

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

NINTH ANNUAL REPORT
(2013-14)

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)

Ninth Annual Report (2013-14)

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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

Shri Sudhir Mathur (w.e.f. 28.07.2014)

Shri Deepak Gupta (w.e.f. 28.07.2014)

Dr. A. K. Bandyopadhyay
Director (Till 12.05.2014)

Lt. Gen. (Retd.) Arvind Mahajan
Director (Till 12.05.2014)

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

STATUTORY AUDITORS

M/s Shiv & 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
Yes Bank
HDFC Bank

REGISTERED OFFICE

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

NOTICE

Notice is hereby given that the 9th Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Tuesday
Date : 2nd September, 2014
Time : 10:30 Hrs.
Venue : Conference Hall,
CONCOR Bhawan,
C-3, Mathura Road,
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 financial statements for the year ended on 31.03.2014 and the report of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Ms. P. Alli Rani, who retires by rotation and being eligible, offers herself for reappointment.

3. To take note of the appointment of M/s. Shiv & Associates, Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT the appointment of M/s. Shiv & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2013-14 in terms of order no. CA. V/COY/CENTRAL GOVERNMENT, F&HEL (1)/531 dated 22//08/2013 of C & AG of India, be and is hereby noted."

SPECIAL BUSINESS

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

4. "RESOLVED THAT Shri Sudhir Mathur, be and is hereby appointed as non-executive independent director of the Company w. e. f. 28.07.2014"
5. RESOLVED THAT Shri Deepak Gupta, be and is hereby appointed as non-executive independent director of the Company w. e. f. 28.07.2014"
- 6 To consider and if thought fit to pass the following resolution as Special Resolution -:

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provision(s) of Companies Act, 2013 to the Board of Directors for borrowing money from time to time as may be deemed requisite for the purpose of the business of the Company by way of loan, advances, bonds, deposits or otherwise, whether the same be secured or unsecured, on such terms & conditions as the Board of Directors may consider fit, and the money so borrowed, together with the money already borrowed (apart from temporary loan obtained from Company's Bankers in the ordinary course of business) exceed aggregate of paid up share capital and free reserves, provided that total amount which may be borrowed and outstanding at any time shall not exceed Rs. 150Crores (Rupees one hundred and fifty crores only).

“FURTHER RESOLVED THAT pursuant to provisions of Section 180(1)(a) of the Companies Act, 2013 and other applicable provisions of Companies Act, 2013, the Board of Directors of the Company be and is hereby authorized to mortgage and / or charge, on such terms & conditions as it may think fit, whole of Companies properties or any part thereof, both present and future, whether movable or immovable in favour of Financial Institution (s) / Banks and other lenders, aggregating to a value not exceeding Rs. 150 Cr. (Rupees one hundred and fifty crore) at any time.

7. To consider and if thought fit to pass the following resolution as Special Resolution -:

“RESOLVED pursuant to Section 62(1)(c) of Companies Act, 2013 read with Rule 13(1) of Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions & rules of Companies Act, 2013, that for conversion of outstanding loan of Rs. 70 Cr. into Equity Share Capital, consent of shareholders of the Company be and is hereby accorded to the Board of Directors for issue and allotment of 6,92,38,378 Equity Shares of Rs. 10/- each at premium of Re 0.11/- per share, to Container Corporation of India Ltd. (CONCOR), holding company (through CMD/CONCOR) engaged in business of multimodal logistics transportation and having its Registered office at CONCOR Bhawan, C-3, Mathura Road, New Delhi -110076.

By order of Board of
Fresh & Healthy Enterprises Limited

(Suman Lata)
Manager (Fin.) & Company Secretary
Date : 1st August, 2014

NOTES :

- (a) The relevant details in respect of item nos. 2, 4 & 5 above, are annexed hereto.
- (b) 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.
- (c) 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.
- (d) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered office of the Company during office hours on all working days upto and inclusive of the date of Annual General Meeting.

EXPLANATORY STATEMENT PUSUANT TO SECTION 102 OF COMPANIES ACT, 2013

Item No. 4

1. CONCOR (holding company) vide its office letter no. CON/CO/FA&CS/167 BOD/ dated 25th June, 2014 communicated that Shri Sudhir Mathur, independent director of CONCOR, will be the new director on the Board of M/s Fresh & Healthy Enterprises Ltd. (FHEL) and his tenure as director in FHEL will be co-terminus with the tenure as Director/CONCOR or unless otherwise decided by Board of Directors later.
2. Shri Sudhir Mathur, an IRAS officer, retired as Director (Finance) of Ircn International Ltd. with over 35 years of experience, straddling both the Government and Public Sector. His focus areas have been strategic planning & execution, resource mobilization, international concessions, financial management & control systems. He has done B.A. (Hons.) in Economics and M.A.(Public Administration).
3. Shri Sudhir Mathur has given his consent to act as non-executive independent director/FHEL and other declarations/disclosures as required under Companies Act, 2013. Further, in the opinion of the Board of FHEL, he fulfills the conditions specified in the Act for his appointment as non-executive independent director/FHEL.
4. In accordance with the provisions of section 152(2) of Companies Act, 2013, the above appointment is required to be approved in this Annual General Meeting.

None of the Directors, except Shri Sudhir Mathur, Key managerial personnel or their relative is concerned or interested in the resolution.

Board recommends passing of the Resolution.

Item No. 5

1. CONCOR (holding company) vide its office letter no. CON/CO/FA&CS/167 BOD/ dated 25th June, 2014 communicated that Shri Deepak Gupta, independent director of CONCOR, will be the new director on the Board of M/s Fresh & Healthy Enterprises Ltd. (FHEL) and his tenure as director in FHEL will be co-terminus with the tenure as Director/CONCOR or unless otherwise decided by Board of Directors later.

2. Shri Deepak Gupta, is an IAS officer of 1974 batch and is an ex-secretary to Govt. of India. He has done B. A. (Eng. Lit, Pol. Sc. History) from Allahabad University, M. A. (History) from St. Stephens College, Delhi University, M. Phil (International Relations) from SIS, Jawaharlal Nehru University, Delhi and M.P.A. (Public Policy, Economics) from Kennedy School of Govt., Harvard University as Mason Fellow. He was the best probationer in the IAS 1974-76 professional course.

He has served 6 years in field positions in Bihar, including collector in two districts, 8 years in different positions in the State including rural development, health, industry and over two years as Secretary, Dept. of water resources. He has served Govt. of India for 21 years, including Ministries of Commerce, Textiles, Industry, HRD and Health and was Secretary, Ministry of New and Renewable Energy. He has served as Advisor (Jute and Coir) in India Trade Centre in Brussels, Belgium and was advisor to WHO for the TB Program in New Delhi.

His publications include a documentary study of participatory irrigation Management and covering a billion with DOTS (Story of India's new TB control program). He was invited as an expert in various global meetings convened by Codex, WHO, UNIDO/IRENA. He has advised UNIDO/IRENA. He has advised UNIDO and World Bank on energy access issues and has managed several World Bank Projects.

5. Shri Deepak Gupta has given his consent to act as non-executive independent director/FHEL and other declarations/disclosures as required under Companies Act, 2013. Further, in the opinion of the Board of FHEL, he fulfills the conditions specified in the Act for his appointment as non-executive independent director/FHEL.
6. In accordance with the provisions of section 152(2) of Companies Act, 2013, the above appointment is required to be approved in this Annual General Meeting.

None of the Directors, except Shri Deepak Gupta, Key managerial personnel or their relative is concerned or interested in the resolution.

Board recommends passing of the Resolution.

Item No.6

1. FHEL was incorporated in Feb., 2006 as a wholly owned subsidiary of CONCOR to carry on the cold chain business. As on 31.03.2014, the Company has outstanding loan of Rs. 79.33 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12 and Rs. 36.19 for 2013-14) apart from interest accrued & due of Rs. 7.95 Cr., aggregating to Rs. 87.28 Cr., payable to CONCOR (holding company).
2. The Company has accumulated losses of Rs. 99.88 Cr. (inclusive of net loss of Rs 39.16 Cr. during F/Y 2013-14) as against paid up Equity Share Capital of Rs. 76.43 Cr. Thus, the net worth of the Company has become negative by Rs. 23.56 Cr. (i.e. paid up equity share capital of Rs. 76.43 Cr. plus securities premium reserve of Rs. 0.19 Cr. minus accumulated losses of Rs. 99.88 Cr. minus miscellaneous expenditure not written off of Rs. 0.30 Cr.) as on 31.03.2014.
3. For the purpose of carrying on business during F/Y 2014-15, FHEL needs working capital loan of Rs. 73 Cr.
4. Section 293(1)(a) of Companies Act, 1956 provided that the Board of Directors' of the Company shall not except with the consent of shareholders in General Meeting sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company.

Further, as per the provisions of Section 293(1)(d) of Companies Act, 1956 Board of Directors' of the Company was authorized to borrow money only with the consent of shareholders' in general meeting, where the moneys to be borrowed together with the money already borrowed by the company (apart from temporary loans obtained from company's bankers' in the ordinary course of business) exceeds the paid up share capital & free reserves.

FHEL's shareholders' in their Extra-ordinary General Meeting held on 16th August, 2010 authorized its Board of Directors' by passing an **ordinary resolution** to borrow money from time to time and Mortgage the properties, so that at any one time it shall not exceed **Rs. 150 Cr.**

5. Ministry of Corporate Affairs (MCA) vide its notification no. nil dated 12th Sept., 2013 implemented provisions of Section 180 (Restrictions on Powers of Board) of recently passed Companies Act, 2013. Section 180 requires the approval of shareholders to be obtained by **special resolution** in cases of borrowings in excess of prescribed limits, sale, lease or otherwise disposal of whole or substantially the whole of the undertaking.

