



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

**14<sup>TH</sup> ANNUAL REPORT**  
**(2018-19)**

## **FRESH & HEALTHY ENTERPRISES LTD.**

### **VISION & MISSION**

To provide sufficient handling & storage facilities for perishables in India, with a view to reduce/control wastages of perishable food products in India.

### **CORPORATE OBJECTIVES**

- \* Eliminating wastage of perishable food products by making available state of the art Cold supply Chain Infrastructure at reasonable cost in the country, thereby saving precious food products & foreign exchange for the country.
- \* To be a customer focused, performance driven, result oriented organization, focused on providing value for money to its customers.
- \* To maximize productive utilization of resources, deliver high quality services and to be recognized for setting the standards for excellence.
- \* To look constantly for new and better ways to provide innovative services. It will aim for customer convenience and satisfaction, learn from its competitors and constantly strive for excellence.
- \* To set measurable performance goals to support the objectives and mission of the organization and work as a professional, competent and dedicated team for the organization to achieve excellence in all areas of business and operations.
- \* To follow highest standards of business ethics and add social value for the community at large by discharging social obligations as a responsible corporate entity.
- \* To maintain absolute integrity, honesty, transparency and fair-play in all its official dealings and strive to maintain high standards of ethics.

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

**BOARD OF DIRECTORS**

Shri V. Kalyana Rama  
Chairman

Shri Sanjay Swarup  
Director

Shri Rahul Mithal  
Director (w.e.f. 09.04.18)

Smt. Sangeeta Ramrakhyani  
Director

Shri P. K. Agrawal  
Director (Ceased w. e. f. 09.04.18)

Shri Sanjeev S. Shah  
Independent Director  
(Ceased w. e. f. 01.04.2019)

**STATUTORY AUDITORS**

M/s Anil Ashok & Associates  
New Delhi.

**BANKERS**

Axis Bank Limited  
State Bank of India  
Yes Bank Limited

**REGISTERED OFFICE**

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

**KEY MANAGERIAL PERSONNEL**

Shri M. L. Arora, Chief Executive Officer

Shri Umesh K. Behl, Chief Financial Officer

Ms. Suman Lata Khanna, Company Secretary

		10 YEAR FINANCIAL/PHYSICAL PERFORMANCE (YEAR WISE DATA)						Amount (Rs. In Lakhs)			
FINANCIAL PERFORMANCE											
S.NO	PARTICULARS	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	As per IND AS 2015-16	As per IND AS 2016-17	As per IND AS 2017-18	As per IND AS 2018-19
1	Total Income (Including other income)	2,555.84	6,464.95	4,028.68	3,922.97	8,555.89	3,286.47				
2	Expenditure (inc. Increase/decrease in stock)	2,713.99	5,532.18	4,081.91	3,817.57	11,310.07	3,534.47	2343.49	71.07	18.01	172.01
3	Operating Margin (1-2)	(158.15)	932.77	(53.23)	105.40	(2,754.18)	(248.00)	(1,745.73)	(578.54)	(263.49)	(157.27)
4	Interest Expenses	381.77	507.68	826.43	692.27	782.71	663.35	307.96	264.97	295.93	246.78
5	Depreciation	366.51	364.08	361.60	360.69	379.19	535.96	536.74	522.13	503.08	434.79
6	Profit before Tax	(906.43)	61.01	(1,241.26)	(947.56)	(3,916.08)	(1,447.31)	(2,590.43)	(1,365.64)	(1,062.50)	(838.84)
7	Profit after Tax	(906.43)	42.16	(1,222.41)	(947.56)	(3,916.08)	(1,447.31)	(2,590.43)	(1,365.64)	(1,062.50)	(838.84)
8	Other Comprehensive income	NA	NA	NA	NA	NA	NA	1.59	(7.99)	18.41	(0.14)
9	Total Comprehensive income for the year (7+8)	NA	NA	NA	NA	NA	NA	1.59	(7.99)	18.41	(0.14)
10	Dividend	-	-	-	-	-	-	(2,588.84)	(1,373.63)	(1,044.09)	(838.98)
11	Profit & Loss Account Balance	(3,944.06)	(3,901.90)	(5,124.31)	(6,071.87)	(9,987.95)	(11,435.95)	(14,000.78)	(15,374.41)	(16,418.50)	(17,257.48)
12	General Reserve/Security Premium	10.62	10.62	10.62	19.03	19.06	95.23	41.33	41.33	41.33	41.33
13	Term Loan	4,212.06	3,588.05	2,964.04	-	-	-	-	-	-	-
14	Working Capital Loan	3,364.33	2,814.33	4,314.33	8,160.43	7,932.67	4,289.77	3145.00	3590.00	3,695.00	3753.00
15	Reserve & Surplus (11+12)	(3,933.44)	(3,891.28)	(5,113.69)	(6,052.84)	(9,968.89)	(11,340.72)	(13,959.45)	(15,333.08)	(16,377.17)	(17,216.15)
16	Fixed Assets (Gross Block)	8,143.16	8,169.23	8,177.23	8,180.73	8,134.51	8,168.39	8061.34	7990.46	7,756.69	6793.03
17	Sundry Debtors	208.50	1,237.16	1,068.96	274.76	551.97	423.71	202.51	166.49	163.40	160.01
18	Share Capital	4,827.38	4,827.38	4,827.38	7,632.96	7,642.93	14,566.77	14566.77	14566.77	14,566.77	15911.77
19	Capital Employed**	8,492.24	8,539.44	2,049.83	1,538.18	(2,355.95)	3,206.05	607.32	(766.31)	(1,810.40)	(1,304.38)
20	Government Investment	-	-	-	-	-	-	-	-	-	-
21	Net Worth (15+18)	893.94	936.10	(290.21)	1,538.17	(2,355.96)	3,206.05	607.32	(766.31)	(1,810.40)	(1,304.38)
22	Profit before Tax to Capital Employed (6÷19)	(0.11)	0.01	(0.61)	(0.62)	1.66	(0.45)	(4.27)	1.78	0.59	0.64
23	Operating Margin to Capital Employed (3÷19)	(0.02)	0.11	(0.03)	0.07	1.17	(0.08)	(2.87)	0.75	0.15	0.12
24	Profit after Tax to Share Capital (7÷18)	(0.19)	0.01	(0.25)	(0.12)	(0.51)	(0.10)	(0.18)	(0.09)	(0.07)	(0.05)
25	Expenditure to Income (2÷1)	1.06	0.86	1.01	0.97	1.32	1.08	1.74	9.14	15.63	1.91
26	Number of Employees	30.00	33.00	35.00	36.00	37.00	32.00	27	25	4	4
27	Income per Employee (1÷26)	85.19	195.91	115.11	108.97	231.24	102.70	86.80	2.84	4.50	43.00
28	Current Ratio	8.37	6.32	0.47	0.50	0.11	0.65	0.12	0.07	0.06	0.30
29	Debt/Equity Ratio (13+14)÷21	8.48	6.84	(25.08)	5.31	(3.37)	1.34	5.18	(4.68)	(2.04)	(2.88)
30	PHYSICAL PERFORMANCE (HANDLING OF FRUITS IN MTs)										
	Fruits Handling (in MTs)										
	Opening Stock	2,817.275	1,374.109	914.869	2,878.406	4,573.675	-	3824.735	-	-	-
	Procured	2,855.850	9,361.373	7,113.336	6,827.576	11,239.281	8,544.296	-	-	-	-
	Sold	4,205.745	9,538.540	5,009.231	4,639.104	15,062.312	4,549.672	3544.563	-	-	-
	Closing Stock	1,374.109	914.869	2,878.406	4,573.675	-	3,824.735	-	-	-	-

Note 1. Quantities are in MTs

2. Quantities mentioned for 2009-10 has been converted in 20Kg. Per box to derive quantity in Kg.
3. Shortage of 93.271 Mt and 282.073 Mt in 2009-10 and 2010-11, respectively, is due to moisture loss, spoilage & Testing of fruits.
4. Shortage of 140.568 Mt and 493.203 Mt in 2011-12 and 2012-13, respectively, is due to moisture loss, spoilage & Testing of fruits.
5. Shortage of 750.644 Mt and 169.889 Mt in 2013-14 and 2014-15, respectively, is due to moisture loss, spoilage & Testing of fruits.
6. Shortage of 280.172 Mt in 2015-16 is due to moisture loss, spoilage & Testing of fruits.
7. \*\* Capital Employed and Net worth calculated after deduction of Preliminary Expenses not written off upto 2014-15 and thereafter modified as per IND AS..
8. Debt/Equity Ratio calculated on Term Loan and Working Capital Loan excluding interest accrued & due.
9. Profit & Loss account balance for the FY 2014-15 has been adjusted due to change in rate of Depreciation.
10. While calculating the Current ratio, non-current & current liabilities/assets has been taken into consideration.

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

**14<sup>th</sup> Annual Report (2018-19)**

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**NOTICE**

Notice is hereby given that the 14<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Tuesday  
Date : 27<sup>th</sup> August, 2019  
Time : 11 A. M.  
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 31.03.2019 and the report of Board of Directors' and Auditors' thereon.
2. To appoint a Chairman in place of Shri V. Kalyana Rama (DIN : 07201556) who retires by rotation and being eligible, offers himself for reappointment.
3. To take note of the appointment of M/s. Anil Ashok & Associates, Chartered Accountants, New Delhi as Statutory Auditors of the Company and fix their remuneration and to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT the appointment of M/s. Anil Ashok & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2018-19, in terms of order no. CA. V/COY/ CENTRAL GOVERNMENT, F&HEL (1)/479 dated 03/08/2018 of C & AG of India, be and is hereby noted. Further, they may be paid such remuneration as may be fixed by Board of Directors of the Company from time to time."

By order of Board of  
Fresh & Healthy Enterprises Limited

Sd/-  
(Suman Lata)  
Company Secretary  
Date : 31<sup>st</sup> July, 2019  
Place : New Delhi

**NOTES :**

- (a) Details of director seeking re-appointment/appointment at the meeting, is annexed hereto and forms part of Notice.
- (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) Pursuant to Section 139 of Companies Act, 2013, Auditors of a Government Company are to be appointed/re-appointed by the Comptroller and Auditor General (C & AG) of India, and in terms of provisions contained in Companies Act, 2013, their remuneration shall be fixed by Company in General Meeting or in such manner as the Company in General Meeting may determine. In pursuance of the same, C&AG of India has appointed M/s. Anil Ashok & Associates, Chartered Accountants, as Statutory Auditor of the Company for the F/Y 2018-19. Accordingly, Members are requested to authorize Board of Directors of the Company to fix the remuneration for the Statutory Auditors of the Company.
- (e) All the documents referred to in the accompanying Notice 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.

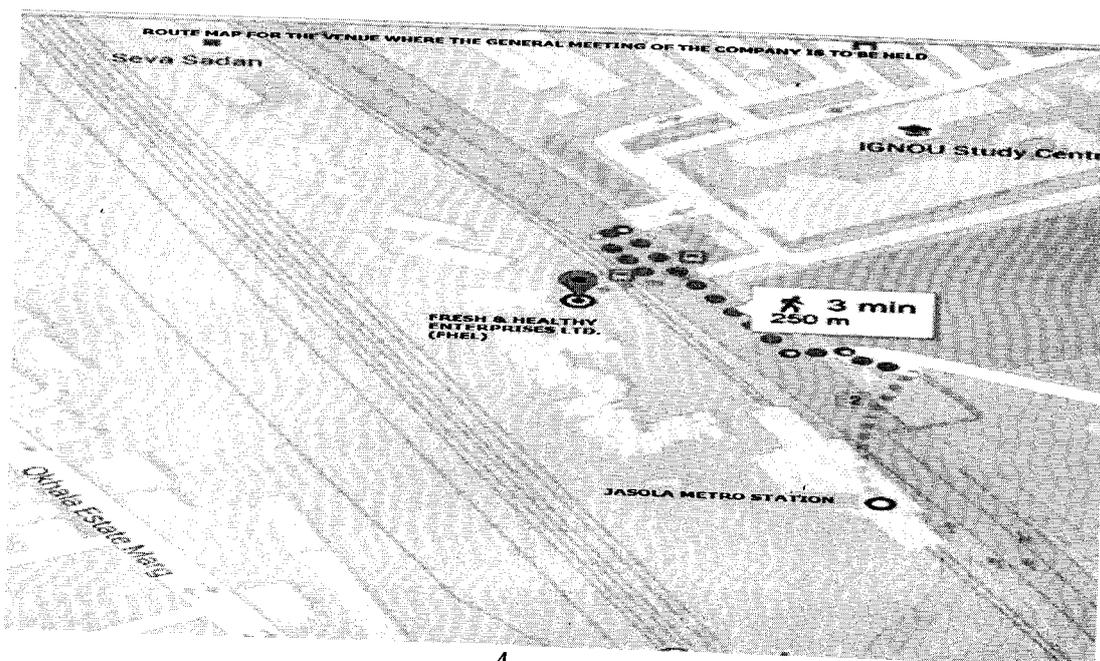
**DETAILS OF DIRECTOR(S) SEEKING RE-APPOINTMENT/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directorship Held	Details of Other Committee Membership
Shri V. Kalyana Rama	28.09.1963	01.10.2016	B. Tech (Mech.), ICWA	Ex-Railway Officer having wide experience in the field of Engineering, System Design, Railway & multi-modal logistics operation and Project Planning and Commissioning.	Three <sup>^</sup>	One <sup>^^</sup>

<sup>^</sup> 1. Container Corporation of India Ltd. 2.SIDCUL CONCOR Infra Company Ltd. 3. CONCOR Air Ltd.

