.88 | 6,434,840.13 |
| II Other Income | 10 | 39,410.93 | 30,112.82 |
| III Total Revenue (I+II) | | <u>4,028,677.81</u> | <u>6,464,952.95</u> |
| IV Expenses: | | | |
| Purchases of Traded Goods | 11 | 4,931,655.17 | 3,918,887.43 |
| Change in Inventories | | (2,162,693.40) | 261,687.63 |
| Direct Expenses | 12 | 878,889.82 | 922,045.72 |
| Employee Benefits Expenses | | 184,677.77 | 142,814.23 |
| Finance Costs | | 826,435.17 | 507,676.88 |
| Depreciation and Amortization Expenses | | 361,605.50 | 364,078.96 |
| Other Expenses | 13 | 249,372.48 | 286,750.92 |
| Total Expenses | | <u>5,269,942.51</u> | <u>6,403,941.77</u> |
| V Profit before exceptional and extraordinary items and Tax (III - IV) | | <u>(1,241,264.70)</u> | <u>61,011.18</u> |
| VI Exceptional Items | | (1,241,264.70) | 61,011.18 |
| VII Profit Before extraordinary items and tax (V-VI) | | | |
| VIII Extraordinary Items | | <u>(1,241,264.70)</u> | <u>61,011.18</u> |
| IX Profit before Tax (VII - VIII) | | | |
| X Tax Expense: | | | |
| (1) Current Tax | | | 18,852.45 |
| (2) Deferred Tax | | (18,852.45) | |
| (2) Tax Adjustment for Prior Periods | | | |
| XI Profit / (Loss) for the period from continuing operations (IX-X) | | (1,222,412.25) | 42,158.73 |
| XII Profit/ (Loss) from discontinuing operations | | | |
| XIII Tax Expense of discontinuing operations | | | |
| XIV Profit/ (Loss) from discontinuing operations (XII-XIII) | | | |
| XV Profit/(Loss) for the period (XI + XIV) | | <u>(1,222,412.25)</u> | <u>42,158.73</u> |
| XVI Earning per Equity Share(Rs.) | | | |
| (1) Basic | | (2.53) | 0.09 |
| (2) Diluted | | (2.53) | 0.09 |

As per our report of even date
For Gupta Gupta & Associates
Chartered Accountant

CA Ekta Jain
Partner
M.No. 512940
Date: 9/5/12
Place: New Delhi

For and on behalf of Board of Directors

Anil Kr. Gupta
Chairman

P. Anil Rani
Director

Naresh Kr. Jawa
CEO

Suman Lata
Mgr(F) & CS

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|-------------|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |

NOTE 1 : SHARE CAPITAL

| | | |
|---|-------------|-------------|
| Authorised share capital | | |
| (5,00,00,000 equity shares of Rs.10/- each) | 500,000,000 | 500,000,000 |
| | 500,000,000 | 500,000,000 |
| Issued, Subscribed & Paid-up Share Capital (*) | | |
| (4,82,73,810 Equity Shares of Rs.10/- each fully paid-up) | 482,738,100 | 482,738,100 |
| | 482,738,100 | 482,738,100 |

(*) Note

1. 100% shares are held by Container corporation of India Ltd (Holding company).

2. Shares held by shareholders holding more than 5% shares

| Shareholder | | |
|--|------------|------------|
| M/s Container Corporation of India Ltd. (nos.) | 48,273,810 | 48,273,810 |
| Percentage of shares held | (100%) | (100%) |

3. CONCOR's BOD has approved the following:

(i) Fresh Equity infusion of Rs. 28.14 crores in Fresh & Healthy Enterprises Ltd. towards retiring of high cost debts taken from Axis Bank; and

(ii) Infusion of Fresh Equity of Rs. 11.00 crores for financing development of infrastructure/procurement centers in other parts of India (to be released depending upon the progress of the projects).