Thereafter, MCA vide its general circular no. 04/2014 dated 25.03.2014 clarified that the resolution passed u/s 293 of Companies Act, 1956 prior to 12.09.2013 with reference to borrowings (subject to limits prescribed) and / or creation of security on assets of the Company will be regarded as sufficient compliance of the requirements of section 180 of the Companies Act, 2013 for a period of one year from the date of notification of section 180 of the Act.

With such notification, FHEL's Board of Directors' may avail loan in excess of paid up share capital & free reserves, upto Rs. 150 Cr., till 11.09.2014.

In order to enable the Board to exercise borrowing powers in excess of paid up share capital and free reserves, at any time even beyond 11.09.2014, passing of special resolution is necessary.

None of the Director, Key managerial personnel or their relative is concerned or interested in the resolution.

Board recommends the passing of the Resolution.

Item No. 7

1. Presently, FHEL has issued, subscribed and paid up Equity share Capital of Rs. 76,42,93,430/- (divided into 7,64,29,343 equity shares of Rs. 10/- each fully paid up).
2. Container Corporation of India Ltd. (CONCOR) vide its office letter no. CON/CO/FA&CS/166 BOD/ dated June 9, 2014 informed that CONCOR's Board of Directors' in its 166th meeting held on 27th May, 2014 approved the proposal of conversion of an amount of Rs. 70 Cr., out of loan outstanding to CONCOR, into Equity Share Capital of FHEL. Further, it is mentioned that the conversion of loan into Equity share capital has to be done at a price to be determined through valuation of shares of FHEL by an independent valuer.

3. In accordance with the provisions of Section 62(1)(c) of Companies Act, 2013, read with Rule 13(1) of Companies (Share Capital and Debentures) Rules, 2014 and other applicable provisions & rules of Companies Act, 2013, consent of shareholders by means of special resolution is required for issue of further shares to any persons, whether or not those persons include existing shareholders or employees of company, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer, subject to such conditions as may be prescribed.

Section 247(1) of Companies Act, 2013 deals with appointment of Registered valuer. However, the same has not yet been notified by Ministry of Corporate Affairs (MCA) for implementation. Explanation to Section 12(7) of Companies Act, 2013 mentions that pending notification of sub-section (1) of section 247 of the Act and finalisation of qualification and experience of valuers, valuation of stocks, shares, debentures, securities etc., shall be conducted by an independent merchant banker, who is registered with Securities and Exchange Board of India or an independent chartered accountant in practice having a minimum experience of ten years.

Rule 13(1) mentions that shares u/s 62(1) (c) may be issued by way preferential offer and such issue on preferential basis should also comply with conditions laid down in section 42 of the Act.

Section 42(1) of Companies Act, 2013 prescribes that a company may make private placement through issue of private placement offer letter.

4. 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 provisions of Articles and the Act.
5. M/s. Dharam Raj & Co, Chartered Accountant vide its report dated 12.07.2014 advised that FHEL's equity value per share is Rs 10.11/- as on 01.04.2014, by following discounted cash flow method based on better expected results in next five years.

6. Accordingly, consent of FHEL's shareholders is required to be obtained by special resolution for issue and allotment of 6,92,38,378 Equity shares of Rs. 10/- each at premium of Re. 0.11/- per share to CONCOR through its CMD on account of conversion of outstanding loan of Rs. 70 Cr. into Equity share capital.

7. The Pre-issue and post-issue shareholding pattern of the Company is as under :-

Sr. No.	Category	Pre Issue		Post Issue	
		No. of shares held	% of shareholding	No. of shares held	% of shareholding
A	Promoters' holding :				
1	Indian :				
	Individual				
	Bodies Corporate	7,64,29,343	100%	14,56,67,721	100%
	Sub Total	7,64,29,343	100%	14,56,67,721	100%
2	Foreign Promoters	0	0	0	0
	Sub Total (A)	7,64,29,343	100%	14,56,67,721	100%
B	Non-Promoters' holding :				
1.	Institutional Investors	0	0	0	0
2.	Non-Institution :	0	0	0	0
	Private Corporate Bodies	0	0	0	0
	Directors and Relatives	0	0	0	0
	Indian Public	0	0	0	0
	Others (Including NRIs)	0	0	0	0
	Sub Total (B)	0	0	0	0
	GRAND TOTAL	7,64,29,343	100%	14,56,67,721	100%

8. Shares will be allotted within sixty days of receipt of application money. Entire equity share capital shall continue to be held by CONCOR (holding company).

None of the Director, Key managerial personnel or their relative is concerned or interested in the resolution.

Board recommends the passing of the Resolution.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT/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 Directors hip Held	Details of Other Committee Membership
Ms. P. Alli Rani	15.05.1960	09.07.2009	M.A. M. Phil. (Economics), MBA (Finance)	Ex-IRAS officer, Worked in Railway Finance and Telecom Finance for 23 years.	Five@	Six#
Shri Sudhir Mathur	26.06.1949	28.07.2014	B. A. (Hons.) in Economics, M.A. (Public Administration), PGDPM	Ex-IRAS officer and Ex-Director (Finance) of Ircan International Limited	One@@	Two##.
Shri Deepak Gupta	21.09.1951	28.07.2014	B.A., M.A. (History), M. Phil (International Relations), MPA (Public Policy,	Retired IAS officer, Ex-Secretary to Govt. of India. Worked in senior positions in the Government	Three @@@	Two ###

			Economics) Kennedy School of Govt., Harvard University	of India, including Commerce, Textiles, Industry, HRD and Health Ministry, Advisor to WHO and managed World Bank Projects.		
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@ 1. M/s. Container Corporation of India Ltd., 2.M/s. CONCOR Air Limited 3. M/s. SIDCUL CONCOR Infra Company Ltd. 4.M/s Himalayan Terminals Pvt. Ltd. Birgunj, Nepal 5. M/s. CMA CGM Logistics Park (Dadri) Pvt. Ltd., Dadri

Chairperson of Audit Committee of 1.SIDCUL CONCOR Infra Company Ltd. 2. CONCOR Air Ltd.

Chairperson of Share Transfer Committee of Container Corporation of India Ltd.

Member of Shareholders/Investors Grievance Committee and Sustainability Development Committee (SDC) of Container Corporation of India Ltd.

Chairperson of Investment Committee of Himalayan Terminals Pvt. Ltd, Birganj, Nepal.

@@ M/s. Container Corporation of India Ltd. – Independent Director

Chairman of Audit & Ethics Committee of M/s. Container Corporation of India Ltd.

Member of Corporate Social Responsibility (CSR) Committee of Container Corporation of India Ltd.

@@@ 1. M/s. Container Corporation of India Ltd. 2. BOI AXA Asset Management Co. Pvt. Ltd. 3. Foundation for Innovative Diagnostics (NGO) – Independent Director

Member of Audit Committee of BOI AXA Asset Management Co. Pvt. Ltd. and Member of Development Committee of Foundation for Innovative Diagnostics (NGO).

By order of Board of
Fresh & Healthy Enterprises Limited

(Suman Lata)
Manager (Fin.) & Company Secretary
Date : 1st August, 2014

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, 2014.

Operations Review

The company procured 10,271 MT of Apples and 968 MT of other fruits (i. e. 735 MT of Kinnows, 38 MT of Mangoes, 10 MT of Green Almonds, 129 MT of Oranges, 45 MT of Grapes, 11 MT of Pomegranates) during F/Y 2013-14.

Apples were primarily procured from Kinnaur & Shimla districts of Himachal Pradesh. Apple procurement season of 2013-14 which started on 15th August, 2013, based on model of fixed price agreements with growers, faced sudden and major crisis, in the form of price-crash due to glut in the market caused by an unprecedented apple output from Shimla orchards. FHEL came under huge pressure to procure at agreed fixed prices, due to panic among the growers by rumours spread by competitors that FHEL would curtail procurement. This resulted in daily procurement targets being breached due to the hasty plucking and loading by growers, resulting in queuing up of trucks at Rai, which could not be unloaded due to limited capacity of the grading line at CA store. Management had to ultimately opt for trading in the current market in spite of low prices, since the apples that had waited in the trucks for more than 48 hours, were not fit for storage. Another pitfall in this year's procurement was that primarily only Shimla apples could be procured, whereas Kinnaur apples' production had been impacted by fresh floods & heavy rains in the upper reaches of Himachal Pradesh and even the smaller quantities that were available could not be accessed due to broken roads and blocked routes. Hence, FHEL had to primarily trade in Shimla apples whose quality, storeability and retail prices are lower compared to Kinnaur apples.

In the financial year 2013 – 14, company handled 15062 MT (inclusive of opening stock of 4,574 MT) of apples and other fruits at Delhi, Mumbai, Chennai, Ahmedabad, Hyderabad and other fruit wholesale terminal markets in India. The best of FHEL apples were sold at par with imported apples, though these quantities were minimal. There was no closing stock of any fruit as on 31.03.2014.

Adoption of open sale policy to all interested buyers throughout country on pre-determined price, has given good results. The buyers appreciated the new initiative taken by FHEL as it has given opportunity to them to buy directly from FHEL. Since sale of products on pre-determined fixed price was introduced for the first time, it is hoped that this precedence will help FHEL in selling larger quantity in coming year at fixed price and prevent losses to FHEL.