<sup>^^</sup> Chairman of CSR Apex Committee in Container Corporation of India Limited.

**Location Map**



**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 31<sup>st</sup> March, 2019.

**RE-ENGINEERING OF RAI, FACILITY, OPERATION & MARKETING REVIEW**

With the changed business dynamics on account of implementation of Goods and Service Tax (GST), and Customized Storage requirements, a new business plan was finalized in March, 18 for Re-engineering of the facility at Rai, Sonapat in two phases for development as an Agri-Logistics Centre.

For purpose of modification of existing facility under Phase-I of Re-engineering plan, CONCOR infused ₹ 13.45 Crores by way of fresh Equity subscription of FHEL in April, 2018. Partial commissioning of the plant was made in July, 2018 and 24 chambers made available for storage of fruits, eggs and kirana etc. Further, Mezzanine Floors have been erected in 24 Chambers under Phase-I of the Plan and modification work on another 26 CA Chambers, is likely to be completed before coming apple season.

One of the major development that took place in March, 2019 is that one-third of the existing Rai facility was notified as a custom bonded warehouse. With such conversion into Custom bonded warehouse, importers/exporters are likely to be benefitted with reduced overall logistics costs. Operations have also started in the Custom bonded warehouse with the storage of walnuts and apples.

On account of recent notification for custom bonded warehouse and this additional revenue stream, which was not envisaged at the time of making Re-engineering Plan in March, 18 and experience of operation of last one year, the earlier Re-engineering Plan was reviewed in April, 2019 and a Revised Plan for development of additional infrastructure under Phase-II, has been approved with funding of ₹ 30.86 Cr. by way of fresh Equity Subscription by CONCOR.

## **FINANCIAL REVIEW**

During the year under review with re-starting of the operations, Operating turnover of your Company increased from ₹ 0.01 Cr. in F/Y 2017-18 to ₹ 0.62 Cr. in F/Y 2018-19. Other income of Company augmented from ₹ 0.17 Cr. in FY 2017-18 to ₹ 1.10 Cr. mainly due to interest income of ₹ 0.89 Cr. during FY 2018-19.

Cost of Sales increased from ₹ 0.78 Cr. in F/Y 2017-18 to ₹ 1.30 Cr. in F/Y 2018-19. Further, Employee Benefits Expenses, Finance costs and other expenses for F/Y 2018-19 are ₹ 0.21 Cr., ₹ 2.47 Cr. and ₹ 1.78 Cr., respectively. After providing for depreciation & amortization expenses amounting to ₹ 4.35 Cr., the Company suffered Net Loss of ₹ 8.39 Cr. during F/Y 2018-19 as against Net Loss of ₹ 10.62 Cr. during previous year (2017-18). As on 31.03.2019, accumulated losses of the company stood at ₹ 172.57 Cr.

FHEL reduced its Net loss by 21% appx. i.e. from ₹ 1062.50 Lakhs in FY 2017-18 to ₹ 838.84 Lakhs in FY 2018-19, as a result of re-starting of operation.

## **CAPITAL STRUCTURE**

The Authorized Equity Share Capital of the Company stood at ₹ 200 Cr. as on 31.03.2019. Issued, Subscribed and Paid up Equity Share Capital of the Company increased from ₹ 145.67 Cr. to 159.12 Cr. during FY 2018-19, after fresh Equity infusion of ₹ 13.45 Cr. during 2018-19.

CONCOR continues to hold 100% of the Paid up Equity Share Capital of FHEL, during the financial year 2018-19.

## **DEMATERIALIZATION OF SECURITIES**

Ministry of Corporate Affairs (MCA) vide its notification dated 22.01.2019 exempted unlisted public company which is a Government Company or a wholly owned subsidiary, from the provisions of compulsory dematerialisation of securities.

FHEL, being an unlisted Government Company and also a wholly owned subsidiary of CONCOR, is not required to get its shares dematerialised and admitted into Depository system.

## **SECURED LOAN**

Your Company has not taken any Secured loan during F/Y 2018-19.

### **UNSECURED LOAN**

As on 31.03.2019, total outstanding loan (unsecured) due to holding Company (CONCOR) stood at ₹ 37.53 Cr. (inclusive of ₹ 30 Cr. for F/Y 2014-15, ₹ 1.90 Cr. for F/Y 2015-16, ₹ 4.50 Cr. for F/Y 2016-17 and ₹ 0.55 Cr. for F/Y 2017-18 and ₹ 0.58 Cr. taken during FY 2018-19) at the interest rate of 6.58% p.a. Apart from this, Company has interest accrued & due on borrowings of ₹ 17.91 Cr. on 31.03.2019.

In order to improve the financial/cash flow position of FHEL, CONCOR's Board in April, 2019 approved on request the conversion into Equity Share Capital of FHEL, the outstanding loan of ₹ 37.53 Cr. along-with interest accrued and due of ₹ 17.91 Cr. (Net of TDS) as on 31.03.2019 towards CONCOR plus further interest accruals (Net of TDS) on the said loan till conversion of said loan into Equity, after increase of Authorized Share Capital from ₹ 200 Cr. to ₹ 250 Cr. and Valuation of shares of FHEL by Registered Valuer.

Shri Yashlok Dubey, Registered Valuer vide Valuation Report dated 13.06.2019, reported the fair value of each share of FHEL as on 31<sup>st</sup> March, 2019 as ₹ 6.14/- and mentioned that the issue price in terms of Provisions of Companies Act, 2013 cannot be less than face value of ₹ 10/-, hence share may be issued at ₹ 10/- per share.

On 14<sup>th</sup> June, 2019, FHEL issued and allotted 5,58,94,327 Equity Shares of ₹ 10/- each to CONCOR on Rights basis towards conversion of outstanding loan of ₹ 37,53,00,000 along-with interest accrued and due of ₹ 17,90,76,432 (Net of TDS) as on 31.03.2019 to CONCOR plus further interest accruals (Net of TDS) on the said loan till conversion of said loan into Equity i.e. 14.06.2019 of ₹ 45,66,836/- aggregating to ₹ 55,89,43,268/- (rounded off to ₹ 55,89,43,270/-), after increase of Authorized Share Capital of FHEL from ₹ 200 Cr. to ₹ 250 Cr. with due approvals.

With such conversion of outstanding loan & interest into Equity Share Capital, Issued, Subscribed and Paid up Equity Share Capital of Company increased from 159.12 Cr. to ₹ 215.01 Cr. on 14.06.2019.

### **DEPOSITS**

Your Company has not accepted any deposit from public as defined in Section 73 and 76 of the Companies Act, 2013, during the F/Y ended on 31.03.2019.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS U/S 186**

FHEL has not given any loans or guarantee or made any investment covered under the provisions of Section 186 of the Companies Act, 2013.

## **CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS WITH RELATED PARTIES**

As per notification dated 5<sup>th</sup> June, 2015 issued by Ministry of Corporate Affairs, first and second proviso to sub-section (1) of Section 188 under Chapter XII of Companies Act, 2013, are not applicable to a Government Company in respect of contracts or arrangements entered into with any other Government Company.

During the period ended 31<sup>st</sup> March, 2019, FHEL's related party transactions were with its holding company CONCOR (A PSU under Ministry of Railways), in ordinary course of business and on arm's length basis. The same are reviewed and approved by the Board after considering the recommendation (s) of Audit Committee regularly in its meetings.

However, the details of contracts or arrangements or transactions with Related parties as required under Section 134(3)(h) of Companies Act, 2013, are attached in the prescribed form.

## **PARTICULARS OF EMPLOYEES**

As per notification dated June 5, 2015 issued by the Ministry of Corporate Affairs, Government companies have been exempted to comply with the provisions of Section 197 of the Companies Act, 2013 and corresponding rules of Chapter XIII. FHEL being a Government company is not required to include aforesaid information as a part of the Directors' Report. However during the period under review, the Company had no employees of the category falling under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel).

## **HUMAN RESOURCE MANAGEMENT**

Human resource management function in the organization is designed to maximize employee performance and is an employer's strategic objective. As on 31.03.2019, there were 4 regular employees working in FHEL.

## **INDUSTRIAL RELATIONS**

Positive IR has been the goal of HR Department. FHEL provides two way communication, participative culture, open platforms for discussion for ideas and motivation of the employees.

## **RESERVATION POLICY**

FHEL a wholly owned subsidiary of CONCOR, a Central Government Public Sector (PSU), is following all the Presidential Directives and Guidelines as issued by the Government from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2019, there were 03-General and 01- SC employee working in FHEL.

**DISCLOSURE UNDER SEXUAL HARRASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

Fresh & Healthy Enterprises Ltd. (FHEL) prohibits any kind of act of Sexual Harassment at work place and included the acts amounting to Sexual Harassment at Workplace in its Conduct Rules and Certified Standing orders (as certified in 1998) and Discipline & Appeal Rules so as to prohibit any such Act.

FHEL has constituted an Internal Complaints Committee in the year 2014 to receive and investigate complaints related to "Sexual harassment at workplace" following the guidelines issued by Hon'ble Supreme Court of India in "Visakha Vs. State of Rajasthan". The committee consists of four members including one external member who is practicing advocate in Hon'ble High Court of Punjab & Haryana, Chandigarh. Company Secretary is the Presiding Officer of the committee.

During the FY 2018-19, no complaint has been received by the Committee.

**RESEARCH & DEVELOPMENT (R & D)**

No new R & D activities were carried out during the period under review.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE DEVELOPMENT**

Being a loss making entity, FHEL is not mandated to incur any expenditure towards CSR in accordance with the provisions of Companies Act, 2013 and rules made there-under.

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

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

There is no Foreign Exchange earning or outgo during the Financial year 2018-19.

**RISK MANAGEMENT POLICY**

FHEL had identified the possible risks & mitigation plans arising in the Key areas of the Company. Implementation of risk mitigation/management measures, is reviewed by the Audit Committee and Board periodically.

**AUDITORS**

Being a Government Company, the Comptroller & Auditor General of India appointed M/s. Anil Ashok & Associates, Chartered Accountants, Delhi as Company's Statutory Auditors for the F/Y 2018-19. Statutory Auditor is paid remuneration of ₹ 1,08,000/- plus Goods & Service Tax, as fixed by Board of Directors'.

The Statutory Auditors of your Company have given report on the accounts of the Company for the financial year 2018-19, drawing attention under 'Emphasis of Matter' in respect of sundry debtors. Management's reply to the point raised by Statutory Auditor, is as under -:

Statutory Auditor's Remark	Management's Reply
<p><b>Statutory Auditor's Report - 7 Emphasis of Matters</b></p> <p>We draw attention to the following matter in the Notes to the financial statements</p> <p>Note 8 to the financial statement in respect of sundry debtors there is uncertainty related to the outcome of the lawsuit filed against various sundry debtors.</p> <p>Our opinion is not modified in respect of these matters.</p>	<p>It is stated that 6 cases are subjudice in legal proceedings.</p>

The Comments of C&AG for the financial year 2018-19 are being provided by Government Auditors and attached to the Report. Further, FHEL is not required to maintain Cost Records as specified u/s 148(1) of Companies Act, 2013.

**SECRETARIAL AUDIT**

In accordance with the Provisions of Companies Act, 2013 and rules made there-under, Company has appointed M/s. Amit Agrawal & Associates, Company Secretaries as Secretarial Auditor, who have conducted Secretarial Audit for F/Y 2018-19. The Report of Secretarial Auditor & Corporate Governance compliance certificate without any adverse observation/remark are annexed herewith.