For the purpose of giving effect to above, FHEL's Shareholders' in their recently held Extra-ordinary General Meeting on 04.05.2012, have accorded their approval for increase of Authorized Share Capital of the Company from Rs. 50 Cr. to Rs. 150 Cr. and consequent amendment in Clause V of Memorandum of Association of the Company. Further, the Shareholders have also accorded their consent for fresh issue to CONCOR of 2,80,55,832 Equity Shares of Rs. 10/- each at premium of Rs. 0.03/-, as per valuation done by M/s. SBI Capital Markets Ltd. (Independent Agency appointed by CONCOR), towards retiring of high cost debts taken from Axis Bank Ltd. by Fresh & Healthy Enterprises Ltd.



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | | |
|--|--------------------------------|--|--------------------------------|
| | As at 01.04.2011 Audited | Addition/ deduction/ appropriation | As at 31.03.2012 Audited |
| NOTE 2 : RESERVES AND SURPLUS | | | |
| Securities Premium Reserve | 1,061,900 | - | 1,061,900 |
| Surplus (Profit and Loss Account) | | | |
| Opening Balance | (390,189,082) | | |
| Profit/(Loss) after Tax for the year | | (122,241,225) | (512,430,307) |
| Closing Balance | | | |
| Total | (389,127,182) | (122,241,225) | (511,368,407) |



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 3 : NON-CURRENT LIABILITIES | | |
| Long Term Borrowings | | |
| Term Loan from Banks | 234,003,199 | 296,404,052 |
| Term Loan from Axis Bank Ltd. (Secured) | | |
| (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) | | |
| (Repayment in equal principal quarterly installments of Rs. 1,56,00,213.25 due in April, July, October and January) | | |
| Deferred Tax Liabilities (Net) | - | 1,885,245 |
| Other Long Term Liabilities | | |
| Long Term Provisions | 4,497,947 | 2,789,240 |
| Provision for Employee Benefits | | |
| Others | | |
| Total | 238,501,146 | 301,078,537 |



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 4: CURRENT LIABILITIES | | |
| Short Term Borrowings | | |
| <u>Loans Repayable on Demand from Banks</u> | 284,463,143 | 111,794,207 |
| (Secured against hypothecation of all current assets both present and future) | | |
| <u>Loans and Advances from Related Party</u> | | |
| Container Corporation of India Ltd. (Holding Co.; Unsecured) | 431,432,750 | 281,432,750 |
| Trade Payables | | |
| - Micro & Small Enterprises | | |
| - Others | 8,270,906 | 9,789,254 |
| Other Current Liabilities | | |
| <u>Current Maturities of Long Term Debt</u> | 62,400,853 | 62,400,853 |
| (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) | | |
| Interest Accrued & Due on Borrowings | 31,312,851 | 7,000,277 |
| Advance/Deposits from parties | 6,079,949 | 6,324,906 |
| Others | 11,246,768 | 12,458,922 |
| Short Term Provisions | | |
| Provision for Employee Benefits | 630,474 | 138,121 |
| Others | - | - |
| Total | 835,837,694 | 491,339,290 |





to be renewed / extended. Depreciation:

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 6 : LONG TERM LOANS AND ADVANCES | | |
| Capital Advances | | |
| Security Deposits | 2,251,136 | 2,632,160 |
| - Govt. Authorities (Unsecured, Considered Good) | | |
| - Others | | |
| Other Loans and Advances | 2,383,818 | 1,954,611 |
| Loans to Employees (Secured, Considered Good) | | |
| Total | 4,634,954 | 4,586,771 |

| | | |
|--|----------------|----------------|
| NOTE 7 : OTHER NON-CURRENT ASSETS | | |
| Interest accrued on deposits, loans and advances | 244,712 | 175,793 |
| (Secured, Considered Good) | | |
| Others | 195,000 | 390,000 |
| | 439,712 | 565,793 |