Number of buyers from Punjab, Mumbai, Ahmedabad, Bangalore, Chennai directly procured fruit from FHEL. In line with our endeavor, nearly 100% of off-season sales (effective from 22nd Nov., 2013) were done at fixed rates. Further, with concerted efforts we have been able to increase the number of buyers both in Delhi and outside Delhi. This has helped us in decreasing our dependence on few buyers/commission agents. We further propose to increase the customer list in the coming years.

During Diwali, FHEL sold apples at a rate of Rs. 118/- per kg of Supreme quality as Gift Packs/boxes of 6, 12, & 20/25 apples. The Diwali Gift Packs were well received in the market in competition to the imported apples. During off-season FHEL has given chambers on hire for storage of Rice & Flower Bulbs.

FINANCIAL REVIEW

During the year under review, Operating turnover of your Company registered an increase of 119.24% appx., i. e., from Rs. 38.83 Cr. in F/Y 2012-13 to Rs. 85.13 Cr. in F/Y 2013-14. Cost of Sales enhanced by 216% appx., from Rs. 33.44 Cr. in F/Y 2012-13 to Rs. 105.81 Cr. in F/Y 2013-14. Further, Employee Benefits Expenses, Finance costs and other expenses for F/Y 2013-14 are Rs. 1.91 Cr., Rs. 7.83 Cr. and Rs. 5.39 Cr., respectively. After providing for depreciation & amortization expenses amounting to Rs. 3.79 Cr., the Company suffered Net Loss of Rs. 39.16 Cr. as against Net Loss of Rs. 9.48 Cr. of previous year.

There were two main reasons for incurring losses during the F/Y 2013-14. Firstly, loss occurred from sale of closing stock of 2012-13 due to formation of cartels against the fixed price, arrival of mangoes and other seasonal fruits, arrival of large quantity of Iranian apples forcing FHEL to go for auctions. Second prime reason was linked to the procurement crisis of current year, explained earlier in this report.

In order to make the business succesful, it has been decided to implement the following strategic measures in the forthcoming year -:

- (a) Procurement at variable prices;
- (b) Monitoring of procurement supply chain to ensure no over-crowding beyond daily CA uptake capacity at Rai, thereby ensuring no losses from distress sale;
- (c) Direct sales to markets outside Delhi;
- (d) Sales at pre-determined prices;
- (e) Regular revision of sale price;
- (f) Part-letting out of available space.

CAPITAL STRUCTURE

The Authorized Equity Share Capital of the Company stood at Rs. 150 Cr. Issued, Subscribed and Paid up Equity Share Capital of the Company increased from Rs. 76.33 Cr. to Rs. 76.43 Cr., on account of fresh equity infusion of Rs. 10 Lakh by holding company for installation of CCTV and meeting other minor expenditure. CONCOR continues to hold 100% of the Paid up Equity Share Capital of FHEL, during the financial year 2013-14.

SECURED LOANS

During F/Y 2013-14, your Company re-paid entire secured working capital loan/limit & accrued interest of Rs. 39.74 Cr. (inclusive of interest of Rs. 1.01 Cr. of current year) due to Yes Bank.

UNSECURED LOAN

In order to meet working capital requirement for F/Y 2013-14, your Company entered into an arrangement with CONCOR (holding company) for sanction of working capital loan of Rs. 73 Cr. at an interest rate of 9.31% p.a. Out of sanctioned working capital loan of Rs. 73 Cr., your Company had drawn a sum of Rs 66.86 Cr. during F/Y 2013-14. After repayment of Rs. 30.67 Cr. to CONCOR, working capital loan (2013-14) stood at Rs. 36.19 Cr. on 31st March, 2014.

Total outstanding loan due to holding Company (CONCOR) stood at Rs. 87.28 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12, Rs. 36.19 Cr. for 2013-14 and interest accrued & due of Rs. 7.95 Cr. Net of TDS) as on 31.03.2014.

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 2013-14.

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 31.03.2014, the total employee strength of company remained 37 (which includes Regular-25, Deputationist-06, and Contractual-06) employees. All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

INDUSTRIAL RELATIONS

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

RESERVATION POLICY

FHEL has been following the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2014, there were 05-OBC, 02-SC and 01-ST employees.

RESEARCH & DEVELOPMENT

In terms of MOU target for 2013-14 signed between CONCOR & FHEL, your Company has achieved the Excellent Target in respect of following parameters under R & D -:

(i) Innovation in operations – Experiments were conducted in the CA cabinets of the laboratory on the shelf life extension of garlic, mangoes, green almond and green orange i.e. 4 nos. as compared to the target of 3 nos. in MOU (2013-14).

(ii) Quality of Storage in the facility – CA storage readings of chambers are maintained within set range after the chambers attained the steady state temperatures and CA values. Further, during the F/Y 2013-14, percentage (%) of readings of CA Storage not within acceptable range, are less than 3 (three) %.

SUSTAINABLE DEVELOPMENT

For the purpose of Bio-diversity conservation (afforestation), your Company planted 2500 trees in green belt along the highway and FHEL premises.

In respect of Energy conservation, it may be mentioned that units consumed per MT in 2013-14 was 52.55 KWH as compared to 55.40 KWH in 2012-13.

In order to improve the land productivity & efficiency of farmers, training was imparted to 50 apple growers of the outer Seraz area of Kullu district in Himachal Pradesh (HP.) under CONCOR's CSR and sustainability project undertaken by TERI in HP.

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 2013-14.

AUDITORS

Being a Government Company, the Comptroller & Auditor General of India appointed M/s. Shiv & Associates, Chartered Accountants, Delhi as Company's Statutory Auditors for the F/Y 2013-14. 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 2013-14.

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

- (1) Shri Anil Kumar Gupta, CMD, 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, 2013, Ms. P. Alli Rani Director, is liable to retire by rotation and being eligible, offers herself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2014, 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, 2014 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. Link of the Code of Conduct is available on website of the Company i.e. www.fhel.co.in.

Based on the affirmation received from Board Members, it is hereby declared that all the members of the Board have affirmed compliance of Code of Conduct for the financial year ended on March 31st, 2014.

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

Place : New Delhi
Date : 08-05-2014

(Anil Kumar Gupta)
CHAIRMAN

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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

CMD/CONCOR is the ex-officio Part-time Chairman on the Board of FHEL and all other members of Board are nominated/appointed by CONCOR.

As on 31st March, 2014 the Board of Directors of Company consists of Six Part-time Directors including a Chairman (Ex-officio) and two Independent Directors.

The Board met Six times for transacting business during the financial year 2013-14 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
44	24 th May, 2013
45	24 th July, 2013
46	12 th August, 2013
47	25 th Oct., 2013
48	16 th Dec., 2013
49	30 th Jan., 2014

The Company has adopted CONCOR's Code of Conduct for Board Members & Senior Management of the Company. The link of same is available on website of company i.e. www.fhel.co.in.

Based on the affirmation received from Board Members, it is hereby declared that all the members of the Board have affirmed compliance of Code of Conduct for the financial year ended March 31st 2014.

The Composition of Directors, attendance at the Board Meetings during the year 2013-14 and the last Annual General Meeting, the number of other directorships, chairmanship and committee memberships (as provided) are given below :-

Sl. No	Category of Directorship	Name of Director	No. of Board Mtgs Attended	Attendance At last AGM	No. of Other Committee Membership/Chairmanship		No. of Other Directorship / Chairmanship	
(I)	Part-time Office/Non-Executive Chairman							
1.	Chairman & Managing Director, CONCOR	Sh Anil Kumar Gupta	Six	Yes	One	One	Four	Two
(II)	Part-time / Non-Executive Directors							
2.	Dir. (P & S)/CONCOR	Sh. Harpreet Singh	Six	Yes	One	Nil	Three	Nil
3.	Dir. (IM & Ops)/CONCOR	Sh. Yash Vardhan	Six	Yes	Three	Nil	Six	One
4.	Dir. (Finance)/CONCOR	Ms. P. Allij Rani	Six	Yes	Six	Four	Five	Nil
(III)	Part-time Non-Executive Directors (Independent)							
5.		1. Gen. (Retd.) Arvind Mahajan	Six	Yes	Two	One	Three	Nil
6.		Dr. A. K. Bandyopadhyay	Four	No	Nil	Nil	One	Nil

AUDIT & REMUNERATION COMMITTEE

The Audit Committee was re-designated as 'Audit & Remuneration Committee' w.e.f. 24th July, 2013. The Committee comprised -:

Lt. Gen. (Retd.) Arvind Mahajan,	- Chairman
Dr. A. K. Bandyopadhyay	- Member
Shri Harpreet Singh	- Member

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

The Committee met 4 (Four) times during the financial Year 2013-2014 on 23.05.13, 12.08.13, 24.10.13, & 30.01.14.

The details of the attendance of the members in the Committee meetings held during F/Y 2013-14 are as under :-

S. No.	Name of Members	No. of Committee Meetings Attended
1.	Lt. Gen. (Retd.) Arvind Mahajan	Four
2.	Shri Harpreet Singh	Four
3.	Dr. A. K. Bandyopadhyay	Three

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.

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

The Part-time non-executive directors (independent) are paid sitting fee of Rs. 20,000/- per meeting of the Board or Committee thereof attended by them, in addition to incidental expenses related to their travel and stay.

The details of sitting fee paid during F/Y 2013-14 to Part-time non-executive (Independent) Directors, for attending meetings of Board of Directors and Committee thereof, are given below -:

S. No.	Name of Directors	Rs. in Lakhs@
1.	Lt. Gen. (Retd.) Arvind Mahajan	2.20
2.	Dr. A. K. Bandyopadhyay	1.60

@ excluding service tax.