## **BOARD OF DIRECTORS**

The Board met 4 (Four) times for transacting business of the Company during the financial year 2018-19.

During FY 2018-19, Shri Rahul Mithal, Director (P & S)/CONCOR was appointed as Director of FHEL w. e. f. 09.04.2018, whose appointment has already been approved by Shareholders in their last Annual General Meeting.

Further, Shri P. K. Agrawal, Director resigned from Directorship of FHEL on 09.04.2018. Shri Sanjeev S. Shah ceased to be the Independent Director/FHEL w. e. f. 01.04.2019 on account of expiry of his tenure of Directorship, which was co-terminus with his term in CONCOR (holding company).

Board placed on record appreciation for valuable services rendered by past Board members during their term of Directorship in FHEL.

Ministry of Corporate Affairs (MCA) vide its notifications dated 5<sup>th</sup> July, 2017 & 13<sup>th</sup> July, 2017 exempted unlisted wholly owned subsidiaries from the requirement of appointing Independent Directors on their Board and constitution of 'Audit Committee' and 'Nomination and Remuneration Committee'.

Recently, Department of Public Enterprises (DPE) vide its office memo F. No. 18(7)/2013-GM dated 16.01.2019 clarified that there would be no bar on appointment of non-official Director(s) on the Board of a particular subsidiary of a CPSE, in case the concerned Administrative Ministry/Department so desires.

Hence, there is no requirement to appoint Non-official (Independent) Director in FHEL, a wholly owned subsidiary of CONCOR under Ministry of Railways, unless Ministry of Railways so desires.

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

1. Shri V. Kalyana Rama, CMD/CONCOR & Chairman/FHEL;
2. Shri Sanjay Swarup, Director (IM & O)/CONCOR & Director/FHEL;
3. Shri Rahul Mithal, Director (P & S)/CONCOR & Director/FHEL;
4. Smt. Sangeeta Ramrakhyani, GGM(HR)/CONCOR & Director/FHEL;

## **RETIREMENT OF DIRECTORS BY ROTATION**

In terms of provisions of the Companies Act, 2013, Shri V. Kalyana Rama, Chairman/Director is liable to retire by rotation and being eligible, offers himself for re-appointment.

### **DECLARATION BY INDEPENDENT DIRECTOR**

In terms of MCA notification dated 5<sup>th</sup> July, 2017 inserting Rule 4(2) to Companies (Appointment & Qualification of Directors) Rules, 2014, unlisted wholly owned subsidiary company, is exempt from the requirement of appointing Independent Directors on the Board.

Accordingly FHEL, a wholly owned unlisted subsidiary of CONCOR is exempt under the Provisions of Companies Act, 2013 & Rules made there-under from the requirement of appointing Independent Directors.

### **PERFORMANCE EVALUATION OF THE DIRECTORS' AND THE BOARD**

As required by provisions of Companies Act, 2013, evaluation of performance of directors including that of Independent Directors' and the Board is to be carried out either by the Board or by the Nomination and Remuneration Committee or by the Independent Directors. It also requires disclosure of formulated criteria for performance evaluation in this Report.

Ministry of Corporate Affairs, through its notification dated 5<sup>th</sup> June, 2015 has exempted Government Companies from these provisions.

However, it may be noted that Appointment of Directors of your Company is done by holding company CONCOR, a PSU under Ministry of Railways. Minutes of Board level committees are placed before FHEL's Board. Minutes of Board meetings of FHEL are sent to CONCOR for placing them before CONCOR's Board. Evaluation of Board Members is done by CONCOR as per procedures laid down.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(5) of Companies Act, 2013, Board confirmed that -:

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2019, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had 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 and loss of the Company for the year under review;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2019 on a 'going concern' basis;
- (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **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](http://www.fhel.co.in).

Based on the affirmation received from Board Members and Key Managerial Personnel, it is hereby declared that all the members of the Board and Key Managerial Personnel have affirmed compliance of Code of Conduct for the financial year ended on March 31<sup>st</sup>, 2019.

#### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT**

Report on Corporate Governance and Management Discussion & Analysis, is enclosed and forms part of Directors' Report.

#### **ANNUAL RETURN**

Extract of Annual Return for the financial year ended on 31.03.2019, is attached in the prescribed form.

#### **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 : 31.07.2019

Sd/-  
(V. Kalyana Rama)  
CHAIRMAN

## 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 provide sufficient handling and storage facilities for perishables in India. 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 31.03.2019, Board of Directors' of the Company comprises of Five Part-time Directors including a Chairman (Ex-officio), one Women Director and one Independent Director.

The Board met four times for transacting business during the financial year 2018-19 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
70	20 <sup>th</sup> April, 2018
71	21 <sup>st</sup> July, 2018
72	29 <sup>th</sup> Oct., 2018
73	16 <sup>th</sup> Feb., 2019

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](http://www.fhel.co.in).

Based on the affirmation received from Board Members and Key Managerial Personnel, it is hereby declared that all the members of the Board and Key Managerial Personnel have affirmed compliance of Code of Conduct for the financial year ended March 31<sup>st</sup> 2019.

The Composition of Directors, attendance at the Board Meetings during the year 2018-19 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 Ex-Officio/Non-Executive Chairman							
1.	Chairman & Managing Director/CONCOR	Sh. V. Kalyana Rama (DIN : 07201556)	Four	Yes	One	One	Three	Two
(II)	Part-time /Non-Executive Directors							
2.	Dir. (IM & Ops)/CONCOR	Sh. Sanjay Swarup (DIN : 05159435)	Four	Yes	Four	Nil	Three	Nil
3.	Director (Projects & Services)/CONCOR	Shri Rahul Mithal* (DIN : 07610499)	Four	Yes	Nil	Nil	One	Nil
4.	GGM (HR)/CONCOR	Ms. Sangeeta Ramrakhyani (DIN No : 0008058303)	Four	Yes	Nil	Nil	Nil	Nil
(III)	Part-time Non-Executive Directors (Independent)							
5.	Director	Shri Sanjeev S. Shah (DIN : 00323163)#	Four	Yes	Four	Two	Four	Nil

\* Appointed as a Director w. e. f. 09.04.2018 in place of Shri P. K. Agrawal, Director (Dom. & HR)/CONCOR, who ceased to be Board member of FHEL w. e. f. 09.04.2018.

# Ceased to be Director w. e. f. 01.04.2019

### **KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Companies Act, 2013, following officials are the Key Managerial Personnel -:

Shri Mohan Lal Arora, Chief Executive Officer;  
Shri Umesh Behl, Chief Finance Officer;  
Ms. Suman Lata, Company Secretary.

### **AUDIT COMMITTEE**

MCA vide its notifications dated 5<sup>th</sup> July, 2017 & 13<sup>th</sup> July, 2017 exempted wholly owned subsidiary company from the requirement of appointing Independent directors on the Board and constituting 'Audit Committee', respectively. Thus, in accordance with the provisions of Companies Act, 2013 and rules made there-under as amended from time to time, FHEL being a wholly owned subsidiary of CONCOR is exempt from complying with the provisions of Section 177 of Companies Act, 2013 in respect of constitution of Audit Committee with requisite composition of Independent Directors and other matters prescribed there-under.

Further, Department of Public Enterprises (DPE) vide its office memo F. No. 18(7)/2013-GM dated 16.01.2019 clarified that there would be no bar on appointment of non-official Director(s) on the Board of a particular subsidiary of a CPSE, in case the concerned Administrative Ministry/Department so desires.

Hence, there is no requirement to appoint Non-official (Independent) Director in FHEL, a wholly owned subsidiary of CONCOR under Ministry of Railways, unless Ministry of Railways so desires.

However, in accordance with DPE guidelines on Corporate Governance, Audit Committee had been constituted comprised of the following members -:

Sh. Sanjeev S. Shah,	- Chairman (Ceased to be member w. e. f. 01.04.19)
Sh. P.K. Agrawal	- Member (Ceased to be member w. e. f. 09.04.18)
Sh. Sanjay Swarup	- Member
Sh. Rahul Mithal	- Member (w. e. f. 09.04.18)
Smt. Sangeeta Ramrakhyani	- Member (w. e. f. 24.04.19)

Ms. Suman Lata, Company Secretary is the Secretary of the Committee.

The Committee met 4 (Four) times during the financial Year 2018-19 on 20.04.2018, 21.07.2018, 29.10.2018 and 16.02.2019.

The details of the attendance of the members in the Committee meetings held during F/Y 2018-19 are as under -:

S. No.	Name of Members	No. of Committee Meetings Attended
1.	Sh. Sanjeev S. Shah	Four
2.	Sh. Sanjay Swarup	Four
3.	Sh. Rahul Mithal	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.

## **REMUNERATION COMMITTEE**

Ministry of Corporate Affairs (MCA) vide its notifications dated 5<sup>th</sup> July, 2017 & 13<sup>th</sup> July, 2017 exempted wholly owned subsidiary company from the requirement of appointing Independent directors on the Board and constituting 'Nomination and Remuneration Committee', respectively. Thus, in accordance with the provisions of Companies Act, 2013 and rules made there-under as amended from time to time, FHEL being a wholly owned subsidiary of CONCOR is exempt from complying with the provisions of Section 178 of Companies Act, 2013 in respect of constitution of Nomination & Remuneration Committee with requisite composition of Independent Directors and other matters prescribed there-under.

Further, Department of Public Enterprises (DPE) vide its office memo F. No. 18(7)/2013-GM dated 16.01.2019 clarified that there would be no bar on appointment of non-official Director(s) on the Board of a particular subsidiary of a CPSE, in case the concerned Administrative Ministry/Department so desires.

Hence, there is no requirement to appoint Non-official (Independent) Director in FHEL, a wholly owned subsidiary of CONCOR under Ministry of Railways, unless Ministry of Railways so desires.

However, in accordance with DPE guidelines on Corporate Governance, FHEL has constituted Remuneration Committee, comprised of the following members -:

- |                               |  |
|-------------------------------|--|
| (i) Sh. Sanjeev S. Shah       | - Chairman (Ceased to be member w. e. f. 01.04.19) |
| (ii) Sh. P. K. Agrawal        | - Member (Ceased to be member w. e. f. 09.04.18)   |
| (iii) Sh. Sanjay Swarup       | - Member   |
| (iv) Sh. Rahul Mithal         | - Member (w. e. f. 09.04.18)                       |
| (v) Smt. Sangeeta Ramrakhyani | - Member (w. e. f. 24.04.19)                       |

During the Financial Year 2018-19, No meeting of 'Remuneration Committee' was held.

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.

Part-time Independent Directors are paid Sitting fee of ₹ 40,000/- for attending each Board and Audit Committee meeting and ₹ 30,000/- per meeting for attending any other Committee meeting, apart from reimbursement of expenses for participation in the Board and other meetings.

Shri Sanjeev S. Shah, Part-time non-executive (Independent) Director was paid sitting fee of ₹ 3.20 Lakhs (excluding service tax/GST) for attending meetings of Board of Directors and Audit Committee during FY 2018-19.

## **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 had One Independent Director of BOD of CONCOR in its Board, Audit Committee and Remuneration Committee during FY 2018-19. Independent Director was also designated as the Chairman of Audit Committee and 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 :-

<b><u>AGM Date</u></b>	<b><u>Location</u></b>	<b><u>Time</u></b>
20.09.18	Conference Hall, Container Corporation of India Ltd., C-3, Mathura Road, New Delhi - 110076	11:00 Hrs.
20.09.17	-----Do-----	11:00 Hrs.
27.07.16	-----Do-----	17:00 Hrs.

An Extra-ordinary General Meeting (EGM) was held on 26.03.2018 and a Special Resolution was passed for Alteration of Capital Clause by Increase of Authorized Share Capital of Company from ₹ 150 Cr. to ₹ 200 Cr. Also, the Shareholders approved the proposal for issue of fresh 1,34,50,000 Equity shares of ₹ 10/- each, by FHEL to Container Corporation of India Ltd. (CONCOR) on Rights basis, for the purpose of implementation of Phase I of Re-engineering Business Plan for carrying out the modifications in the existing CA facility at Rai, Sonapat, so as to cater to the specific requirements of the clients based on the detailed market analysis and projected business volumes.