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 8: CURRENT ASSETS | | |
| Inventories | | |
| (As taken, valued & certified by Management) | 261,681,179 | 47,404,162 |
| Stock-in-Trade | 16,502,413 | 14,826,100 |
| Stores and Spares | 278,183,592 | 62,230,262 |
| Trade Receivables* | | |
| Outstanding for period exceeding six Months | | |
| Unsecured Considered good | 84,28,809/- | |
| Unsecured Considered doubtful | 25,304/- | |
| | 84,54,113/- | |
| Less : Provision for Doubtful Debts | 25,304/- | |
| Others Unsecured Considered Goods | 8,428,809 | 12,652 |
| | 98,466,910 | 123,702,887 |
| | 106,895,719 | 123,715,539 |
| Cash and Cash equivalents | | 1,714 |
| Cash (Including Imprest) | | |
| Balances with Scheduled Bank | | |
| - in Current Accounts | 185,671 | 3,099,159 |
| - in Flexi Accounts | 796,275 | 686,222 |
| - in Term Deposits | | |
| Balances held as security against | | |
| - Guarantees** | 271,802 | 256,327 |
| | 1,253,748 | 4,043,422 |
| Short-term Loans and advances | | |
| Loans to Related Parties | | |
| Loans to Others | 508,552 | 422,400 |
| Loans to Employees (Secured, Considered Good) | 29,000 | 45,873 |
| Advances (Unsecured, Considered Good) | | |
| (Recoverable in Cash or in kind or value to be received) | | |
| Deposits (Unsecured, Considered Good) | | |
| - Govt. Authorities | 813,664 | 916,453 |
| - Others | 52,000 | 63,000 |
| | 1,537,222 | 2,467,211 |
| Advance Income Tax/TDS (Net of Provisions) | 2,940,438 | 3,914,937 |
| Other Current Assets | | |
| Interest accrued on deposits, Loans and advances | 9,024 | 5,903 |
| Others | 441,740 | 695,955 |
| | 450,764 | 701,858 |
| Total | 389,724,261 | 194,606,018 |

* An amount of Rs. 12,652/- (P/Y: Rs.12,652/-) has been provided towards Bad & Doubtful Debtors.
 ** Rs. 2,00,000/- is not freely available as the same is margin money for Bank Guarantee to Sales Tax Department.



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|---|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 9 : REVENUE FROM OPERATIONS | | |
| Sale of Fresh Fruits | 353,144,871 | 590,072,961 |
| Sale - Off Seasonal Activity | 20,655,380 | 30,662,546 |
| Sale of Cartons | 10,134,440 | 17,846,571 |
| Sale of Scrap | 1,641,045 | 1,020,326 |
| Cooling Charges | 13,350,952 | 3,881,609 |
| Total | 398,926,688 | 643,484,013 |

* 1. The company has diversified its business into other fruits apart from apple. The Break-up is as below:

| | 31.03.2012 | 31.03.2011 |
|-------------------|--------------------|--------------------|
| Fruit | | |
| Apples | 349,236,668 | 588,651,869 |
| Kinnow | 3,859,964 | 1,421,092 |
| Orange and Others | 48,239 | |
| Total | 353,144,871 | 590,072,961 |

2. Sales have been accounted for based on the consignment notes received from the marketing associates.



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|---|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 10 : OTHER INCOME | | |
| Interest earned on Short Term Bank Deposits (TDS Rs. 97,184/-; P/Y Rs. 1,72,814/-) | 978,570 | 681,191 |
| Interest earned on Loans to employees | 68,919 | 77,756 |
| Interest earned others | 1,090,858 | 215,702 |
| Other non-operating Income | 1,802,746 | 2,036,633 |
| Total | 3,941,093 | 3,011,282 |



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 11 | | |
| Purchases of Traded Goods | 476,237,328 | 354,151,536 |
| Stock-in-Trade | 16,928,189 | 37,737,207 |
| Stores and Spares | 493,165,517 | 391,888,743 |
| Change in Inventories | | |
| <u>Opening Stock</u> | <u>47,404,162</u> | <u>79,535,123</u> |
| Stock-in-Trade | 14,107,700 | 8,145,502 |
| Stores and Spares | 61,511,862 | 87,680,625 |
| <u>Closing Stock</u> | <u>261,681,179</u> | <u>47,404,162</u> |
| Stock-in-Trade | 16,100,023 | 14,107,700 |
| Stores and Spares | 277,781,202 | 61,511,862 |
| Increase/(Decrease) in Inventory | (216,269,340) | 26,168,763 |
| Direct Expenses | 11,691,803 | 10,295,000 |
| CA store maintenance | 28,175,526 | 36,975,521 |
| Freight Exp | 628,253 | 1,523,296 |
| Handling Expenses | 7,345,094 | 12,207,291 |
| Loading/Unloading Charges | 22,839,675 | 18,618,627 |
| Power & Fuel | 18,009 | 32,052 |
| Testing Exps./ Charges /Consumable Goods | 8,690,409 | 7,363,080 |
| Procurement Supervision Consultants | 225,950 | 227,100 |
| Water Spray at Control Room | 1,143,192 | 1,556,072 |
| Consumable Goods* | 4,555,395 | 3,115,647 |
| APMC Fees | 2,189,175 | - |
| Lease Rent - Plastic Bins | 257,000 | 150,000 |
| Performance Award | 127,201 | 140,886 |
| Store Rent | 2,300 | - |
| Hiring Charges Equipment | 87,888,982 | 92,204,572 |
| Total Cost | 364,785,159 | 510,262,078 |