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 following Corporate Governance Guidelines and has two Independent Directors of BOD of CONCOR in its Board and Audit Committee. Lt. Gen. (Retd.) Arvind Mahajan, independent director, has also been designated as the Chairman of Audit & Remuneration 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>
18.07.2013	Conference Hall, Container Corporation of India Ltd. CONCOR Bhawan, C-3, Mathura Road, New Delhi - 110076	15:00 Hrs.
28.08.12	-----Do-----	12:00 Hrs.
20.08.11	-----Do-----	10.30 Hrs.

In the last AGM held on 18.07.2013, one special resolution was passed for according consent to Board of Directors' for issue and allotment of fresh 99,701 Equity shares of 10/- each at premium of Re. 0.03/- per share.

AGM of Current Year

Date : 2nd Sept., 2014
Time : 10:30 A.M.
Venue : Conference Hall, Container Corporation of India Ltd.,
CONCOR Bhawan, C-3, Mathura Road,
New Delhi – 110076.

DISCLOSURES

- (i) During the year, there was no transaction of material nature with the directors or their relatives that had potential conflict with the interest of the company.
- (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.

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- (iii) In terms of Corporate Governance Guidelines & to adopt best practices therein, the Company has 'Whistle Blower Policy' in place.
- (iv) Your Company has filed report on Corporate Governance in specified format to CONCOR (holding company) & DPE within stipulated time.
- (v) Compliance with the requirement of these guidelines are detailed in this report
- (vi) 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.
- (vii) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (viii) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.
- (ix) 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> |
|------------------|---|--|---|
| 2013-14 | 526.59 | 12471.97 | 4.22% |
| 2012-13 | 258.67 | 4870.53 | 5.31% |
- (x) Transactions with related parties as per requirements of Accounting Standards issued by the Institute of Chartered Accountants of India are disclosed in relevant notes to the Balance Sheet of the Company.
- (xi) The Company has an adequate risk assessment and minimization plan. Certificate of compliance of applicable laws, is being placed before the Board.
- (xii) Non-official (Independent) directors have conducted separate meeting on 26.03.2014 and discussed issues, in accordance with DPE guidelines.

MEANS OF COMMUNICATION

Financial Results : The Annual Report and quarterly un-audited financial 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 Directors hip Held	Details of Other Committee Membersh ip
Ms. P. Alli Rani	15.05.1960	09.07.2009	M.A. M. Phil. (Economics), MBA (Finance)	Ex-IRAS officer, Worked in Railway Finance and Telecom Finance for 23 years.	Five@	Six#

@ 1. M/s. Container Corporation of India Ltd., 2. M/s. CONCOR Air Limited 3. M/s. SIDCUL CONCOR Infra Company Ltd. 4. M/s Himalayan Terminals Pvt. Ltd. Birgunj, Nepal 5. M/s. CMA CGM Logistics Park (Dadri) Pvt. Ltd., Dadri

Chairperson of Audit Committee of 1. SIDCUL CONCOR Infra Company Ltd. 2. CONCOR Air Ltd.

Chairperson of Share Transfer Committee of Container Corporation of India Ltd.

Member of Shareholders/Investors Grievance Committee and Sustainability Development Committee (SDC) of Container Corporation of India Ltd.

Chairperson of Investment Committee of Himalayan Terminals Pvt. Ltd, Birganj, Nepal

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments :

Fruits & 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.

CONCOR (holding company) is in discussion with Department of Economic Affairs, (Ministry of Finance) for providing assistance in its initiative for developing cold chain industries in the country.

FHEL is one of the first companies who have invested in specialized CA Store for storage of apples. Over the last 5 years many more facilities have come up in the country.

The company procured 10,271 MT of Apples and 968 MT of other fruits (i. e. 735 MT of Kinnows, 38 MT of Mangoes, 10 MT of Green Almonds, 129 MT of Oranges, 45 MT of Grapes, 11 MT of Pomegranates) during F/Y 2013-14.

Apples were primarily procured from Kinnaur & Shimla districts of Himachal Pradesh. Apple procurement season of 2013-14 which started on 15th August, 2013, based on model of fixed price agreements with growers, faced sudden and major crisis, in the form of price-crash due to glut in the market caused by an unprecedented apple output from Shimla orchards. FHEL came under huge pressure to procure at agreed fixed prices, due to panic among the growers by rumours spread by competitors that FHEL would curtail procurement. This resulted in daily procurement targets being breached due to the hasty plucking and loading by growers, resulting in queuing up of trucks at Rai, which could not be unloaded due to limited capacity of the grading line at CA store. Management had to ultimately opt for trading in the current market in spite of low prices, since the apples that had waited in the trucks for more than 48 hours, were not fit for storage. Another pitfall in this year's procurement was that primarily only Shimla apples could be procured, whereas Kinnaur apples' production had been

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impacted by fresh floods & heavy rains in the upper reaches of Himachal Pradesh and even the smaller quantities that were available could not be accessed due to broken roads and blocked routes. Hence FHEL had to primarily trade in Shimla apples whose quality, storeability and retail prices are lower compared to Kinnaur apples.

In the financial year 2013 – 14, company handled 15062 MT (inclusive of opening stock of 4,574 MT) of apples and other fruits at Delhi, Mumbai, Chennai, Ahmedabad, Hyderabad and other fruit wholesale terminal markets in India. The best of FHEL apples were sold at par with imported apples, though these quantities were minimal. There was no closing stock of any fruit as on 31.03.2014.

Adoption of open sale policy to all interested buyers throughout country on pre-determined price, has given good results. The buyers appreciated the new initiative taken by FHEL as it has given opportunity to them to buy directly from FHEL. Since sale of products on pre-determined fixed price was introduced for the first time, it is hoped that this precedence will help FHEL in selling larger quantity in coming year at fixed price and prevent losses to FHEL.

Number of buyers from Punjab, Mumbai, Ahmedabad, Bangalore, Chennai directly procured fruit from FHEL. In line with our endeavor, nearly 100% of off-season sales (effective from 22nd Nov., 2013) were done at fixed rates. Further, with concerted efforts we have been able to increase the number of buyers both in Delhi and outside Delhi. This has helped us in decreasing our dependence on few buyers/commission agents. We further propose to increase the customer list in the coming years.

During Diwali, FHEL sold apples at a rate of Rs. 118/- per kg of Supreme quality as Gift Packs/boxes of 6, 12, & 20/25 apples. The Diwali Gift Packs were well received in the market in competition to the imported apples. During off-season FHEL has given chambers on hire for storage of Rice & Flower Bulbs.

During the F/Y 2013-14, the Company incurred net loss of Rs. 39.16 Cr. There were two prime reasons for the losses. Firstly, there was loss from sale of closing stocks of 2012-13 due to formation of cartels against the fixed price, arrival of mangoes and other seasonal fruits, arrival of large quantity of Iranian apples forcing FHEL to go for auctions. Secondly, loss was due to procurement crisis of current year, explained earlier in this report.

2. **Strength & Weakness :**

Strengths -:

- a) Fruits & Vegetable market in India is huge (approx. Rs. 2,00,000 Crore +) involving approx. 35% loss on account of gap between supply & demand at the time of production & absence of long term storage & distribution facilities. Hence, the area 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
- (d) Increasing competition from Private player who have set up CA store in last few years.

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. 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.

6. SECURED LOANS

During F/Y 2013-14, your Company re-paid entire secured working capital loan/limit & accrued interest of Rs. 39.74 Cr. (inclusive of interest of Rs. 1.01 Cr. of current year) due to Yes Bank.

7. UNSECURED LOAN

In order to meet working capital requirement for F/Y 2013-14, your Company entered into an arrangement with CONCOR (holding company) for sanction of working capital loan of Rs. 73 Cr. at an interest rate of 9.31% p.a. Out of sanctioned working capital loan of Rs. 73 Cr., your Company had drawn a sum of Rs 66.86 Cr. during F/Y 2013-14. After repayment of Rs. 30.67 Cr. to CONCOR, working capital loan (2013-14) stood at Rs. 36.19 Cr. on 31st March, 2014.

Total outstanding loan due to holding Company (CONCOR) stood at Rs. 87.28 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12, Rs. 36.19 Cr. for 2013-14 and interest accrued & due of Rs. 7.95 Cr. Net of TDS) as on 31.03.2014.

8. Fixed Assets**(Rs. in Cr.)**

<u>Year Ended March 31</u>	<u>2014</u>	<u>2013</u>	<u>%age Incr.(Decr.)</u>
Original Cost of Assets	81.35	81.81	(0.56)
Less : Accumulated Dep.	23.89	20.29	17.74
Net Fixed Assets	57.45	61.52	(6.62)

9. Inventory

Item	Opening	Purchased	Sold	Consumed*	Closing	
Fruits*	Qty (Kgs.) C/Y	45,73,675	112,39,281	150,62,312	7,50,644	NIL
	Qty (Kgs.) P/Y	28,78,406	68,27,576	46,39,104	4,93,203	45,73,675
	Amount (in Rs.) C/Y	40,40,75,462	44,32,16,051	80,59,91,246	-	NIL
	Amount (in Rs.) P/Y	26,16,81,179	35,16,51,302	35,00,29,459	-	40,40,75,462
Packing Material**	Qty (No.) C/Y	19,05,259	23,75,689	5,33,643	28,66,457	8,80,848
	Qty (No.) P/Y	12,56,346	9,75,482	2,72,270	54,299	19,05,259
	Amount (in Rs.) C/Y	2,12,21,188	3,70,15,114	1,44,68,007	2,80,51,847	1,57,16,448
	Amount (in Rs.) P/Y	1,45,66,023	1,99,30,059	93,48,423	39,26,471	2,12,21,188

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

** Consumption includes used for packing.

10. Trade Receivables

Trade receivables are 6.48% of operating income of the year.