Capital clause of the company has been further altered from ₹ 200 Crore to ₹ 250 Cr. by passing Special Resolution in the EGM held on 14.06.2019. Shareholders also approved by passing Special Resolution, issue and allotment of 5,58,94,327 Equity Shares of ₹ 10/- each to CONCOR (through CMD/CONCOR) on Rights basis towards conversion into Equity Share Capital of the outstanding loan of ₹ 37,53,00,000/- along-with interest accrued & due of ₹ 17,90,76,432 (Net of TDS) as on 31.03.2019 to CONCOR plus further interest accruals (Net of TDS) on the said loan till conversion of said loan into Equity i.e. 14.06.2019 of ₹ 45,66,836/- aggregating to ₹ 55,89,43,268/- (rounded off to ₹ 55,89,43,270/-).

### **AGM of Current Year**

Date : 27<sup>th</sup> August, 2019  
Time : 11 A.M.  
Venue : Conference Hall,  
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 due to non-compliance on any matter related to any guidelines issued by Government during the last three years.
- (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 (Other) expenses as percentage of total expenses -:

<u>Fin. Year</u>	<u>Admn. &amp; Office (Other) Exp. (₹ in Lakhs)</u>	<u>Total Expenses (₹ in Lakhs)</u>	<u>Percentage of Admn. &amp; Office (Other) Expenses Vis-à-vis Total Expenses</u>
2018-19	177.50	1010.85	17.56%
2017-18	130.23	1080.51	12.05%

- (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) Company has complied with the applicable Secretarial Standards issued by ICSI.
- (xiii) No fraud has been reported by the Auditors to the Audit Committee or the Board.
- (xiv) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

#### **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/APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directorship Held	Details of Other Committee Membership
Shri V. Kalyana Rama	28.09.1963	01.10.2016	B. Tech. (Mech.), ICWA	Ex-Railway Officer having wide experience in the field of Engineering, System Design, Railways & multi-modal logistics operation and Project Planning and Commissioning.	Three <sup>^</sup>	One <sup>^^</sup>

<sup>^</sup> 1. Container Corporation of India Ltd. 2. SIDCUL CONCOR Infra Company Ltd.. 3. CONCOR Air Ltd.

<sup>^^</sup> Chairman of CSR Apex Committee in Container Corporation of India Ltd.

For and on Behalf of the Board of Directors

Sd/-

(V. Kalyana Rama)  
CHAIRMAN

Place : New Delhi  
Date : 31.07.2019

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure & Developments :

Food/Agriculture and medical sectors are perhaps most important for the mankind and any country. Accordingly, Food/Agri Sector is on priority list of present Indian government as well. In the Agri sector, Fruits and Vegetables segment holds a prominent position. India is a largest producer of vegetables and second largest producer of fruits in the world, ₹ 2,00,000 crores plus. This in itself is a proof that Fruits and Vegetables sector and businesses dealing with it hold immense business potential. As per data available, nearly, 18% of the total Fruits and Vegetables production valuing approx. ₹ 36,000 crores plus perishes every year due to non-availability of appropriate and adequate cold chain infrastructure in the country. Hence, presents an excellent business opportunity.

Though, Fruits and Vegetables sector has its own challenges. Fruits & Vegetable business in India is almost entirely unorganized. The farm sizes are small and traditionally growers either bring their produce to nearby markets/ mandies 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. In recent past 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 mandies 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 suitable and used for Potato Storage. There is a gap with respect to availability of state of the art Cold Chain Infrastructure & Knowledge of Storage of other Fruits & Vegetables. This presents both a problem & an opportunity in this sector.

FHEL is one of the first companies who had invested in specialized CA Store for storage of apples. With the modifications being carried out we will be able to offer services which will accommodate traditional storage practices with better results due to the state of art technology. Further, encouraged by the suitability of technology and associated benefits, private sector has seized the opportunity and invested heavily in setting up of CA Stores in the country. In last 10 years, many facilities have come up in Delhi NCR and in apple growing states of Himachal Pradesh and Jammu & Kashmir. As on date the estimated CA Storage capacity in the country is 1.5 lac MT approx. This exponential increase in the capacity has resulted in rather stunted growth of imported apples, thereby, conserving precious foreign exchange for the country. Despite all these developments the import of apples and other fruits, is still increasing exhibiting further growth potential of CA storage in the country.

2. **SWOT ANALYSIS (Strength & Weakness) :**

**Strengths -:**

- a) Fruits & Vegetable market in India is huge (approx. ₹ 2,00,000 Crore +) & high percentage (i.e. 18%) of perish ability holds tremendous business potential for Cold Chain Infrastructure segment.
- b) The increase in the disposable income in hand of the consumer has led to year round demand for apples and hence larger demand for CA Storage.
- c) Being in operation for last 12 years the target customers are reasonably sure of our storage facility.
- d) Being a PSU, the transparent and uniform policies and dealings with all leads to better confidence among the clients.
- e) There is huge latent demand for quality produce, as country is importing large quantities of Fruits.
- f) High Margins in this trade are possible, resulting in higher demand potential.

**Weaknesses -:**

- a) The sector is highly unorganized.
- b) Smaller players like growers are not able to reap the benefit of long term CA Storage due to poor financial risk taking capacity.
- c) Lack of storage cost bearing potential of other Fruits and Vegetables and also the other products like rice, grains etc.
- d) Lack of knowledge of Pre-Harvest care and Post-Harvest Management among the clients leading to lesser interest in storing other products.
- e) Retail Chains have not come up as expected and so organized distribution is not possible.
- f) The trade is by & large on credit to stakeholders who do not have bankable credentials.

3. **Opportunity & Threats :**

**Opportunities -:**

- a) The proven results of apple storage in CA Stores in last 12 years has led to increased storage and the number of clients and hence bigger business opportunity.

- b) Improved living standards have led to higher and round the year demand of fruits in the country and hence increased emphasis on long term storage of Fruits and Vegetables.
- c) Since every year fruit imports is growing impressively, it shows customers are preferring quality fruit and thus organized business can make a significant contribution.
- d) FHEL has converted part of its facility in to custom bonded cold storage warehouse. This type of the facility is one of the first in Delhi NCR. The endeavour has already started reaping benefits and we have started receiving cargo. Presently, walnuts and apples are stored in the custom bonded area.
- e) GOI/MOA has started a TOPS scheme. Under this scheme agriculture produces like tomatoes, onions and potatoes are to be stored during the season as buffer stock with an objective to offload the same in market during off season or periods of short supply. FHEL is negotiating with NAFED for storage of onions at its facility.

**Threats -:**

- a) High Capital cost leading to high rental rates.
- b) Big investments made by private sector parties, like commission agents, growers etc, by making both backward and forward linkages leading to shortening of the supply chain.
- c) Non- availability of trained Manpower.
- d) Increasing competition from Private player who have set up CA store in last few years.
- e) Unethical practices of differential pricing adopted by the private player.
- f) Nimbleness of private player by adapting to newer conditions like poor crop, glut in the market, negotiating with big clients etc.
- g) Offering bigger basket of services to the clients like free space for packing, extended credit period to the clients on the basis of their goodwill etc.

**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 INDAS-108 related to Operating segment.

**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.

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## 6. SECURED LOANS

Your Company has not taken any Secured loan during F/Y 2018-19.

## 7. UNSECURED LOAN

As on 31.03.2019, total outstanding loan (unsecured) due to holding Company (CONCOR) stood at ₹ 37.53 Cr. (inclusive of ₹ 30 Cr. for F/Y 2014-15, ₹ 1.90 Cr. for F/Y 2015-16, ₹ 4.50 Cr. for F/Y 2016-17 and ₹ 0.55 Cr. for F/Y 2017-18 and ₹ 0.58 Cr. taken during FY 2018-19) at the interest rate of 6.58% p.a. Apart from this, Company has interest accrued & due on borrowings of ₹ 17.91 Cr. on 31.03.2019.

In order to improve the financial/cash flow position of FHEL, CONCOR's Board in April, 2019 approved on request the conversion into Equity Share Capital of FHEL, the outstanding loan of ₹ 37.53 Cr. along-with interest accrued and due of ₹ 17.91 Cr. (Net of TDS) as on 31.03.2019 towards CONCOR plus further interest accruals (Net of TDS) on the said loan till conversion of said loan into Equity, after increase of Authorized Share Capital from ₹ 200 Cr. to ₹ 250 Cr. and Valuation of shares of FHEL by Registered Valuer.

Shri Yashlok Dubey, Registered Valuer vide Valuation Report dated 13.06.2019, reported the fair value of each share of FHEL as on 31<sup>st</sup> March, 2019 as ₹ 6.14/- and mentioned that the issue price in terms of Provisions of Companies Act, 2013 cannot be less than face value of ₹ 10/-, hence share may be issued at ₹ 10/- per share.

On 14<sup>th</sup> June, 2019, FHEL issued and allotted 5,58,94,327 Equity Shares of ₹ 10/- each to CONCOR on Rights basis towards conversion of outstanding loan of ₹ 37,53,00,000 along-with interest accrued and due of ₹ 17,90,76,432 (Net of TDS) as on 31.03.2019 to CONCOR plus further interest accruals (Net of TDS) on the said loan till conversion of said loan into Equity i.e. 14.06.2019 of ₹ 45,66,836/- aggregating to ₹ 55,89,43,268/- (rounded off to ₹ 55,89,43,270/-), after increase of Authorized Share Capital of FHEL from ₹ 200 Cr. to ₹ 250 Cr. with due approvals.

With such conversion of outstanding loan & interest into Equity Share Capital, Issued, Subscribed and Paid up Equity Share Capital of Company increased from 159.12 Cr. to ₹ 215.01 Cr. on 14.06.2019.

## 8. Fixed Assets

<u>Year Ended March 31</u>	<u>2019</u>	<u>2018</u>	(₹ in Cr.) <u>%age Incr. (Decr.)</u>
Original Cost of Assets	67.93	77.57	(12.43)
Less : Accumulated Dep.	39.59	42.70	( 7.28)
<b>Net Fixed Assets</b>	<b>28.34</b>	<b>34.87</b>	

## 9. Inventory

As on 31.03.2019, there was no closing stock of fruits in FHEL.

**10. Trade Receivables**

Trade receivables are 258.62% of operating income of the year.

**11. Cash & Cash Equivalent**

The Company keeps available cash in flexi Deposits with Banks.

**12. Income**

Income from operations increased from ₹ 0.01 Cr. in FY 2017-18 to 0.62 Cr. in F/Y 2018-19.

**13. Cost of Sales**

Cost of Sales increased from ₹ 0.78 Cr. in FY 2017-18 to ₹ 1.30 Cr. in FY 2018-19.

**14. Other Expenses**

Other expenses increased from ₹ 1.30 Cr. in FY 2017-18 to ₹ 1.78 Cr. in FY 2018-19.

**15. Employee Remuneration**

The Employee Cost has decreased from ₹ 0.74 Cr in FY 2017-18 to ₹ 0.21 Cr. in FY 2018-19.

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

Human resource management function in the organization is designed to maximize employee performance and is an employer's strategic objective. As on 31.03.2019, there were 4 regular employees working in FHEL.

Positive IR has been the goal of HR Department. FHEL provides two way communication, participative culture, open platforms for discussion for ideas and motivation of the employees.

FHEL a wholly owned subsidiary of CONCOR, a Central Government Public Sector (PSU), is following all the Presidential Directives and Guidelines as issued by the Government from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2019, there were 03-General and 01- SC employee working in FHEL.

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

### **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 septic tank at CA Store, Rai, thereby causing no **ground pollution**.

**Water conservation** is achieved by collecting waters in 442KL water tanks and timely detection and rectification of water leakages.

### **Foreign Exchange Conservation :**

FHEL is one of the first companies who had invested in specialized CA cum Cold Store for storage of apples. Encouraged by the suitability of technology and associated benefits private sector has seized the opportunity and invested heavily in setting up of CA Stores in the country. In last 10 years many facilities have come up in Delhi NCR and in Himachal Pradesh and Jammu & Kashmir. As on date the estimated CA Storage capacity in the country is 1.5 lac MT approx. This exponential increase in the capacity has resulted in rather stunted growth of imported apples, thereby, conserving precious foreign exchange for the country. Despite all these developments the import of apples and other fruits is still increasing exhibiting further growth potential of CA storage in the country.

## **18. Outlook :**

- (i) India is a huge country and the market for quality fruit & vegetables is growing rapidly. India is the second largest producer of Fruits & Vegetables in the world and this business is in excess of nearly ₹ 2,00,000 Crores. Out of this nearly 18% worth of fruit & vegetables perish due to lack of Cold Chain Infrastructure and lack of organized distribution and marketing. Hence the opportunity available is huge.