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 12: EMPLOYEES BENEFITS EXPENSES | | |
| Salary, Allowances & Other Employee Benefits | 14,982,163 | 11,205,177 |
| Contribution to CPF & FPF | 1,295,824 | 1,009,860 |
| Rent for Leased Accommodation | 397,126 | 446,257 |
| Employees Welfare & Medical | 1,317,051 | 1,592,165 |
| Gratuity | 474,113 | - |
| Training Expenses | 1,500 | 27,964 |
| Total | 18,467,777 | 14,281,423 |



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE YEAR ENDED 31.03.2012

| Particulars | (Amount in Rs.) | |
|--|--------------------------------|--------------------------------|
| | As at 31.03.2012 Audited | As at 31.03.2011 Audited |
| NOTE 13 : OTHER EXPENSES | 328,931 | 279,021 |
| Printing & Stationery Exp | 1,741,199 | 1,314,540 |
| Travelling & Conveyance | 63,191 | 2,400 |
| Travelling & Conveyance -Dir. | 2,365,892 | 2,363,920 |
| Rent Office Space/ Rai Land and Licence Fee* | - | 12,744 |
| Research & Development Exps. | 2,163,099 | 1,568,907 |
| office/ CA Store Upkeeping Exps. | 63,054 | 47,822 |
| Electricity Expenses | - | - |
| Repairs & Maintenance | 28,047 | 17,986 |
| - Building | 1,514,378 | 773,102 |
| - Plant & Machinery | 1,084,342 | 1,085,529 |
| Security Expenses | 1,740,725 | 2,202,837 |
| Office Vehicle/ Car Hire Charges | 53,504 | 37,144 |
| Business Development | 675,676 | 629,633 |
| Postage , Telephone & Internet | 17,923 | 8,100 |
| Books & Periodicals | 44,514 | 47,684 |
| Bank Charges | 602,012 | 671,502 |
| Legal & Professional Charges | 9,343,208 | 14,274,335 |
| Agency Charges-Commission | 517,243 | 566,849 |
| Insurance Premium | 2,850 | 3,425 |
| Subscription & Membership Fee | 2,000 | - |
| Penalty | - | - |
| Exhibition Exps. | 527,272 | 1,601,027 |
| Discount | 992,412 | 547,219 |
| Advertisement | - | - |
| Auditors Remuneration | 84,944 | 83,387 |
| - Statutory Audit Fee | 36,405 | 35,737 |
| - Tax Audit Fee | 12,652 | 12,652 |
| Provision for Doubtful Debts | 236,775 | 222,590 |
| Miscellaneous Expenses | 500,000 | - |
| Corporate Social Responsibility | 195,000 | 265,000 |
| Preliminary Expenses w/off | - | - |
| Total | 24,937,248 | 28,675,092 |

* The land has been given on lease by HSIIDC Limited, Rai 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 @ Rs.1.50 per sq. mtr. per month for 66,400 sq. mtr. area for first 15 years and thereafter will be fixed mutually.



Fresh & Healthy Enterprises Limited

NOTE 14: SIGNIFICANT ACCOUNTING POLICIES

A. 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.

B. 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.

C. 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.

D. 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 specific identification method for fresh fruits and FIFO method for other inventories.

E. 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.

F. 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.

G. 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.



H. 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.

I. 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.

J. 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.

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

K. Preliminary expenses

Preliminary Expenses are amortized over a period of five years.