11. Cash & Cash Equivalent

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

12. Income

Income from operations has increased by 119.24% over F/Y 2012-13.

13. Cost of Sales

Cost of Sales has increased by 216% over F/Y 2012-13.

14. Other Expenses

Other expenses have increased by 99% over F/Y 2012-13 mainly due to implementation of volume discount scheme to attract direct bulk buyers from outside Delhi, increase in sales volume of apples and trading of other fruits.

15. Employee Remuneration

The Employee Cost has decreased by 5.91% in comparison to last year.

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

Human resource is the key asset of FHEL. As on 31.03.2014, the total employee strength of company remained 37 (which includes Regular-25, Deputationist-06, and Contractual-06) employees. All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

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

As on 31.03.2014, there were 05-OBC, 02-SC and 01-ST employees.

17. 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 very huge quantity of apples. In CA Store the apples can be stored for 6-8 months period. These apples can be sold during off season thereby saving precious foreign exchange for the country. FHEL procures and stores apple during the season when the supply is more than the demand and prices are low. The apples are stored in CA store and sold during off season starting November onwards till the stocks last. Due to availability of quality apples during this season the import of apples is reduced thereby saving precious foreign exchange for the country.

However, of late it is found that the fruit agents are able to get imported apples at competitive prices, which they are able to sell at higher prices to the customer, due to the customer's preference for imported produce. Due to the attractive margins in the business of imported fruits, which are freely available, the fruit agents are diverting the business to imported fruit and reducing their uptake of Indian apples. So, unless duty protection is given to Indian apples, the Indian apple farmers may be unable to market their produce at economic prices.

18. **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 Crore. 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. During F/Y 2013-14, the Company expects to procure 11700 MT (appx.) of apples from Himachal Pradesh

19. **Risks & Concerns :**

The Company has identified the possible risks and its mitigation plans arising in operations and other key areas of the Company. Departmental heads are required to list out the effectiveness/non-effectiveness of control/action plan formulated to mitigate the risk. The same is reviewed by Audit & Remuneration Committee and put up to Board of Directors for approval.

20. **Strategy to meet challenges**

In order to make the business successful, it has been decided to implement the following strategic measures in the forthcoming year -:

- (a) Procurement at variable prices;
- (b) Monitoring of procurement supply chain to ensure no over-crowding beyond daily CA uptake capacity at Rai, thereby ensuring no losses from distress sale;
- (c) Direct sales to markets outside Delhi;
- (d) Sales at pre-determined prices;
- (e) Regular revision of sale price;
- (f) Part-letting out of available space.

21. Corporate Social Responsibility

As a step towards attaining social objective, training in field of sustainable development was imparted to 50 apple growers in Himachal Pradesh on behalf of FHEL, under the CONCOR's CSR and sustainability project undertaken by TERI in Himachal Pradesh.

22. Cautionary Statement

Statements in the Directors' Report and Management Discussion & Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Actual results, performances or achievements may vary materially from those expressed or implied due to economic conditions, Government policies and other incidental factors such as litigation and industrial relation, Readers are cautioned not to place undue conviction on the forward looking statements.

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

CONSERVATION OF ENERGY.

During the year 2013-14, 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 thermal insulation thickness for stores and cladding for pipe lines for minimal heat loss/ gain, cleaning of chilled water tubes, condenser water tubes and Minimum Infiltration of external Air to Cold Store and processing area by proper sealing of incoming and exit gates.

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.

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.

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.

Battery chargers for material handling equipments and other

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

) Additional investments & Proposals for reduction in Consumption of Energy

Impact of measures taken for Energy Conservation

Units consumed per MT in 2013-14 is 52.55 KWH as compared to 55.40 KWH in 2012-13.

FORM - A

Disclosure of particulars with respect of Conservative of Energy

Power and fuel Consumption

	Current Year	Previous Year
Electricity		
1. Purchased		
Unit(KWH)	2984300.00	1858066.00
Total Amount(Rs)	23462863.00	13116337.60
Rate/ Unit (Rs)	7.86	7.06
2. Own Generation		
2.1 Through Diesel generator		
Unit (KWH)	410655.00	682974.95
Unit per liter of Diesel oil	3.50	3.56
Cost / Unit (Rs)	14.50	12.32
2.2 Through steam turbine / generator		
Unit (KWH)	Nil	Nil
Unit per liter of fuel oil / gas	Nil	Nil
Cost / Unit	Nil	Nil
Coal (specify quality and where used)		
Quantity (tonnes)	Nil	Nil
Total Cost	Nil	Nil
Average rate	Nil	Nil
Furnace Oil		
Quantity (K.Ltrs.)	Nil	Nil
Total Amount	Nil	Nil
Average rate	Nil	Nil
Others / internal generation (please give		
Quantity	Nil	Nil
Total Cost	Nil	Nil
Rate / Unit	Nil	Nil
Consumption per unit of production (per ton of storage of apples)		

Detail	Current Year (2013-14)	Previous Year (2012-13)
a. Total Nos of Units consumed (KWH)	3394955.00	2541040.95
b. Total Cost (Rs.)	29426139.80	21533949.76
c. Cost per unit (a / b) Rs.	8.67	8.47
d. Cumulative annual Tonnage (MT)	64603.96	45863.52
e. Power cost per Unit (Rs.) [b / d]	455.49	469.52

note: 1. The diesel cost increased from Rs. 47.29/- (as on 01-04-2013) to Rs. 54.10/- per litre (as on 31-03-2014).

2. The electricity tariff increased from Rs. 7.06/- (as on 01-04-2013) per unit to Rs. 7.86/- (as on 31-03-2014) per unit

Form for disclosure of particulars with respect to absorption

A. Research and development (R & D)

1) Specify areas in which R & D carried out by the company:

Experiment are conducted on the shelf life extension of garlic, mango, green almond and green orange.

2) Benefits derived as a result of the above R & D: storage of Oranges.

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

4) Expenditure on

i. Capital	: Nil
ii. Recurring	: Nil
iii. Total	: Nil
iv. Total R & D expenditure as a Percentage of total turnover	: Nil

B. Technology absorption, adaptation and innovation

1) Efforts, in brief, made towards 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 technology absorption, adaptation and 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 All fruits and vegetables storage is helping the efforts. e.g. product improvement, cost company in offering these commodities for sale in off reduction, product development, import season. This is increasing consumer satisfaction import substitution, etc substitution and more remuneration prices for produce to farmers

3) in case of imported technology -----NA-----
 (initiated during the last 5 years reckoned from the beginning of the financial year).

Following information may be furnished
 1) Technology imported -----NA-----

2) Reason of import -----NA-----

3) Whether technology been fully absorbed -----NA-----

4) Any strategy about the same with the members of the firm related systems (therefore) and any other details of action.

AKHIL ROHATGI
M.Com. L.L.B. F.C.S.

AKHIL ROHATGI & COMPANY,
Company Secretaries
21, Sharnath Marg, Civil Lines,
Delhi – 110054.
Phone : 23926504, 9810690633
Email : rohatgi_co_secy@yahoo.co.in

CERTIFICATE

To the Members of
FRESH & HEALTHY ENTERPRISES LIMITED


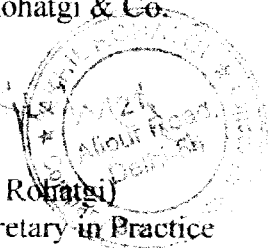
We have examined the compliance of conditions of Corporate Governance by Fresh & Healthy Enterprises Limited for the year ended 31st March, 2014 as stipulated in the DPE guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our knowledge and information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines on corporate governance issued by the 'Department of Public Enterprises'.

We further state such compliance is neither an assurance as to further viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Akhil Rohatgi & Co.

(Akhil Rohatgi)

Company Secretary in Practice

F.C.S: 1600

C.P. No. 2317

Place: New Delhi
Date : 8th May 2014

FRESH & HEALTHY ENTERPRISES LIMITED
BALANCE SHEET AS AT 31st March, 2014

Particulars	Note No.	(Amount in Rs.)	
		As at 31.03.2014	As at 31.03.2013
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
a) Share Capital	1	764,293,430	763,296,420
b) Reserve and Surplus	2	(996,888,005)	(605,282,871)
c) Money Received against Share warrants			
		<u>(232,594,575)</u>	<u>158,013,549</u>
2 Share application Money pending allotment			
3 Non-current Liabilities	3		
a) Long Term Borrowings		-	-
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		5,828,008	7,346,328
		<u>5,828,008</u>	<u>7,346,328</u>
4 Current Liabilities	4		
a) Short Term Borrowings		793,267,383	816,042,534
b) Trade Payables		6,501,923	19,902,272
c) Other Current Liabilities		102,352,061	82,196,531
d) Short Term Provisions		1,515,535	378,512
		<u>903,636,902</u>	<u>918,519,849</u>
Total		<u>676,870,335</u>	<u>1,083,879,726</u>
II Assets			
1 Non-Current Assets			
a) Fixed Assets	5		
i) Tangible Assets		574,511,200	615,191,255
b) Non-Current Investments		-	-
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and advances	6	6,973,992	4,408,352
e) Other non-current Assets	7	2,380,803	3,313,189
		<u>583,865,995</u>	<u>622,912,796</u>
2 Current Assets	8		
a) Current Investments		-	-
b) Inventories		17,370,844	427,514,638
c) Trade Receivables		55,197,273	27,476,089
d) Cash and Cash equivalents		12,774,533	1,456,299
e) Short-term Loans and advances		3,120,832	2,869,884
f) Other Current Assets		4,540,858	1,650,020
		<u>93,004,340</u>	<u>460,966,930</u>
Total		<u>676,870,335</u>	<u>1,083,879,726</u>

Significant Accounting policies 14
 Other Notes 15
 Notes 1 to 15 form an integral part of the accounts
 As per our report of even date
 For Shiv & Associates
 Chartered Accountant

For and on behalf of Board of Directors

CA Shiv Prakash Chaturvedi,
 Partner
 M.No. 085084
 Date 28.05.2014
 Place: New Delhi

Anil Kr. Gupta
 Chairman

P.Alli Rani
 Director & CEO

Suman Lata
 Mgr(F) & CS

Sunil Khurana
 Chief Finance Officer

FRESH & HEALTH ENTERPRISES LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2014



(Amount in Rs.)