- (ii) The country is prospering, leading to higher disposable income available in common man's hand. This has fuelled the demand for healthier food products like Fruits and Vegetables round the year, leading to higher demand for cold chain infrastructure across the country.
- (iii) Increasing trend exhibited by the import of Fruits and Vegetables.
- (iv) Encouragement to FDI. The foreign companies are bringing the latest knowhow in the country thereby creating newer business opportunity.

**19. Risks & Concerns :**

FHEL had identified the possible risks arising in the key areas of the company and also formulated risk management /mitigation measures.

Major risks involved are -:

- (i) The business is dependent on weather conditions, particularly rainfall. It can be adversely impacted with hail storm during pre-harvest period.
- (ii) Unorganized nature of the trade.
- (iii) Un-economical small farm holdings
- (iv) Lack of trained manpower
- (v) Local competition
- (vi) Unethical practices adopted by private players.
- (vii) Differential pricing vis a vis transparent and uniform policy adopted by PSU's.

Implementation of risk mitigation/management measures is reviewed by Audit Committee and Board periodically.

**20. Corporate Social Responsibility (CSR)**

Being a loss making entity, FHEL is not mandated to incur any expenditure towards CSR in accordance with the provisions of Companies Act, 2013 and rules made thereunder.

**21. 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 etc. Readers are cautioned not to place undue conviction on the forward looking statements.

For and on Behalf of the Board of Directors

Sd/-

(V. Kalyana Rama)  
CHAIRMAN

Place : New Delhi  
Date : 31.07.2019

## Annexure to Directors' Report

### A. CONSERVATION OF ENERGY

- (i) 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 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.

#### 3. Heat energy :

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

**4. Fuel oil :**

By regular and proper preventive maintenance and 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 equipments are run when power supply is available from electricity Boards.

**5. 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 leakages.

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

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

**Impact of measures taken for Energy Conservation**

FHEL had changed its business model from procurement, storage & sale of apples to leasing of CA space. As the crop has been exceptionally poor in 2017, demand for CA space has been poor / negligible. Due to this, plant was not operated. Presently, the facility is being Re-engineered. However, to conserve resources varied measures are being taken to reduce the Electricity consumption. Electricity expenses for FY 2018-19 have been increased to ₹ 1.16 Crore from ₹ 0.33 Cr. of FY 2017-18, as the business of chiller and custom bonded warehouse is increasing day to day.

(ii)The steps taken by the company for utilizing alternate sources of energy-: NIL

(iii)The capital investment on energy conservation equipments-: NIL

**B. Technology absorption**

(i)	Efforts made towards technology absorption.	Due to changed business model of FHEL, no efforts were made towards technology absorption. However mezzanines have constructed to accommodate goods accordingly.
(ii)	The Benefits derived like product improvement, cost reduction, product development, and import substitution.	Due to changed business model direct benefits are derived to the company by attracting various customers dealing quantity in small scale.
(iii)	<p>In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished</p> <p>(a). Details of Technology imported</p> <p>(b). Year of import</p> <p>(c). Whether the technology been fully absorbed</p> <p>(d) If not fully absorbed, areas where absorption has not taken place and reasons therefore.</p>	<p>1. Carel make PLC &amp; Data Logger made in Italy for temperature control.</p> <p>2. Danfoss make system control for compressor rack.</p> <p>3. Imported Compressor rack, CO2 Scrubber etc are being used.</p> <p>2018-19</p> <p>No.</p> <p>Suitable substitute were not available</p>
(iv)	<p><b>Expenditure incurred on R &amp; D</b></p> <p>(i) Capital</p> <p>(ii) Recurring</p> <p>(iii) Total</p> <p>(iv) Total R &amp; D expenditure as a percentage of turnover</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>

**FORM No. AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with the related parties referred to in sub-section (1) of section 188 of the companies Act, 2013 including certain arms-length transactions under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at arm's length basis:-**

S. No.	Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient features of contracts/arrangements/transactions, including value, if any	Justification for entering into such contracts/Arrangements/transactions	Date of approval by the Board/Audit committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)(h)
				NIL				

**2. Details of contracts or arrangements or transactions at arm's length basis:-**

S. No.	Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient features of contracts/arrangements/transactions, including value, if any	Date of approval by the Board/Audit committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)(h)
1	Container Corporation of India Ltd.	Holding Company	On going	To provide sufficient handling & storage facilities for perishables in India, with a view to reduce/control wastages of perishable food products in India.	Refer Note-1	N/A	N/A

Note:

- FHEL was set up with due approval of Board of Directors of CONCOR during the relevant period & transactions with holding company are in normal course of business and at arm's length. The particulars of transactions with related party are stated in the notes to Financial statements of Company for F.Y. 2018-19.

*[Handwritten signature]*

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2019**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies**  
**(Management & Administration) Rules, 2014**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U51909DL2006GOI145734
2.	Registration Date	01.02.2006
3.	Name of the Company	M/S. FRESH & HEALTHY ENTERPRISES LIMITED (A WHOLLY OWNED SUBSIDIARY OF CONTAINER CORPORATION OF INDIA LTD.)
4.	Category/Sub-category of the Company	GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	CONCOR BHAWAN, C - 3, MATHURA ROAD, NEW DELHI - 110076. Tel. : 011-41673093-96 Fax. : 011-41673112 Website : <a href="http://www.fhel.co.in">www.fhel.co.in</a>
6.	Whether listed company	NO
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	NIL

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business activities contributing 10 % or more of the total turnover of the company)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Leasing/Renting of Chambers/Warehouse	52101	75%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY /ASSOCIATE	% of shares held	Applicable Section
1	CONTAINER CORPORATION OF INDIA LTD.	L63011DL1988 GOI030915	HOLDING CO.	100	2(87)

**(IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-								
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other Government Company - Container Corporation of India Ltd.	-	14,56,67,721	14,56,67,721	100	-	15,91,17,721	15,91,17,721	100	Nil
<b>Sub-total (A) (1)</b>	-	14,56,67,721	14,56,67,721	100	-	15,91,17,721	15,91,17,721	100	Nil
<b>(2) Foreign</b>									
a) NRIs- Individuals									
b) Other individuals									
c) Bodies Corporate									
d) Banks/FI									
e) Any other									
<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-

<b>Total shareholding of Promoter (A)= A(1) + A(2)</b>	-	14,56,67,721	14,56,67,721	100	-	15,91,17,721	15,91,17,721	100	Nil
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FII's									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1):-</b>									
<b>2. Non-Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
<b>Sub-total (B)(2):-</b>									

<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	14,56,67,721	14,56,67,721	100	-	15,91,17,721	15,91,17,721	100	Nil

ii) Shareholding of Promoters -

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	CONTAINER CORPORATION OF INDIA LTD. (A PSU UNDER MINISTRY OF RAILWAYS) & SIX CONCOR NOMINEES HOLDING ONE SHARE EACH	14,56,67,721	100	-	15,91,17,721	100	-	NIL

iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14,56,67,721	100	14,56,67,721	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/ sweat equity etc.)- Rights issue of 1,34,50,000 Equity Shares of ₹ 10/ each in April, 2018. Shares allotted to CONCOR through CMD/CONCOR on 20 <sup>th</sup> April, 2018				
	At the end of the year	14,56,67,721	100	15,91,17,721	100

iv) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil

Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
At the end of the year (or on the date of separation, is separated during the year)	Nil	Nil	Nil	Nil

**v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. Sanjay Swarup, Director (As CONCOR Nominee)				
	At the beginning of the year	1	-	1	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	1	-	1	-
2	Shri Rahul Mithal Director, (As CONCOR Nominee)				
	At the beginning of the year	1	-	1	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	1	-	1	-
3	Sh. P.K. Agrawal, Director (As CONCOR Nominee)				
	At the beginning of the year	1	-	1	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	Ceased to be Director w. e . f. 09.04.2018	1	-	1	-

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(₹ In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	Nil	3695.00	Nil	3695.00
ii) Interest due but not paid	Nil	1568.66	Nil	1568.66
iii) Interest accrued but not due	Nil	----	Nil	----
<b>Total (i+ii+iii)</b>	Nil	5263.66	Nil	5263.66
<b>Change in Indebtedness during the financial year</b>				
* Addition	Nil	58.00	Nil	58.00
* Reduction	Nil	-----	Nil	-----
<b>Net Change</b>	Nil	58.00	Nil	58.00
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	Nil	3753.00	Nil	3753.00
ii) Interest due but not paid	Nil	1790.76	Nil	1790.76
iii) Interest accrued but not due	Nil	--	Nil	--
<b>Total (i+ii+iii)</b>	Nil	5543.76	Nil	5543.76

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		-----	----	----	---	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961					
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961					
2	Stock Option					
3	Sweat Equity					
4	Commission - as % of profit - others, specify...					
5	Others, please specify					
	Total (A)					
	Ceiling as per the Act					

**B. Remuneration to other directors**

SN.	Particulars of Remuneration	Name of Director	Total Amount (₹ in Lakhs)
1	Independent Director	Shri Sanjeev S. Shah	
	Fee for attending board /committee meetings	3.20	3.20
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (1)	3.20	3.20
2	Other Non-Executive Directors		
	Fee for attending board /committee meetings	Nil	Nil
	Commission	Nil	Nil
	Others, please specify	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	3.20	3.20
	Total Managerial Remuneration	3.20	3.20
	Overall Ceiling as per the Act	N.A.	N.A.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	CS*	CFO*	Total
1	Gross salary	33,37,859/-	17,10,500/-	39,28,399/-	89,76,758/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	32,99,236/-	17,10,500/-	39,27,079/-	89,36,815/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	38,623/-	-	1,320/-	39,943/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	33,37,859/-	17,10,500/-	39,28,399/-	89,76,758/-

\* Remuneration paid by CONCOR (Holding Company)

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors

Sd/-  
(V. Kalyana Rama )  
Chairman

Date : 31.07.2019

Place : New Delhi



# Amit Agrawal & Associates

## Company Secretaries

Office: H-63, Vijay Chowk, Laxmi Nagar, Delhi-110092, INDIA

Ph.: +91-11-22024525, 43019279, Mob.: +91-9811272307

E-mail: amitagcs@gmail.com, amit2kas@yahoo.com

### CERTIFICATE ON CORPORATE GOVERNANCE

To,

**The Members,**

**Fresh & Healthy Enterprises Limited  
Concor Bhawanc-3 Mathura Road  
Opp. Apollo Hospital. New Delhi-110076, IN**

We have examined the compliance of the conditions of Corporate Governance by **Fresh & Healthy Enterprises Limited**, (herewith referred as 'the Company') for the year ended on 31<sup>st</sup> March, 2019 as stipulated in '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 management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in above mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statement of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in above mentioned DPE guidelines.

We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency of the effectiveness with which the Management has conducted the affairs of the company.

Place : Delhi

Date : 30/07/2019

For Amit Agrawal & Associates  
(Companies Secretaries)



  
CS Amit Agrawal  
(Proprietor)  
M. No. F5311  
C.P. No. : 3647



# Amit Agrawal & Associates

## Company Secretaries

Office: H-63, Vijay Chowk, Laxmi Nagar, Delhi-110092, INDIA

Ph.: +91-11-22024525, 43019279, Mob.: +91-9811272307

E-mail: amitagcs@gmail.com, amit2kas@yahoo.com

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2019

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Fresh & Healthy Enterprises Limited**  
CONCOR Bhawanc-3 Mathura Road  
Opp Apollo Hospital, New Delhi-110076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. Fresh & Healthy Enterprises Limited** (hereinafter called the Company) having its registered office at Concor Bhawanc-3 Mathura Road Opp Apollo Hospital New Delhi-110076. Secretarial Audit was conducted in a manner that provided me a reasonable basis forevaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of **M/s. Fresh & Healthy Enterprises Limited** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2019** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **M/s. Fresh & Healthy Enterprises Limited** for the financial year ended on **31<sup>st</sup> March, 2019** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Secretarial Standards issued by The Institute of Company Secretaries of India
- (iii) Other laws applicable specifically to the Company namely:



- a) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
- b) Payment of Gratuity Act, 1972
- c) Payment of Minimum Wages Act, 1948
- d) The Maternity Benefit Act, 1961
- e) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act), 2013
- f) Payment of Bonus Act, 1965
- g) Employees' State Insurance Act, 1948;
- h) Indian Trust Act, 1882 created for PF purposes for its employees.
- i) Environment (Protection) Act, 1986
- j) Food Safety and Standard of India Act, 2011
- k) The Agricultural Produce Marketing Act, 1998

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

However, During the period under review, provisions of the following regulations were not applicable to the Company because of clause (I) no FDI and ECB has been taken by the Company since incorporation and for (II)&(III) clauses below the Company is unlisted Company. Hence, comments are not required to be made in respect of these clauses:

- I. Foreign Exchange Management Act, 1999 and rules and regulation made there under to the extent Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- II. The Rules, Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
- III. The Listing Agreement with any Stock Exchange.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors, Women Director and Independent Director.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.



Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this Audit since the same have been subject to review by statutory financial audit by other designated professional

We further report that during the audit period there were no specific events /actions in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

Place : Delhi

Date : 30/07/2019

For Amit Agrawal & Associates  
(Companies Secretaries)



*[Signature]*  
CS Amit Agrawal  
(Proprietor)  
M. No. F5311  
C.P. No. : 3647



# Amit Agrawal & Associates

## Company Secretaries

Office: H-63, Vijay Chowk, Laxmi Nagar, Delhi-110092, INDIA  
Ph.: +91-11-22024525, 43019279, Mob.: +91-9811272307  
E-mail: amitagcs@gmail.com, amit2kas@yahoo.com

To,  
The Members,  
**Fresh & Healthy Enterprises Limited**  
Concor Bhawanc-3 Mathura Road  
Opp. Apollo Hospital. New Delhi-110076, IN

Dear, Sir/Madam

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company .Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature: 

(CS Amit Agrawal)  
Practicing Company Secretary  
Membership No.5311  
Certificate of Practice No. 3647



Date: 30/07/2019

Place: Delhi

Fresh & Healthy Enterprises Limited  
Statement of Balance sheet  
As at March 31, 2019  
(All amounts are in ₹ lakhs unless otherwise stated)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, plant and equipment	2	2,833.99	3,485.93
(b) Intangible assets		0.25	0.80
(c) Capital work in progress	3	88.47	
(d) Financial assets			
(i) Loans	4	-	-
(ii) Other financial assets	5	45.80	45.50
(e) Deferred tax assets (Net)		-	-
(f) Other non-current assets	6	24.87	25.48
		<u>2,993.38</u>	<u>3,557.71</u>
<b>(2) Current assets</b>			
(a) Inventories	7	38.92	42.02
(b) Financial assets			
(i) Trade receivables	8	160.01	163.40
(ii) Loans	9	-	0.07
(iii) Cash and cash equivalents	10	0.44	6.87
(iv) Other bank balances	11	1,349.82	6.52
(v) Other financial assets	12	8.28	6.20
(c) Current tax assets (Net)	13	28.09	29.06
(d) Other current assets	14	31.05	5.17
		<u>1,616.61</u>	<u>259.61</u>
<b>Total assets</b>		<u><b>4,609.99</b></u>	<u><b>3,817.32</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	15	15,911.77	14,566.77
(b) Other equity			
Reserves and surplus	16	<u>(17,216.15)</u>	<u>(16,377.17)</u>
<b>Total equity</b>		<u><b>(1,304.38)</b></u>	<u><b>(1,810.40)</b></u>
<b>(1) Non-current liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings		-	-
(ii) Other financial liabilities			
(a) Long-term provisions	17	9.51	7.22
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-current liabilities		-	-
		<u>9.51</u>	<u>7.22</u>
<b>(2) Current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Borrowings	18	5,547.95	5,263.66
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		0.05	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	9.17	15.41
(iii) Other financial liabilities	20	341.83	397.08
(b) Other current liabilities	21	4.59	3.48
(c) Short-term provisions	22	1.27	0.87
		<u>5,904.86</u>	<u>5,620.50</u>
<b>Total liabilities</b>		<u><b>5,914.37</b></u>	<u><b>5,627.72</b></u>
<b>Total equity and liabilities</b>		<u><b>4,609.99</b></u>	<u><b>3,817.32</b></u>

The accompanying notes are an integral part of the financial statements

1 to 53

As per our report of even date attached  
For Anil Ashok & Associates  
Chartered Accountant

*Anil Maheshwari*

CA Anil Maheshwari  
Partner  
M.No. 538665  
Date: 24.04.2019  
Place: New Delhi

For and on behalf of Board of Directors

*V. Kalyana Rama*  
Chairman

*Rahul Mishra*  
Director

*M.L. ...*  
CEO

*Suman Lata*  
Company Secretary

*Umesh K. Behl*  
Chief Finance Officer

**Fresh & Healthy Enterprises Limited**  
**Statement of Profit and Loss**  
**For the year ended 31 March 2019**  
**(All amounts are in ₹ lakhs unless otherwise stated)**

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I Revenue from operations	23	61.87	1.24
II Other income	24	110.14	16.77
III Total revenue (I + II)		<u>172.01</u>	<u>18.01</u>
<b>IV Expenses</b>			
(a) Purchases of traded goods	25	-	-
(b) Change in inventories	26	3.10	17.81
(c) Direct expenses	27	127.21	59.86
(d) Employee benefits expenses	28	21.47	73.60
(e) Finance costs	29	246.78	295.93
(f) Depreciation and amortization expenses	30	434.79	503.08
(g) Other expenses	31	177.50	130.23
Total expenses		<u>1,010.85</u>	<u>1,080.51</u>
V Loss before tax (III - IV)		<u>(838.84)</u>	<u>(1,062.50)</u>
VI Tax Expense			
(1) Current tax		-	-
(2) Deferred Tax		-	-
Total tax expense		<u>-</u>	<u>-</u>
VII Loss after tax for the period (V - VI)		<u>(838.84)</u>	<u>(1,062.50)</u>
VIII Other comprehensive income			
Items that will not be recycled to profit or loss			
(a) Remeasurements of the defined benefit plan, net of income tax		(0.14)	18.41
Total other comprehensive income for the period		<u>(0.14)</u>	<u>18.41</u>
IX Total comprehensive income for the period (VII + VIII)		<u>(838.98)</u>	<u>(1,044.09)</u>
X Loss per equity share:			
(1) Basic (Rs.)		(0.53)	(0.73)
(2) Diluted (Rs.)		(0.53)	(0.73)

The accompanying notes are an integral part of the financial statements

1 to 53

As per our report of even date attached

For Anil Ashok & Associates

Chartered Accountant

*Amit Maheshwari*

CA Amit Maheshwari

Partner

M.No. 538665

Date: 24.04.2019

Place: New Delhi

For and on behalf of Board of Directors

*V. Kalyana Rama*

V. Kalyana Rama  
Chairman

*Rahul Mithal*

Rahul Mithal  
Director

*M.L. Arora*

M.L. Arora  
CEO

*Suman Lata*

Suman Lata  
Company Secretary

*Ujjesh K. Behl*

Ujjesh K. Behl  
Chief Finance Officer

**Fresh & Healthy Enterprises Limited**  
**Statement of Changes in equity**  
**For the year ended 31 March 2019**  
**(All amounts are in ₹ lakhs unless otherwise stated)**

Particulars	Equity share capital	Other equity		Total
		Securities premium reserve	Reserves and surplus Retained earnings	
Balance at March 31, 2017	14,566.77	41.33	(15,374.41)	(766.31)
Profit for the year	-	-	(1,062.50)	(1,062.50)
Other comprehensive income for the year	-	-	18.41	18.41
<b>Total comprehensive income for the year</b>	-	-	<b>(1,044.09)</b>	<b>(1,044.09)</b>
Balance at March 31, 2018	14,566.77	41.33	(16,418.50)	(1,810.40)
Changes during the period	1,345.00	-	-	1,345.00
Profit for the year	-	-	(838.84)	(838.84)
Other comprehensive income for the year	-	-	(0.14)	(0.14)
<b>Total comprehensive income for the year</b>	-	-	<b>(838.98)</b>	<b>(838.98)</b>
Balance at March 31, 2019	15,911.77	41.33	(17,257.48)	(1,304.38)

The accompanying notes are an Integral part of the financial statements

1 to 53

As per our report of even date attached

For Anil Ashok & Associates  
Chartered Accountant

*Amit Maheshwari*

CA Amit Maheshwari  
Partner  
M.No. 538665  
Date:24.04.2019  
Place: New Delhi

For and on behalf of Board of Directors

*V. Kalyana Rama*

V. Kalyana Rama  
Chairman

*Suman Lata*  
Suman Lata  
Company Secretary

*Rahul Mithal*

Rahul Mithal  
Director

*M.L.Arora*

M.L.Arora  
CEO

*Umesh K. Behl*  
Umesh K. Behl  
Chief Finance Officer

Fresh & Healthy Enterprises Limited  
Cash Flow Statement  
for the year ended March 31, 2019

Particulars	Notes No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A. Cash flow from operating activities:</b>			
Net loss after tax		(838.84)	(1,062.50)
Adjustments for:			
Depreciation and amortisation		434.79	503.08
Interest Income		(96.86)	(3.93)
Interest expense		246.78	295.93
Net (Profit)/ loss on sale / discarding of fixed assets		83.65	(3.19)
<b>Operating profit before working capital changes</b>		<b>(170.48)</b>	<b>(270.61)</b>
Adjustments for changes in working capital :			
- Decrease in trade payables		(6.19)	(0.15)
- Decrease other financial liabilities		4.75	141.74
- Increase/(decrease) other non current financial liabilities			
- Increase in short term provisions		0.40	(15.91)
- Increase/(decrease) in long term provisions		2.15	(56.45)
- Increase in other current liabilities		1.11	(3.25)
- Increase/(decrease) in non-current liabilities			
- Decrease in trade receivables		3.39	3.09
- Decrease in inventories		3.10	17.81
- Decrease in long term loans		-	9.60
- (Increase)/decrease in short term loans		0.07	5.18
- Decrease other current financial assets		(2.08)	0.20
- Increase other non current financial assets		(0.30)	(0.26)
- Decrease in other current assets		(25.58)	(0.33)
- Decrease in other non current assets		0.61	2.64
<b>Cash (used in)/generated by operating activities</b>		<b>(189.05)</b>	<b>(166.70)</b>
- Income taxes (paid)/ refund		0.97	(5.72)
<b>Net cash (used in)/generated by operating activities</b>		<b>(188.08)</b>	<b>(172.42)</b>
<b>B. Cash flow from Investing Activities:</b>			
Purchase of fixed assets		(212.93)	-
Sale of fixed assets		346.98	103.54
Addition in Capital Work in progress		(88.47)	-
Interest received		96.86	3.93
<b>Net cash generated by Investing activities</b>		<b>142.44</b>	<b>107.47</b>
<b>C. Cash flow from Financing Activities:</b>			
Proceeds from short term borrowings		58.00	175.00
Repayment of short term borrowings		-	(70.00)
Equity received from Holding company		1,345.00	-
Interest paid		(24.68)	(60.08)
<b>Net cash (used in)/generated by financing activities</b>		<b>1,378.32</b>	<b>44.92</b>
<b>Net Increase/(decrease) in cash &amp; cash equivalents</b>		<b>1,332.68</b>	<b>(20.03)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>13.39</b>	<b>33.42</b>
<b>Cash and cash equivalents at the end of the year</b>	10, 11, 18	<b>1,346.07</b>	<b>13.39</b>
Notes:			
Cash and cash equivalents included in the cash flow statement comprise the following:			
Cash and cash equivalents comprise:			
Cash in hand		(3.75)	6.87
Balance with scheduled bank in current accounts			
Other bank balances comprises:			
Deposits having original maturity more than 3 Months and less than 12 months		1,345.26	2.22
Deposits having original maturity less than 03 months		4.56	4.30
Bank Balances held as margin money or as security against guarantees		1,346.07	13.39

**Non cash transactions:**

The company did not enter into any non cash investing and financing activities which are not reflected in the statement of cash flows.

The accompanying notes are an integral part of these financial statements

1 to 53

This is the Balance Sheet referred to in our report of even date  
For Anil Ashok & Associates  
Chartered Accountant

*Amit Maheshwari*  
CA Amit Maheshwari  
Partner  
M.No. 538665  
Date: 24.04.2019  
Place: New Delhi

For and on behalf of Board of Directors

*V. Kalyana Rama*  
Chairman

*Rahul Mittal*  
Director

*M.L.Arora*  
CEO

*Suman Lata*  
Company Secretary

*Urish K Behl*  
Chief Finance Officer

**Fresh and Healthy Enterprise Limited**  
**Notes forming part of the financial statements**

**Corporate Information**

Fresh and Healthy Enterprises Limited (the "Company"), a wholly owned subsidiary of Container Corporation of India Limited (CONCOR) is engaged in procurement and sale of fruits, creation of cold storage infrastructure in India and leasing of Controlled Atmosphere (CA) chambers and allied services, to provide complete cold chain logistics solutions to the various stakeholders in this field. It is classified as Union Government Company and is registered at Registrar of Companies, Delhi. The Company was incorporated in 2006 and is a wholly subsidiary company of Container Corporation of India.