L. Leases

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

M. Claims/ Counter-Claims/ Penalties/ Awards

Claims/ counter-claims/ penalties/ awards are accounted for in the year of its settlement.



Notes to Accounts

15. a) Contingent Liabilities not provided for:

| | 2011-12 | 2010-11 |
|--|-----------|-----------|
| i) Bank Guarantees (Rs.) | 200,000/- | 200,000/- |
| ii) An amount of Rs. 85,72,859/- is due from Global Agri System P Ltd. The case is under litigation and out of this, Rs. 84,28,809/- is outstanding for more than six months; (P/Y Rs. NIL). | | |
| iii) Notice of Demand u/s 156 of the Income Tax Act, 1961 for Rs. 2,27,406/- has been received from TDS Ward 49(2), New Delhi on 28.03.2012. | | |

b) Contingent Assets not provided for:

| |
|--|
| (i) Claims for Rs. 4,73,827/- have been lodged and is under consideration as on 31.03.2012 (P/Y Rs. 2,15,560/-) with M/s United India Assurance Ltd. |
|--|

16. 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

| | |
|---------------------------------|----------|
| Sh. Anil Kumar Gupta | Chairman |
| Sh. Harpreet Singh | Director |
| Ms. P. Alli Rani | Director |
| Sh. Yashvardhan | Director |
| Lt. Gen. (Retd.) Arvind Mahajan | Director |
| Dr. (Prof.) A.K. Bandyopadhyay | Director |

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

| | 2011-12 | 2010-11 |
|---|------------------|-----------------|
| i) Parties whose control exists (Holding Company) | | |
| Unsecured Loan Taken | Rs. 15,00,00,000 | Rs. NIL |
| Intt. Free Unsecured Loan Refunded | Rs. NIL | Rs. 5,50,00,000 |
| Interest on Loan | Rs. 3,22,38,486 | Rs. 49,00,000 |
| Interest Paid | Rs. 75,75,421 | Rs. NIL |
| TDS Deducted on Interest on Loan | Rs. 32,23,855 | Rs. 4,90,000 |
| Lease Rental of Plastic Bins | Rs. 21,89,175 | Rs. NIL |
| TDS Deducted on Lease Rental | Rs. 43,784 | Rs. NIL |
| ii) Key management personnel | | |
| Sitting Fee to Independent Directors: | | |
| Lt. Gen. (Retd.) Arvind Mahajan | Rs. 1,20,000 | Rs. NIL |
| Dr. (Prof.) A.K. Bandyopadhyay | Rs. 20,000 | Rs. NIL |
| Sh. Janat Shah | Rs. NIL | Rs. 60,000 |
| Sh. T.R. Doongaji | Rs. NIL | Rs. 1,80,000 |

c) Balances at the end of the Year

i) Parties Whose Control Exists (Holding Company) :

| | | |
|------------------------------|------------------|------------------|
| Unsecured Loan | Rs. 43,14,32,750 | Rs. 28,14,32,750 |
| Interest Accrued and Due | Rs. 2,58,49,210 | Rs. 44,10,000 |
| Lease Rental of Plastic Bins | Rs. 21,45,391 | Rs. NIL |

ii) Key management personnel : Nil

17. Earning Per Share

Profit/loss after taxation as per Profit and Loss account (Rs.)

| 31.03.2012 | 31.03.2011 |
|----------------|------------|
| (12,22,41,225) | 42,15,873 |

Weighted Average number of Equity Shares outstanding (Nos.)

| | |
|-------------|-------------|
| 4,82,73,810 | 4,82,73,810 |
|-------------|-------------|



18. Pending issuance of Notification u/s 411A of Companies Act, 1956 no provision has been made towards Cess on turnover.