Particulars	Note No.	As at 31.03.2014	As at 31.03.2013
I Revenue from Operations	9	851,298,720	388,261,935
II Other Income	10	4,290,350	4,035,277
III Total Revenue (I+II)		855,589,070	392,297,212
IV Expenses:			
Purchases of Traded Goods		504,253,069	390,797,964
Change in Inventories	11	409,580,202	(149,049,448)
Direct Expenses		144,262,545	92,679,612
Employee Benefits Expenses	12	19,057,312	20,267,973
Finance Costs		78,271,399	69,226,912
Depreciation and Amortization Expenses		37,918,687	36,068,641
Other Expenses	13	53,853,980	27,061,697
Total Expenses		1,247,197,194	+87,053,351
V Profit before exceptional and extraordinary items and Tax (III - IV)		(391,608,124)	(94,756,139)
VI Exceptional Items			
VII Profit Before extraordinary items and tax (V-VI)		(391,608,124)	(94,756,139)
VIII Extraordinary Items			
IX Profit before Tax (VII - VIII)		(391,608,124)	(94,756,139)
X Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Tax Adjustment for Prior Periods		-	-
XI Profit / (Loss) for the period from continuing operations (IX-X)		(391,608,124)	(94,756,139)
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)		(391,608,124)	(94,756,139)
XVI Earning per Equity Share(Rs.)			
(1) Basic		(5.13)	(1.29)
(2) Diluted		(5.13)	(1.29)

Significant Accounting policies

14

Other Notes

15

Notes 1 to 15 form an integral part of the accounts

For Shiv & Associates

Chartered Accountant

For and on behalf of Board of Directors

CA Sanjay Prakash Charurvedi

Partner

M.No. 005047

Date 02.05.2014

Place: New Delhi

Anil Kr. Gupta

Chairman

P. Anil Ram

Director & CFO

Suman Datta

Member & CS

Sunil Khurana

Chief Finance Officer

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

Particulars	As at	(Amount in Rs.)
	31.03.2014	As at 31.03.2013

NOTE 1 : SHARE CAPITAL		
Authorized share capital (15,00,00,000 equity shares of Rs.10/- each)	1,500,000,000	1,500,000,000
	1,500,000,000	1,500,000,000
Issued, Subscribed & Paid-up Share Capital (*) (7,64,29,343 Equity Shares (PY: 7,63,29,642)of Rs.10/- each fully paid-up)	764,293,430	763,296,420
	764,293,430	763,296,420

(*) Note

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

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

<u>Shareholder</u>		
M/s Container Corporation of India Ltd. (nos.)	76,429,343	76,329,642
Percentage of shares held	(100%)	(100%)

Above is after taking into effect of the decision taken by FHEL's shareholders' in their general meeting held on 18.07.2013 for issue of 99701 nos of equity shares of Rs. 10/- each to CONCOR at premium of Rs. 0.03/- per share.

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

Particulars	(Amount in Rs.)		
	As at 01.04.2013	Addition/ deduction/ appropriation	As at 31.03.2014

NOTE 2 : RESERVES AND SURPLUS

Securities Premium Reserve	1,903,575	2,990	1,906,565
Surplus (Profit and Loss Account)			
Opening Balance	(607,186,446)		
Profit/(Loss) after Tax for the year		(391,608,124)	
Closing Balance			(998,794,570)
Total	(605,282,871)	(391,605,134)	(996,888,005)

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

Particulars (Amount in Rs.)
As at As at
31.03.2014 31.03.2013

NOTE 3 : NON-CURRENT LIABILITIES

Long Term Borrowings		
Term Loan from Banks	-	-
Deferred Tax Liabilities (Net)	-	-
Other Long Term Liabilities	-	-
Long Term Provisions		
Provision for Employee Benefits	5,828,008	7,346,328
Others	-	-
Total	5,828,008	7,346,328

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

(Amount in Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 4: CURRENT LIABILITIES		
Short Term Borrowings		
<u>Loans Repayable on Demand from Banks</u> (Secured against hypothecation of all current assets both present and future)		384,609,784
<u>Loans and Advances from Related Party</u>		
Container Corporation of India Ltd. (Holding Co.; Unsecured)	793,267,383	431,432,750
Trade Payables		
- Micro & Small Enterprises		
- Others	6,501,923	19,902,272
Other Current Liabilities		
<u>Current Maturities of Long Term Debt</u>		
Interest Accrued & Due on Borrowings	79,530,215	51,320,604
Advance/Deposits from parties	15,260,750	6,476,712
Others	7,561,096	24,399,215
Short Term Provisions		
Provision for Employee Benefits	1,515,535	378,512
Others		
Total	903,636,902	918,519,849

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS

NOTE 5: FIXED ASSETS

Descriptions	Gross Block			Depreciation*		Net Block		Amount in Rs.
	As at 01.04.13	Additions during the year	Sale/adjustment	As at 31.03.2014	As at 01.04.13	For the year	Up to 31.03.2014	
Tangible Assets								
Building	191,591,146	-	-	191,591,146	35,094,352	6,235,449	41,329,801	150,261,345
Plant & Machinery	454,769,229	689,036	-	455,458,265	121,904,051	23,554,596	145,458,647	309,999,618
Computer	1,337,372	1,248,999	-	2,586,371	1,122,742	187,100	1,309,842	1,276,529
Furniture & Fittings	1,716,877	12,910	-	1,729,787	676,143	110,351	786,494	943,293
Leases	168,658,630	-	6,572,913	162,085,717	44,084,711	7,831,191	50,055,302	1,24,030,415
Total	818,073,254	1,950,945	6,572,913	813,451,286	202,881,999	37,918,687	238,940,086	574,511,200
Previous Year	817,722,965	350,289	-	818,073,254	166,813,358	36,068,641	202,881,999	615,191,255
								650,909,606

* Depreciation on assets created on leasehold land is provided in line with the accounting policy of the company irrespective of the land lease period, as the leases are likely to be renewed / extended. Depreciation has been provided as per SLM method in accordance with Companies Act, 1956.

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

(Amount in Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 6 : LONG TERM LOANS AND ADVANCES		
Capital Advances		
Security Deposits		
- Govt. Authorities (Unsecured, Considered Good)	5,260,692	2,225,450
- Others		
Other Loans and Advances		
Loans to Employees (Secured, Considered Good)	1,713,300	2,182,902
Total	6,973,992	4,408,352
NOTE 7 : OTHER NON-CURRENT ASSETS		
Interest accrued on deposits, loans and advances (Staff) (Secured, Considered Good)	380,803	313,189
Preliminary/Miscellaneous Expenses.	2,000,000	3,000,000
	2,380,803	3,313,189

FRISH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS



Particulars	(Amount in Rs.)	
	As at 31.03.2014	As at 31.03.2013
NOTE 8: CURRENT ASSETS		
Inventories		
(As taken, valued & certified by Management)		
Stock-in-Trade		404,075,462
Stores and Spares	17,370,844	23,439,176
	17,370,844	427,514,638
Trade Receivables		
Outstanding for period exceeding six Months		
Unsecured Considered good	8,572,895	8,572,895
Others Unsecured Considered Good	46,624,378	18,903,194
	55,197,273	27,476,089
CASH AND BANK BALANCES		
(I) Cash and Cash equivalents		
- Cash (Including Imprest)	22,331	9,950
Bank Balances		
- In current Accounts	8,403,639	426,523
- In Deposits with original maturity upto 3 months		
(II) Other Bank Balances		
- Bank Deposits		
- With original maturity of more than 3 months and up to 12 months	4,023,255	726,219
- With original maturity of more than 12 months		
- Bank Balances held as margin money or security against		
- Guarantees**	325,308	293,607
- Letter of Credit		
	12,774,533	1,456,299
Short-term Loans and advances		
<u>Loans to Related Parties</u>		
<u>Loans to Others</u>		
Loans to Employees (Secured, Considered Good)	415,248	505,188
Advances (Unsecured, Considered Good)	81,035	27,000
(Recoverable in Cash or in kind or value to be received)		
<u>Deposits (Unsecured, Considered Good)</u>		
- Govt. Authorities	587,260	709,162
- Others	41,750	86,750
Advance Income Tax/TDS (Net of Provisions)	1,995,539	1,541,784
	3,120,832	2,869,884
Other Current Assets		
Interest accrued on deposits, Loans and advances		23,259
Others	4,540,858	1,626,761
	4,540,858	1,650,020
Total	93,004,340	460,966,930
** 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



Particulars	As at 31.03.2014	(Amount in Rs.) As at 31.03.2013
-------------	---------------------	--

NOTE 9 : REVENUE FROM OPERATIONS

Sale of Fresh Fruits	805,991,246	350,029,459
Sale - Off Seasonal Activity	24,806,663	19,744,273
Sale of Cartons	14,468,007	9,348,423
Sale of Scrap	1,141,169	812,776
Cooling Charges	4,891,635	8,327,004
Total	851,298,720	388,261,935

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

Fruit	31.03.2014	31.03.2013
Apples	780,994,756	347,744,756
Kinnow	17,490,931	1,839,998
Mango	1,277,260	
Green Almond	102,890	
Orange and Others	3,328,525	320400
Grapes	1,534,378	
Pomegranate	1,262,506	124305
Total	805,991,246	350,029,459

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31.03.2014	As at 31.03.2013

NOTE 10 : OTHER INCOME

Interest earned on Short Term Bank Deposits	16,83,374	1,37,306
Interest earned on Loans to employees	67,614	68,477
Interest earned others	56,957	13,34,738
Other non-operating Income	24,82,405	24,94,756
Total	42,90,350	40,35,277

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS



(Amount in Rs.)