**Application of New or Revised Ind AS**

At the preparation of these financial statements, Ministry of Corporate Affairs (MCA), in March 2019, notified a new IND AS-116 (Leases) substituting the existing IND AS- 17. The impact of new IND AS has been summarized as follows:

The new IND AS-116 has been notified to increase transparency and comparability among organizations by requiring them to recognise Right-of-Use ("ROU") assets and lease liabilities on their balance sheet. While the asset has to be depreciated as per IND AS-16 (PPE), liability has to be adjusted over the period of lease. Under this standard, disclosures are required to be made with the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Company will be required to recognize and measure leases existing at, or entered into after, the beginning of the earliest comparative period presented using a retrospective method, with certain practical expedients available.

The standard will be effective for Financial Statements beginning April 1, 2019. As per management understanding this standard will impact on the Balance Sheets, but will not have a material impact on the Profit and Loss Statements. The most significant impact will be the recognition of ROU assets and lease liabilities for lessees, while accounting of leases as lessor will remain substantially unchanged.

As a lessee, this standard will apply to leasing of land at Rai, Sonipat & Kingal, Shimla.

The company is evaluating the provisions of this IND AS and its effect on the financial statements is being evaluated.

**NOTE 1: SIGNIFICANT ACCOUNTING POLICIES**

**1.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Upto the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of the Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. These are Company's second Ind AS financial statements. The date of transition to Ind AS is April 1, 2015.

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## 1.2 Basis of preparation

The financial statements have been prepared with Indian Accounting Standards (Ind AS) under the historical cost basis except financial instruments that are measured at fair values at inception.

## 1.3 Property, plant and equipment:

- (i) Property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of any decommissioning obligation, if any, and, for assets that necessarily take a substantial period of time to get ready for their intended use, finance costs. Cost is net of interest on capital advances and duty credits 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/passed, the capitalisation is based on the engineering estimates. Final adjustments, for costs and depreciation are made retrospectively in the year of ascertainment of actual cost and finalisation of claim. Items such as spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS 16 when they meet the definition of property, plant and equipment.
- (ii) Provision for stamp duty at the prevailing rate is made by the company at the time of capitalization of the amount paid for acquisition of land & is capitalised as part of the cost of Land.

### Depreciation/amortisation:

- (iii) Property, plant and equipment are depreciated over its useful life and in the manner prescribed in Schedule II to the Companies Act 2013.
- (iv) Land leases where the lease term is for the significant economic life of the asset are considered as finance leases. Such leases are included in property plant and equipment and are depreciated over the lease period. Freehold land or perpetual land leases are not depreciated. Land leases where the lease term is not for the significant economic life of land are considered as operating leases and are classified as prepayments. Such leases are amortized over the lease term.

The estimated useful life and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

- (v) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

- 1.4 **Intangible assets:** Intangible assets is stated at cost, less accumulated depreciation and accumulated impairment losses. Expenditure on computer software, which is not an integral part of hardware, is capitalised as an intangible asset. The cost of software includes license fee and implementation cost and is capitalised in the year of its implementation. Software is amortized over five years being management's estimate of life of assets over which economic benefits will be derived. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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### **1.5 Impairment of non-financial assets:**

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

### **1.6 Inventories:**

Inventories are valued at cost or Net Realizable Value (NRV), whichever is lower. Cost comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition. Cost is determined on specific identification method for fresh fruits and First in First out (FIFO) method for other inventories.

### **1.7 Employee benefits:**

(i) Liability for gratuity, leave salary, sick leave and medical reimbursements benefits payable to employees is provided for on accrual basis using the Projected Accrued Benefit Method (Projected Unit Credit Method with control period of one year) done by an independent actuary as at the Balance Sheet date. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Company presents the first two components of defined benefit costs in profit or loss in the line item [employee benefits expenses]. Curtailment gains and losses are accounted for as past service costs.

Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Termination benefits are immediately recognised in the statement of profit or loss account. A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

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- (ii) Contribution to defined contribution plans such as Provident Fund and Family Pension Fund are charged to the Statement of Profit & Loss as and when accrued.
- (iii) The undiscounted amount of short term employee benefits expected to be paid for the services rendered are recognized as an expense during the period when the employees render the services.

#### **1.8 Revenue recognition:**

Revenue from sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discount and volume rebates. Sales are 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.

Income from automatic sorting and grading through machine and handling income is recognized by reference to the stage of completion of the contract, provided there is no significant uncertainty exist regarding the amount of consideration.

Interest income from deposits is recognized on accrual basis. Interest other than deposits is recognised at the time when no significant uncertainty as to its determination or realization exists. Interest on income tax refunds are accounted for on the finalization of assessments.

Rental income, cooling charges and income from space for sorting packing machine/strapping machine is recognized on accrual basis.

#### **1.9 Claims/counter-claims/penalties/awards:**

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

#### **1.10 Taxes on income:**

Income tax expense represents the sum of the tax currently payable and deferred tax.

##### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply

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in the period in which the liability is settled or the asset realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period.

#### Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **1.11 Borrowing cost**

Borrowing costs directly attributable to the acquisition, construction or production of the qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in the Statement of Profit or Loss in the period in which they are incurred.

#### **1.12 Provisions, contingent liabilities & contingent assets:**

##### **(i) Provisions:**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

##### **(ii) Contingent liabilities:**

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

##### **(iii) Contingent assets:**

Contingent assets are not recognized in the accounts. However they are disclosed when the possible right to receive exists.

#### **1.13 Earnings per share (EPS)**

Basic earnings per share ('EPS') is computed by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year.

Diluted EPS is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period except where the result would be anti-dilutive.

#### **1.14 Cash and Cash Equivalent**

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash on hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

#### **1.15 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

##### **(i) The Company as lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

##### **(ii) The Company as lessee**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Company balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of

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incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

#### **1.16 Segment reporting**

The Companies's segmental reporting is in accordance with Ind AS 108 Operating Segments. Operating segments are reported in a manner consistent with the internal reporting provided to the board of directors, which is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the chief operating decision maker.

#### **1.17 Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

##### **Initial recognition and measurement**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

##### **Subsequent measurement**

The company's financial assets represents assets whose contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding and these assets are held in a business model to hold the financial asset to collect the contractual cash flows at maturity consequentially in accordance with Ind AS 109 these assets are carried at amortized cost using effective interest rate.

The Company's financial liabilities are not held for trading and are also carried at amortized cost using effective interest rate.

##### **De-recognition of financial assets**

A financial asset and financial liabilities are de-recognised when they are discharged.

##### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **1.18 Impairment of financial asset**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss for financial assets.

##### **Trade receivable**

As a practical expedient the Company has adopted 'simplified approach' using the provision matrix method for recognition of expected loss on trade receivables. The provision matrix is based on historical default rate observed over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical default rates are updated and changes in the forward-looking estimates are analysed. Further receivables

*Handwritten initials*

are segmented for this analysis where the credit risk characteristics of the receivables are similar.

**Other financial assets**

Impairment loss on other financial assets is recognised based on the difference between the present value of the expected cash flows and carrying value.

**1.19 Key sources of uncertainties**

Useful life of Property plant and Equipment and Intangible assets: As described at 1.3 and 1.4 above, the Company reviews the estimated useful lives of property, plant and equipment and Intangible assets at the end of each reporting period. The estimate of useful life may be different on account of change in business environment and change in technology which could have a material impact on the financial statement.

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Fresh & Healthy Enterprises Limited  
Notes forming part of the financial statements  
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Note - 2 : Property, plant and equipment

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Tangible assets</b>		
Building	1,410.07	1,275.44
Plant and machinery	1,405.28	1,732.99
Computer	3.04	4.60
Furniture and fittings	1.40	1.67
Bins	14.20	471.23
	<u>2,833.99</u>	<u>3,485.93</u>
<b>Intangible assets</b>		
Software	0.25	0.80
	<u>0.25</u>	<u>0.80</u>
<b>Total</b>	<u>2,834.24</u>	<u>3,486.73</u>

Particulars	Building	Plant and machinery	Computer	Furniture and fittings	Bins	Total	Software	Grand total
Balance at March 31, 2016	1,450.86	2,768.27	16.06	7.37	932.13	5,174.69	2.45	5,177.14
Additions	-	0.05	-	-	-	0.05	-	0.05
Disposals	-	-	-	-	(43.25)	(43.25)	-	(43.25)
Balance at March 31, 2017	1,450.86	2,768.32	16.06	7.37	888.88	5,131.49	2.45	5,133.94
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(160.14)	(160.14)	-	(160.14)
Balance at March 31, 2018	1,450.86	2,768.32	16.06	7.37	728.74	4,971.35	2.45	4,973.80
Additions	196.69	16.24	-	-	-	212.93	-	212.93
Disposals	-	(13.28)	-	-	(698.46)	(711.74)	-	(711.74)
Balance at March 31, 2019	1,647.55	2,771.28	16.06	7.37	30.28	4,472.54	2.45	4,474.99
<b>Accumulated depreciation and impairment</b>								
<b>Particulars</b>	<b>Building</b>	<b>Plant and machinery</b>	<b>Computer</b>	<b>Furniture and fittings</b>	<b>Bins</b>	<b>Total</b>	<b>Software</b>	<b>Grand total</b>
Balance at March 31, 2016	58.58	347.95	4.88	2.35	116.56	530.32	0.55	530.87
Depreciation/amortisation charge for the year	58.42	344.11	4.25	2.33	112.47	521.58	0.55	522.13
Disposals/adjustments	-	-	-	-	(9.22)	(9.22)	-	(9.22)
Balance at March 31, 2017	117.00	692.06	9.13	4.68	219.81	1,042.68	1.10	1,043.78
Depreciation/amortisation charge for the period	58.42	343.27	2.33	1.02	97.49	502.53	0.55	503.08
Disposals/adjustments	-	-	-	-	(59.79)	(59.79)	-	(59.79)
Balance at March 31, 2018	175.42	1,035.33	11.46	5.70	257.51	1,485.42	1.65	1,487.07
Depreciation/amortisation charge for the period	62.06	342.86	1.56	0.27	27.49	434.24	0.55	434.79
Disposals/adjustments	-	(12.19)	-	-	(268.92)	(281.11)	-	(281.11)
Balance at March 31, 2019	237.48	1,366.00	13.02	5.97	16.08	1,638.55	2.20	1,640.75

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**Fresh & Healthy Enterprises Limited**  
**Notes forming part of the financial statements**  
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**Note - 3 : Capital work in Progress**

Particulars	As at March 31, 2019	As at March 31, 2018
Capital work in progress	88.47	
<b>Total</b>	<b>88.47</b>	<b>-</b>

**Note - 4 : Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Secured, Considered Good - at amortised cost</b>		
Loans to employees including interest accrued	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note - 5 : Other financial assets**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Security deposits</b>		
- Govt. authorities	45.80	45.50
<b>Total</b>	<b>45.80</b>	<b>45.50</b>

**Note -6 : Other non current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Prepaid rent	4.98	5.37
Prepayments - leasehold land	19.89	20.11
<b>Total</b>	<b>24.87</b>	<b>25.48</b>

**Note - 7 : Inventory**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Inventories (lower of cost and net realisable value)</b>		
Stock-in-trade		
Stores and spares	38.92	42.02
<b>Total</b>	<b>38.92</b>	<b>42.02</b>

The cost of inventories recognised as an expense during the year was Rs.3.10 Lakhs (for the year ended March 31, 2018: Rs.17.81 lakhs)

The mode of valuation of inventories :NRV/cost price whichever is less.

**Trade Receivables**

**Financial asset**

**Note - 8 : Trade Receivables**

Particulars	As at March 31, 2019	As at March 31, 2018
Outstanding for period exceeding six Months	154.12	161.47
Outstanding for period less then six Months	5.89	1.93
<b>Total</b>	<b>160.01</b>	<b>163.40</b>

To tackle the credit default, Company has now adopted a policy of supplying material/ services against advance payment or against Bank guarantee. The Company has filed the legal cases in respect of some of the customers and expects a favourable outcome in all of the legal cases.