19. Details of expenditure and earnings in foreign currency (in Rs.):

| | 2011-12 | 2010-11 |
|------------------------------------|---------|---------|
| a) Expenditure in Foreign Currency | NIL | NIL |
| b) Earning in Foreign Currency | NIL | NIL |

20. 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 |
|------------------|---------------------|-------------|--------------|--------------|-------------|--------------|
| Fruits | Qty (Kgs.) C/Y | 9,14,869 | 71,13,336 | 50,09,231 | 1,40,568 | 28,78,406 |
| | Qty (Kgs.) P/Y | 13,74,109 | 93,61,373 | 95,38,540 | 2,82,073 | 9,14,869 |
| | Amount (in Rs.) C/Y | 4,74,74,162 | 45,65,80,603 | 35,31,44,871 | - | 26,16,81,179 |
| | Amount (in Rs.) P/Y | 7,95,35,123 | 32,55,17,973 | 58,86,51,869 | - | 4,74,74,162 |
| Packing Material | Qty (No.) C/Y | 7,62,328 | 8,57,527 | 2,93,022 | 70,487 | 12,56,346 |
| | Qty (No.) P/Y | 6,34,440 | 27,07,583 | 12,97,200 | 12,82,495 | 7,62,328 |
| | Amount (in Rs.) C/Y | 1,25,73,700 | 1,69,28,189 | 1,01,34,440 | 48,01,426 | 1,45,66,023 |
| | Amount (in Rs.) P/Y | 66,11,502 | 3,77,37,207 | 1,78,46,571 | 1,39,28,438 | 1,25,73,700 |

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

21. As per As-19, amounts charged to Profit & Loss Account in respect of operating leases for office premises and accommodation provided to staff is Rs 27,37,218/- (Previous Year Rs. 27,69,709/-) which is net of recovery of Rs. 2,75,168/- (Previous Year Rs. 32,968/-). The period of lease arrangements varies from case to case.

22. 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.

23. 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 disclosures 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.

i) Employers' contribution to Provident Fund - Rs. 10.40 Lakh (p/y: Rs. 8.21 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.

(c) Summarized Position:

(Amount in Rs.)

| Particulars | Leave Travel Concession (Non- Funded) | | Gratuity (Non- Funded) | | Leave Encashment (Non - Funded) | |
|---|--|------------|---------------------------|------------|------------------------------------|-------------|
| | 2011-12 | 2010-11 | 2011-12 | 2010-11 | 2011-12 | 2010-11 |
| Expenses Recognised in Profit & Loss Account | 3,23,641 | 254,941 | 4,74,113 | - | 13,98,554 | - |
| Amount Recognized in the Balance Sheet: | | | | | | |
| Present Value of obligations as at 31 st March (i) | 2,69,248 | 1,39,208 | 12,25,676 | 7,51,563 | 32,37,701 | 20,36,590 |
| Fair Value of Plan Assets (ii) | - | - | - | - | - | - |
| Difference (ii)-(i) | (2,69,248) | (1,39,208) | (12,25,676) | (7,51,563) | (32,37,701) | (20,36,590) |
| Net Asset/(Liabilities) recognised in the Balance Sheet | (2,69,248) | (1,39,208) | (12,25,676) | (7,51,563) | (32,37,701) | (20,36,590) |

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

| | 2011-12 | 2010-11 |
|--|------------------------------|------------------------------|
| i) Method Used | Projected Unit Credit Method | Projected Unit Credit Method |
| ii) Discount Rate | 8.50% | 8.00% |
| iii) Future Salary Increases | 5.50% | 5.50% |
| Salary increase rate has been assumed keeping in view the inflation rate on long term basis. | | |

24. 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.

25. During the year, provision for current tax is not made as the company has brought forward losses and unabsorbed depreciation amounting to Rs. 61.77 crore upto A/Y 2012-13 in accordance with the provisions of Income Tax Act, 1961.

26. As at 31 March 2012, the Company has carried out tax computation in accordance with Accounting Standard-22 - Accounting for Taxes on Income notified under the Companies (Accounting Standards) Rules, 2006. Management is of the view that it is not virtually certain to realize the deferred tax assets in the near future. In the absence of virtual certainty of realisability of deferred tax assets, the deferred tax assets has been recognized only to the extent of deferred tax liability. The Company has taken a view of Calculating Deferred Tax Assets and Deferred Tax Liability from the current year onwards by calculating figures of previous year's also. The components of deferred taxes as at 31 March 2012 are as follows:

| Particulars | As at 31 March 2012 |
|---|---------------------------|
| Deferred tax liability | |
| Excess depreciation as per Income tax Act, 1961, over depreciation as per books (a) | 7,94,23,288 |
| Total | 7,94,23,288 |
| Deferred tax assets | |
| Excess depreciation as per books, over | - |



| | |
|--|--------------|
| depreciation as per Income tax Act, 1961 | |
| Provision for gratuity | 2,18,034 |
| Provision for LTC | 83,198 |
| Provision for doubtful debts | 7,819 |
| Brought forward losses and unabsorbed depreciation | 19,08,78,780 |
| Total | 19,11,87,831 |
| Recognition of deferred tax assets to the extent of deferred tax liability (b) | 7,94,23,288 |
| Net deferred tax assets/(liability) [(a)-(b)] | Nil |

27. 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.

28. The impact of pay revision in respect of security expenses etc. will be accounted for on receipt of claims.

29. 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.

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

| Particulars | (Amount in Rs.) | |
|--------------------------|-----------------------------|-------------|
| | Gratuity & Leave Encashment | |
| | 2011-12 | 2010-11 |
| Opening Balance | 27,88,153/- | 32,34,271/- |
| Addition during the year | 18,72,667/- | - |
| Amount used/incurred | 1,97,443/- | 4,46,118/- |
| Closing Balance | 44,63,377/- | 27,88,153/- |

31. 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 compliance with revised Schedule-VI.

"SIGNATURES TO NOTES 1 TO 31"

As per our Report of even date
For Gupta Gupta & Associates
Chartered Accountants

CA Ekta Jain
Partner
M.No. 512940
Date: 9/5/15
Place: New Delhi.

For and on behalf of Board of Directors

Anil Kumar Gupta
Chairman

Naresh Kr. Jawa
C.E.O.

P. Alli Rani
Director

Suman Lata
Mgr.(F) & C.S.

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03. 2012

(Amount in Rs.)

| Particulars | For the Year ended 31.03.2012 | For the Year ended 31.03.2011 |
|---|----------------------------------|----------------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit/ (Loss) before tax and extraordinary items | (122,241,225) | 6,101,118 |
| Adjustments for : | | |
| Depreciation | 36,160,550 | 36,407,896 |
| Preliminary Expenses | 195,000 | 265,000 |
| Interest Debited | 82,643,517 | 50,767,688 |
| Interest Earned | (2,138,346) | (681,191) |
| Operating Profit before Working Capital changes | (5,380,504) | 92,860,511 |
| Adjustments for : | | |
| Trade & other receivables | 16,819,820 | (102,865,836) |
| Inventories | (215,953,330) | 25,450,363 |
| Advances & other Current Assets (Decrease) | 1,117,516 | (902,454) |
| Trade & other Payable | (2,659,645) | 13,972,824 |
| Cash Flow from operating Activities | (206,056,143) | 28,515,408 |
| Less: Taxes paid | - | - |
| Net Cash Flow from operating activities | (206,056,143) | 28,515,408 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Decrease/ (Increase) in Fixed Assets | (799,993) | (2,606,544) |
| Interest Received | 2,129,322 | 675,288 |
| Net Cash from / (Used) in Investing Activities | 1,329,329 | (1,931,256) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of Share Capital at premium | - | - |
| Preliminary Expenses | - | - |
| Increase in Working Capital Limit | 172,668,936 | 111,794,207 |
| Proceeds from Borrowings | 150,000,000 | - |
| Repayment of Borrowings | (62,400,853) | (117,400,853) |
| Interest paid | (58,330,943) | (46,808,171) |
| Net cash from/(Used) in financing Activities | 201,937,140 | (52,414,817) |
| Net Increase/(Decrease) in Cash and Cash Equivalents | (2,789,674) | (25,830,665) |
| Opening cash and Cash Equivalents | 3,843,422 | 29,674,087 |
| Closing Cash and Cash Equivalents | 1,053,748 | 3,843,422 |
| Net Increase/(Decrease) as per Books | (2,789,674) | (25,830,665) |