Particulars	As at 31.03.2014	As at 31.03.2013
NOTE 11		
Purchases of Traded Goods		
Stock-in-Trade	467,237,955	370,867,905
Stores and Spares	37,015,114	19,930,059
	504,253,069	390,797,964
Change in Inventories		
<u>Opening Stock</u>		
Stock-in-Trade	404,075,462	261,681,179
Stores and Spares	22,755,188	16,100,023
	426,830,650	277,781,202
<u>Closing Stock</u>		
Stock-in-Trade	-	404,075,462
Stores and Spares	17,250,448	22,755,188
	17,250,448	426,830,650
Increase/(Decrease) in Inventory	409,580,202	(149,049,448)
Direct Expenses		
CA store maintenance	13,348,368	12,811,074
Freight Exp	54,460,233	24,019,035
Handling Expenses (Mandi)	1,369,839	938,504
Loading/Unloading Charges	19,248,225	8,186,224
Power & Fuel	29,398,507	21,579,039
Testing Exps./ Charges /Consumable Goods	12,565	60,097
Procurement Supervision Consultants	7,793,121	6,904,975
Water Spray at Control Room	210,650	185,625
Consumable Goods	1,686,357	1,205,752
APMC Fees	4,231,700	3,146,525
Lease Rent - Plastic Bins	11,842,765	13,338,302
Performance Award	7,500	177,500
Store Rent	123,178	126,959
Hiring Charges Equipment	529,537	-
	144,262,545	92,679,612
Total Cost	1,058,095,816	334,428,128

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS

Particulars	(Amount in Rs.)	
	As at 31.03.2014	As at 31.03.2013
NOTE 12: EMPLOYEES BENEFITS EXPENSES		
Salary, Allowances & Other Employee Benefits	16,218,941	16,878,253
Contribution to CPF & FPF	1,318,013	1,355,581
Rent for Leased Accommodation	98,700	262,562
Employees Welfare & Medical	1,304,886	1,582,121
Gratuity	112,022	176,638
Training Expenses	4,750	12,818
Total	19,057,312	20,267,973

FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS



Particulars	(Amount in Rs.)	
	As at 31.03.2014	As at 31.03.2013

NOTE 13 : OTHER EXPENSES

Printing & Stationery Exp	314,194	251,798
Travelling & Conveyance	1,059,925	1,868,584
Travelling & Conveyance -Dir.	50,740	86,401
Rent Office Space/ Rai Land and License Fee*	2,296,841	2,332,250
Research & Development Exps.	2,600	800
office/ CA Store Up keeping Exps.	2,097,481	2,015,757
Electricity Expenses	73,401	113,461
Repairs & Maintenance		
- Building	1,316,097	-
- Plant & Machinery	1,777,610	1,504,086
Security Expenses	1,069,706	1,073,069
Office Vehicle/ Car Hire Charges	1,941,253	2,484,132
Business Development	36,044	31,626
Postage , Telephone & Internet	663,485	695,745
Books & Periodicals	8,505	5,688
Bank Charges	21,742	38,988
Legal & Professional Charges	1,206,476	1,641,585
Agency Charges-Commission	12,597,484	7,476,897
Insurance Premium	948,741	840,788
Subscription & Membership Fee	-	11,489
Interest	-	5,177
Exhibition Exps.	212,360	-
Discount	20,717,488	1,471,735
Advertisement	1,399,605	643,888
Auditors Remuneration		
- Statutory Audit Fee	84,944	85,000
- Tax Audit Fee	36,405	36,500
Service Tax Exp	248,185	174,872
Software exp	575,845	
Miscellaneous Expenses	1,374,991	375,733
Corporate Social Responsibility	526,832	600,648
Preliminary Expenses w/off	1,195,000	1,195,000
Total	53,853,980	27,061,697

* Includes land 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. Costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. 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 and in case of medical reimbursement below supervisor level 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.

NOTE: 1.5. OTHER NOTES:**1.a) Contingent Liabilities:**

	<u>2013-14</u>	<u>2012-13</u>
i) Bank Guarantees not provided for (Rs.)	200,000/-	200,000/-
ii) An amount of Rs. 80,44,961/- awarded in favour of M/s GAPL has not been Provided for as the Appeal against the order has been filed with Hon' ble High Court and is pending.		

2. 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 :

	<u>2013-14</u>	<u>2012-13</u>
i) Parties whose control exists (Holding Company)		
Unsecured Loan Taken	Rs. 66,86,00,000	Rs. NIL
Unsecured Loan Refunded	Rs. 30,67,65,367	Rs. NIL
Intt. Free Unsecured Loan Refunded	Rs. NIL	Rs. NIL
Interest on Loan	Rs. 6,81,43,131	Rs. 3,88,28,949
Interest Paid	Rs. 3,04,43,857	Rs. 1,22,64,651
TDS Deducted on Interest on Loan	Rs. 68,14,323	Rs. 38,82,904
Lease Rental of Plastic Bins	Rs. 1,18,30,840	Rs. 1,33,03,038
Lease Rental of Plastic Bins Paid	Rs. 2,59,74,875	Rs. NIL
TDS Deducted on Lease Rental	Rs. 2,36,617	Rs. 10,67,777
ii) Key management personnel		
<u>Sitting Fee to Independent Directors:</u>		
Lt. Gen. (Retd.) Arvind Mahajan	Rs. 2,20,000	Rs. 2,40,000
Dr. (Prof.) A.K. Bandyopadhyay	Rs. 1,60,000	Rs. 40,000

c) Balances at the end of the Year**i) Parties Whose Control Exists (Holding Company) :**

Unsecured Loan	Rs. 79,32,67,383	Rs. 43,14,32,750
Interest Accrued and Due	Rs. 7,95,30,210	Rs. 4,86,45,262
Lease Rental of Plastic Bins	Rs. NIL	Rs. 1,43,80,652

ii) Key management personnel:

NIL

3. Earning Per Share

	<u>31.03.2014</u>	<u>31.03.2013</u>
Profit/less after taxation as per Profit and Loss account (Rs.)	(39,16,08,124)	(9,47,56,139)
Weighted Average number of Equity Shares outstanding (Nos.)	7,63,98,204	7,34,08,761
Basic and diluted Earning/loss Per Share (Rs.)	(5.13)	(1.29)

4. Pending issuance of Notification u/s 441A of Companies Act, 1956 no provision has been made towards Cess on turnover.

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

	<u>2013-14</u>	<u>2012-13</u>
a) Expenditure in Foreign Currency	NIL	NIL
b) Earning in Foreign Currency	NIL	NIL

6. 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	45,73,675	1,12,39,281	1,50,62,312	7,50,644	NIL
	Qty (Kgs.) P/Y	23,78,406	68,27,576	46,39,104	4,93,203	45,73,675
	Amount (in Rs.) C/Y	40,40,75,462	44,32,16,051	80,59,91,246	-	NIL
	Amount (in Rs.) P/Y	26,16,81,179	35,16,51,302	35,00,29,459	-	40,40,75,462
Packing Material**	Qty (No.) C/Y	19,05,259	23,75,689	5,33,643	28,66,457	8,80,848
	Qty (No.) P/Y	12,56,346	9,75,482	2,72,270	54,299	19,05,259
	Amount (in Rs.) C/Y	2,12,21,188	3,70,15,114	1,44,68,007	2,80,51,847	1,57,16,448
	Amount (in Rs.) P/Y	1,45,66,023	1,99,30,059	93,48,423	39,26,471	2,12,21,188

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

** Consumption includes used for packing.

7. 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 23,95,541/- (Previous Year Rs. 27,52,400/-) against of which recovery of Rs. 59,514/- has been made (Previous Year Rs. 2,03,276/-). The period of lease arrangements varies from case to case.

8. 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.

9. 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.

ii) Employers' contribution to Provident Fund – Rs. 11.17 Lakh (p/y: Rs. 11.55 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 Allowance: 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 and Sick Leave: The Company has a defined benefit leave encashment and sick leave 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 Including Sick Leave (Non-Funded)		Medical (Non-Funded)	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Expenses Recognized in Profit & Loss Account	1,54,403	13,545	1,12,022	1,76,638	10,32,083	19,15,495	-	-
Amount Recognized in the Balance Sheet:								
Present Value of obligations as at 31 st March (i)	2,28,030	1,88,228	17,42,728	17,52,314	50,50,554	49,78,374	1,29,665	1,67,014
Fair Value of Plan Assets (ii)	-	-	-	-	-	-	-	-
Difference (iii)-(i)	(2,28,030)	(1,88,228)	(17,42,728)	(17,52,314)	(50,50,554)	(49,78,374)	(1,29,665)	(1,67,014)
Net Asset/(Liabilities) recognised in the Balance Sheet	(2,28,030)	(1,88,228)	(17,42,728)	(17,52,314)	(50,50,554)	(49,78,374)	(1,29,665)	(1,67,014)

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

	2013-14	2012-13
i) Method Used	Projected Unit Credit Method	Projected Unit Credit Method
ii) Discount Rate	8.50%	8.25%
iii) Future Salary Increases	5.50%	5.50%

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

10. 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.

11. During the year, provision for current tax is not made as the company has brought forward losses and unabsorbed depreciation amounting to Rs. 87.69 crore upto A/Y 2013-14 in accordance with the provisions of Income Tax Act, 1961.

12. Insurance Claims of Rs.33,50,377/- (Rs. 27,96,857/- for fire in plastic bins and Rs. 5,53,520/- for transit accident of apple loaded trucks) is pending with National insurance Company.

13) An amount of Rs. 85,72,895/- towards trade receivables awarded in favour of FHEL is due from Global Agri System P. Ltd. The case is pending with Hon'ble high court which is outstanding for more than six months; (P/Y Rs. 85,72,895/-).

14. As at 31 March 2014, 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 reliability 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 2014 are as follows:

Particulars	As at 31 st March 2014
Deferred tax Liability	
Provision for depreciation as per Income Tax Act, 1961, over depreciation on past assets	8,75,32,100
Total	8,75,32,100

Deferred tax assets	
Excess depreciation as per books, over depreciation as per Income tax Act, 1961	
Provision for gratuity	
Provision for LTC	47,711
Provision for Leave Encashment	
Provision for Sick Leave	88,893
Brought forward losses and unabsorbed depreciation	39,59,09,622
Total	39,60,46,226
Recognition of deferred tax assets to the extent of Deferred tax liability (b)^	8,75,32,100
Net deferred tax assets/(liability), [(a)-(b)]	Nil

^ DTA is recognized only to the extent of DTL keeping in view of changed strategy as per view of management in this regards.

15. 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.

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

17. 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.

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

Particulars	(Amount in Rs.)	
	Gratuity and Leave Encashment	
	2013-14	2012-13
Opening Balance	67,30,688/-	44,63,377/-
Addition during the year	14,02,957/-	28,05,963/-
Amount used/incurred	13,40,363/-	5,38,652/-
Closing Balance	67,93,282/-	67,30,688/-

19. 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.

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

For and on behalf of Board of Directors

CA Shiv Prakash Chaturvedi
Partner
M.No. 085084
Date: 08.05.2011
Place: New Delhi.

Anil Kumar Gupta
Chairman

P. Alli Rani
Director & CEO

Suran Lata
Mgt. (P) & C.S.

Sunil Khurana
Chief Finance Officer

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2014

(Amount in Rs.)

Particulars	For the Year Ended 31.03.2014	For the Year ended 31.03.2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax and extraordinary items	(39,16,08,124)	(9,47,56,139)
Adjustments for :		
Depreciation	3,79,18,687	3,60,68,641
Preliminary Expenses	11,95,000	11,95,000
Interest Debited	7,82,71,399	6,92,26,912
Interest Earned	(18,07,945)	(15,40,521)
Operating Profit before Working Capital changes	(27,60,30,983)	1,01,93,893
Adjustments for :		
Trade & other receivables	(2,77,21,184)	7,94,19,630
Inventories	41,01,43,794	(14,93,31,048)
Advances & other Current Assets (Decrease)	(59,70,040)	(49,47,317)
Trade & other Payable	(2,18,35,728)	2,77,76,994
Cash Flow from operating Activities	7,85,85,859	(3,68,87,848)
Less: Taxes paid	-	-
Net Cash Flow from operating activities	7,85,85,859	(3,68,87,848)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) in Fixed Assets	(19,50,945)	(3,50,289)
Decrease in Fixed Assets	47,12,314	-
Interest Received	18,07,945	15,17,262
Net Cash from / (Used) in Investing Activities	45,69,314	11,66,973
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital at premium/Application Money	10,00,000	28,13,99,995
Preliminary Expenses	-	-
Increase in Working Capital Limit	(38,46,09,784)	10,01,46,641
Proceeds from Borrowings	66,86,00,000	-
Repayment of Borrowings	(30,67,65,367)	(29,64,04,052)
Interest paid	(5,00,61,788)	(4,92,19,159)
Net cash from/(Used) in financing Activities	(7,18,36,939)	3,59,23,425
Net Increase/(Decrease) in Cash and Cash Equivalents	1,13,18,234	2,02,551
Opening cash and Cash Equivalents	12,56,299	10,53,748
Closing Cash and Cash Equivalents	1,25,74,533	12,56,299
Net Increase/(Decrease) as per Books	1,13,18,234	2,02,551

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

CASH AND BANK BALANCES

(I) Cash and Cash equivalents

- Cash (Including Imprest)	22,331	
- Cheques in Hand		

Bank Balances

- In current Accounts	84,03,639	1,85,671
- In Deposits with original maturity upto 3 months		

(II) Other Bank Balances

- Bank Deposits		
- With original maturity of more than 3 months and upto 12 months	40,23,255	7,96,275
- With original maturity of more than 12 months	-	-
- Earmarked Bank Balances	-	-
- Unpaid Dividend		
- Bank Balances held as margin money or security against		
- Guarantees**	3,25,308	2,71,802
- Letter of Credit	1,27,74,533	12,53,748
	2,00,000	2,00,000
	1,25,74,533	10,53,748

As per our report of even date

For Shiv & Associates

Chartered Accountants

CA Shiv Prakash Chaturvedi
Partner

M.No. 085084

Date: 08.05.2014

Place: New Delhi

For and on behalf of Board of Directors

Anil Kr. Gupta
ChairmanP.Alli Rani
Director & CEOSuman Lata
Mgr.(F) & CSSunil Khurana
Chief Finance Officer



Shiv & Associates
Chartered Accountants

103 & 105, Plot No.-1, Vardhaman Plaza
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Telephone : 011-45626591, Fax: 91-11-25228274
E-mail : shivp.chat@gmail.com, www.cashiv.in

AUDITOR'S REPORT

To,

The Members

Fresh & Healthy Enterprises Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Fresh & Healthy Enterprises Limited** ("the company") which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and also the Cash Flow Statement of the company for the year ended on that date, and a summary of the significant accounting policies and other explanatory information annexed thereto.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act 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, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, we report that:

(a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013.

(e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

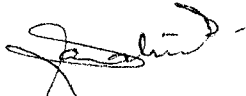
(f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company



For SHIV & ASSOCIATES

CHARTERED ACCOUNTANTS

Firm Registration No: 9989N



(S.P. Chaturvedi)



Membership No: 085084

Place: Delhi

Date: 08.05.2014

Annexure to Auditors' Report

Further, as required by the Companies (Auditor's Report) Order, 2003, issued by the Government under Section 227(4A) of the Companies Act, 1956, based on information and explanations given, the records produced before us for examination and on the basis of such checks and verifications performed as per the generally accepted audit procedures, as were considered appropriate, we report that :-

(I)

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) Majority of Fixed assets of the company have been physically verified by the 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 2014. Management considered it reasonable to conduct physical verification of all 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)
 - a. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory.
 - b. 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. 87,27,97,593/- and the yearend balance, of the loans taken from such party was Rs. 87,27,97,593/-.
- (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 principle amounts as stipulated wherever become due.

(IV) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services.

(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 the 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 with the meaning of section 58A of the Companies Act, 1956.

(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 the 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 sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
- (X)
- (a) Accumulated losses of the company at the end of the financial year are higher than fifty percent of its net worth.
 - (b) The company has incurred cash losses during the year.
 - (c) The company had incurred cash loss in the immediately preceding financial year.
- (XI) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- (XII) According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (XIII) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(XIII) of the companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (XIV) In our opinion, the company is not dealing in or trading in shares, securities, debenture 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 of 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 procedure 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.

SHIV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN- 9989N



(CA S.P CHATURVEDI)

PARTNER

M.NO: 085084



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE
ACCOUNTS OF FRESH AND HEALTHY ENTERPRISES LIMITED FOR THE
YEAR ENDED 31 MARCH 2014

The preparation of financial statements of Fresh and Healthy Enterprises Limited for the year ended 31 March 2014 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 8th May 2014.

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 for the year ended 31 March 2014 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)

Principal Director (Railway Commercial)

Place: New Delhi
Dated: 3 July 2014

FORM NO. MGT-11 : Proxy Form

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN : U51909DL2006PLC145734
Name of the Company: Fresh & Healthy Enterprises Ltd (A Wholly Owned Subsidiary of CONCOR)
Registered Office : CONCOR Bhawan, C-3, Mathura Road, New Delhi – 110076.

Name of the member(s):
Registered address:
Email Id:
Folio No./ Client Id:
DP ID:

I/ we, being the member(s) of Shares of the above named company, hereby appoint

1. Name:
Address:
Email Id:
Signature.....or failing him
2. Name:
Address:
Email Id:
Signature.....or failing him
3. Name:
Address:
Email Id:
Signature.....or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninth Annual General Meeting of the company, to be held on the 2nd day of September , 2014at 10:30 a.m. at Conference Hall, CONCOR Bhawan, C-3, Mathura Road, New Delhi – 110076 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Signed this.....day of.....2014

Affix Revenue Stamp of Re.1/-

Signature of shareholder
Signature of Proxy holder(s)

Note: This form of Proxy in order to be effective should be dully completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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

Regd. Office : CONCOR Bhawan, C – 3,
Mathura 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