Cash and Cash Equivalents included in the Cash flows statement comprise the following:

| | | |
|--|------------------|------------------|
| Cash (Including Imprest) | - | 1,714 |
| Balances with Scheduled Bank | - | - |
| - in Current Accounts | 185,671 | 3,099,159 |
| - in Flexi Accounts | 796,275 | 686,222 |
| - in Term Deposits | - | - |
| Balances held as security against | - | - |
| - Guarantees | 271,802 | 256,327 |
| Total | 1,253,748 | 4,043,422 |
| Balances Freely Not Available | 200,000 | 200,000 |
| (Margin Money for BG to Sales Tax Deptt., Haryana) | - | - |
| Cash & Cash Equivalents Available | 1,053,748 | 3,843,422 |

As per our report of even date
For Gupta Gupta & Associates
Chartered Accountant

CA Ekta Jain
Partner
M.No. 512940
Date: 9/5/12
Place: New Delhi

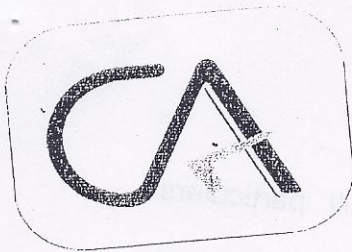
For and on behalf of Board of Directors

Anil Kr. Gupta
Chairman

नरेश जवा
Naresh Kr. Jawa
CEO

P. Alli Rani
Director

सुमन लता
Suman Lata
Mgr(F) & CS



CHARTERED ACCOUNTANTS

**GUPTA
GUPTA
AND
ASSOCIATES**

BRANCH OFFICE:

22, FIRST FLOOR,
SURAJ NAGAR, AZADPUR,
NEW DELHI-110033

Ph.: (011)-27672941

Auditors' Report

The Members of **Fresh & Healthy Enterprises Limited**

- 1) We have audited the attached balance sheet of Fresh & Healthy Enterprises Limited as at 31st March 2012 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 2012;
 - (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 Gupta Gupta & Associates
Chartered Accountants

(CA Ekta Jain)
Partner
M.No. 512940

Place : New Delhi
Date : 09.05.2012

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 2012. 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 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 Rs.45, 72, 81,960/- and the year end balance of loans taken from such party was Rs 45, 72, 81,960/-.
 - (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 is adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services. During the course of our audit, we have not observed any continuing failure to correct major 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.
- (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 higher than fifty percent of its net worth.
- (ii) The company has incurred cash loss during the year.
- (iii) The company had not incurred any 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 Gupta Gupta & Associates
Chartered Accountants

(CA Ekta Jain)
Partner

M.No. 512940

Place : New Delhi
Date : 09.05.2012

FRESH & HEALTHY ENTERPRISES LIMITED
(A Wholly Owned Subsidiary of CONCOR)

Reg. office : CONCOR Bhawan, C – 3, Mathura Road, Opposite Apollo Hospital,
New Delhi – 110076.

PROXY FORM

The undersigned member of Fresh & Healthy Enterprises limited, a wholly owned Subsidiary of CONCOR, hereby appointsofor failing him, as the Nominee of the undersigned to attend and act on behalf of the undersigned at the Sixth Annual General Meeting of the Said Company scheduled to be held on 28th August, 2012 and at any adjournment or adjournments there of in the same manner, to the same extent and with the same powers as if the undersigned was present at the said General Meeting or such adjournment or adjournments thereof.

Dated
Place

(Signature of Member)

Name

Address

Affix Re. 1

Revenue

Stamp

Note:

The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the above mentioned Registered office address not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need be a member of the Company.

FRESH & HEALTHY ENTERPRISES LTD.

(A Wholly Owned Subsidiary of CONCOR)

Regd. Office : CONCOR Bhawan, C – 3,

Mthura Road,

Opposite Apollo Hospital,

New Delhi – 110076.

Ph. No. 011-41673093, 94, 95, & 96

Fax : 011-41673112

Website : www.fhel.co.in

OFFICES

CA STORE CUM OFFICE

Fresh & Healthy Enterprises Ltd.

CA Store,

HSIDC, Rai,

Sonepat – 131029

SHIMLA OFFICE

Fresh & Healthy Enterprises Ltd.

HPMC Building,

Subzi Mandi,

Shimla – 171001

SALES OFFICE

C – 97, 2nd Floor,

New Subzi Mandi,

Azadpur,

Delhi – 110033