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix. The provision matrix at the end of the reporting period is as follows.

<u>Ageing</u>	<u>Expected Credit</u>	<u>Expected Credit</u>
	<u>loss(%)</u>	<u>loss(%)</u>
<u>Particulars</u>	<u>As at</u>	<u>As at</u>
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Outstanding for period less than six months	-	-
Outstanding for period exceeding than six months	-	-

**Age of receivables**

<u>Particulars</u>	<u>As at</u>	<u>As at</u>
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Outstanding for period less than six months	5.89	1.93
Outstanding for period exceeding than six months	154.12	161.47
<b>Total</b>	<b>160.01</b>	<b>163.40</b>

**Movement in the expected credit loss allowance**

<u>Particulars</u>	<u>Year ended</u>	<u>Year ended</u>
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Balance at the beginning of the year	0	0
Addition in expected credit loss allowance	0	0
Amount written off	0	0
Balance at the end of the year	0	0

**Details of the Company's largest customers who represent more than 5% of the total balance of trade receivables:**

<u>Particulars</u>	<u>As at</u>	<u>As at</u>
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
Mahaluxmi Cold Storage	15.23	15.23
R K Brothers	26.64	26.64
GAPL	85.73	85.73
Tarun Kumar	12.65	12.65
KFC, Dhalli	-	6.78

The Company has filed the legal cases in respect of the following customers:

<u>Parties</u>	<u>As at</u>	<u>As at</u>
	<u>March 31, 2019</u>	<u>March 31, 2018</u>
<b>a) Cases where Arbitration/Legal case/Appeal has been filed</b>		
(i) M/s GAPL	85.73	85.73
(ii) KFC Dhalli	-	6.78
(iii) Sanjeev Kumar	0.30	0.30
(iv) Tarun Kumar	12.65	12.65
(v) Ram Chandra & Sons	7.33	7.33
(vi) Mahalaxmi	15.23	15.23
(vii) R.K. Brothers	26.64	26.64

No provision in respect of the above mentioned receivables has been made in the books as Management expects a favourable outcome in all of the above legal cases.

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**Note -9 : Loans**

Particulars	As at March 31, 2019	As at March 31, 2018
Secured, Considered good - at amortised cost		
Loans to employees including interest accrued	-	0.07
<b>Total</b>	-	<b>0.07</b>

**Note - 10 : Cash and cash equivalents**

Particulars	As at March 31, 2019	As at March 31, 2018
Balance with scheduled bank in current accounts	0.44	6.87
Cash in hand		-
<b>Total</b>	<b>0.44</b>	<b>6.87</b>

**Note - 11 : Other bank balances**

Particulars	As at March 31, 2019	As at March 31, 2018
Deposits having original maturity more than 3 Months and less than 12 months	-	2.22
Deposits having original maturity less than three months	1,345.26	-
Bank Balances held as margin money or security against guarantees	4.56	4.30
<b>Total</b>	<b>1,349.82</b>	<b>6.52</b>

**Note - 12 : Other financial assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposits		
Unsecured, considered good	-	
- Govt. authorities	0.43	0.43
- Others	0.04	0.04
Claims recoverable	5.54	5.54
Others	2.27	0.19
<b>Total</b>	<b>8.28</b>	<b>6.20</b>

**Note - 13 : Current tax assets (Net)**

Particulars	As at March 31, 2019	As at March 31, 2018
Advance income tax/TDS (Net of provisions)	28.09	29.06
<b>Total</b>	<b>28.09</b>	<b>29.06</b>

**Current Assets****Non financial assets****Note - 14 : Other current assets**

Particulars	As at March 31, 2019	As at March 31, 2018
Advances to employees	1.30	0.22
GST (Input)	18.79	3.66
Interest accrued but not due	6.44	0.01
Prepaid rent	0.38	0.38
Prepayments - leasehold land	0.21	0.21
Prepaid expenses/ insurance	3.93	0.99
<b>Total</b>	<b>31.05</b>	<b>5.47</b>

**Fresh & Healthy Enterprises Limited**  
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**Note 15 : Share capital**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
<b>Authorised :</b>		
20,00,00,000 Equity share @ Rs10/- per share (P.Y. 20,00,00,000 Equity Shares of Rs 10/- per Share)	20,000.00	20,000.00
<b>Issued, subscribed and paid up:</b>		
15,91,17,721 Fully paid equity shares of Rs. 10 each as at March 31, 2019: (P.Y. 14,56,67,721 Fully paid equity shares of Rs. 10 each)	20,000.00	20,000.00
Total	15,911.77	14,566.77
	15,911.77	14,566.77

Fully paid equity shares, which have a par value of Rs.10, carry one vote per share and carry a right to dividends.

**Fully paid equity shares (In Lakhs)**

Particulars	Number of shares	Share Capital (Amount)
	Balance at March 31, 2016	1,456.68
Changes during the year 2016-17		
Balance as at March 31, 2017	1,456.68	14,566.77
Changes during the year 2017-18		
Balance as at March 31, 2018	1,456.68	14,566.77
changes during the year 2018-19*	134.50	1,345.00
Balance as at March, 2019	1,591.18	15,911.77
* Right Issue subscription by CONCOR		

**Details of shares held by the holding company, its subsidiaries and associates**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Container Corporation of India Limited, the holding company	1,591.18	1,456.68

**Details of shares held by each shareholder holding more than 5% shares**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Fully paid equity shares (In Lakhs)	Number of shares held	Number of shares held
Container Corporation of India Limited, the holding company	1,591.18	1,456.68
	% holding of equity shares	% holding of equity shares
Container Corporation of India Limited, the holding company	100%	100%

**Note 16 : Reserves and surplus**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Securities premium reserves	41.33	41.33
Retained Earnings	(17,257.48)	(16,418.50)
	(17,216.15)	(16,377.17)

**Note - 16.1 : Securities premium reserves**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	41.33	41.33
Movement during the year	-	-
Balance at the end of the year	41.33	41.33

Security premium reserve is recorded for the difference between the par value of a company's shares and the total amount company has received for the shares issued. The Company can use the balance of the account for the purposes as specified in the provisions of Companies Act, which includes to pay off equity expenses, which include underwriter fees. It can also be used for the issuance of bonus shares and for costs or expenses related to this issuance.

**Note - 16.2 : Retained earnings**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	(16,418.50)	(15,374.41)
Loss during the year	(838.84)	(1,062.50)
Other comprehensive income arising from remeasurement of defined benefit obligation	(0.14)	18.41
Balance at the end of the year	(17,257.48)	(16,418.50)

**Note 17 : Long term provisions**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Provision for employee benefits	9.51	7.22
Total	9.51	7.22

**Note 18 : Borrowings**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Unsecured - at amortised cost		
Loans from related party	3753.00	3,695.00
Interest accrued on loans from related party	1790.76	1,568.66
Bank overdraft	4.19	-
Total	5,547.95	5,263.66

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**Summary of borrowing arrangements:**

The company has taken loans from Container Corporation of India Limited, the holding company. This loan is unsecured. The term of repayment of term loans is stated below:

As at March 31, 2019

Particulars	Amount outstanding	Terms of repayment	Rate of Interest
Loan tranche 2	3,000.00	Bullet repayment by the end of next year *	6.58%
Loan tranche 3	190.00		6.58%
Loan tranche 4	450.00		6.58%
Loan tranche 5	113.00		6.58%

As at March 31, 2018

Particulars	Amount outstanding	Terms of repayment	Rate of Interest
Loan tranche 2	3,000.00		8.51% (6.58% w.e.f January 1, 2018)
Loan tranche 3	190.00	Bullet repayment by the end of next year *	8.51% (6.58% w.e.f January 1, 2018)
Loan tranche 4	450.00		8.51% (6.58% w.e.f January 1, 2018)
Loan tranche 5	55.00		8.51% (6.58% w.e.f January 1, 2018)

As at March 31, 2017:

Particulars	Amount outstanding	Terms of repayment	Rate of Interest
Loan tranche 2	3,000.00	Bullet repayment by the end of next year *	9.74% (8.51% w.e.f October 1, 2015)
Loan tranche 3	190.00		8.51%
Loan tranche 4	400.00		8.51%

As at March 31, 2016:

Particulars	Amount outstanding	Terms of repayment	Rate of Interest
Loan tranche 2	3,000.00	Bullet repayment by the end of next year *	9.74%
Loan tranche 3	145.00		8.51%

As at March 31, 2015:

Particulars	Amount outstanding	Terms of repayment	Rate of Interest
Loan tranche 1	932.67		9.74%
Loan tranche 2	3,357.10	Bullet repayment by the end of next year *	9.31%

\* As per the contractual terms, loans from related party are payable by the end of next year. However, company takes approval from related party from the due date for deferment of these loan generally for the period of further one year.

**Note 19 : Trade payables**

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (Refer Note 45)	0.05	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	9.17	15.41
Total	9.22	15.41

Trade payables includes payables in respect of purchases, direct expenses and other expenses. The average credit period on purchases/ direct expenses is 30 days. However Company generally pays the outstanding in 15-20 days. No interest is charged on the trade payables due for payment. The Company has a practice to ensure that all payables are paid within the pre-agreed credit terms.

**Note 20 : Other current financial liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
At amortised cost		
Advance/deposits from parties	53.75	60.53
Earnest money deposit	31.82	7.51
Due to Micro and small enterprises (Refer Note 45)	8.98	-
Other payable to related party	79.34	79.34
Others	157.94	189.70
Total	341.83	337.08

**Note 21 : Other current liabilities**

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory dues payable	4.59	3.48
Others	-	-
Total	4.59	3.48

**Note 22 : Short term provisions**

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits	1.27	0.87
Total	1.27	0.87

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**Fresh & Healthy Enterprises Limited**  
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**Note - 23 : Revenue from operations**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of cartons	5.42	1.24
Cooling charges	46.63	-
Handling income	9.82	-
<b>Total</b>	<b>61.87</b>	<b>1.24</b>

**Note - 24 : Other income**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on bank deposits	89.30	1.97
Interest on loans to employees	-	1.63
Interest on security deposit given	0.30	0.27
Other interest income	7.27	0.06
Excess provision written back	4.47	4.04
Other non-operating income	8.80	8.80
<b>Total</b>	<b>110.14</b>	<b>16.77</b>

**Note - 25 : Purchase of traded goods**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Stock-in-trade	-	-
Stores and spares	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**Note - 26 : Changes in Inventories**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Opening stock</b>		
Stock-in-trade	42.02	59.83
Stores and spares	42.02	59.83
<b>Closing stock</b>		
Stock-in-trade	38.92	42.02
Stores and spares	38.92	42.02
<b>Total</b>	<b>3.10</b>	<b>17.81</b>

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**Direct Expenses**  
**Note - 27 : Direct expenses**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
CA store maintenance	-	25.13
Handling expenses (Rai)	10.46	0.30
Power and fuel	115.89	33.36
Testing expenses/ charges /consumable goods	0.11	0.12
Consultancy fee	0.75	-
Performance award	-	0.95
<b>Total</b>	<b>127.21</b>	<b>59.86</b>

**Note - 28 : Employee benefits expense**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salary, allowances and other employee benefits	15.96	63.18
Contribution to CPF and FPF	1.22	6.44
Employees welfare and medical	3.69	1.09
Gratuity	0.60	2.89
<b>Total</b>	<b>21.47</b>	<b>73.60</b>

**Note - 29 : Financial cost**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on loans from related party	246.78	295.93
<b>Total</b>	<b>246.78</b>	<b>295.93</b>

**Note - 30 : Depreciation and amortisation**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation and amortisation	434.79	503.08
<b>Total</b>	<b>434.79</b>	<b>503.08</b>



**Note - 31 : Other expenses**

Particulars	For the year ended March	For the year ended
	31, 2019	March 31, 2018
Printing and stationery expense	0.73	0.08
Travelling and conveyance	0.46	1.52
Travelling and conveyance - Director	0.34	0.08
Rent office space/ Rai land and license fee*	18.59	19.01
Office/ CA store Up keeping expenses	8.91	3.09
Repairs and maintenance	-	-
- Plant and machinery	8.94	3.89
- Others	4.29	4.29
Security expenses	21.27	24.40
Office vehicle/ car hire charges	-	0.14
Business development	-	0.08
Postage, telephone and internet	0.47	1.60
Bank charges	0.01	0.01
Stamp duty charges	1.35	7.50
Legal and professional charges	7.96	12.54
Insurance premium	2.64	3.03
Advertisement	4.06	-
- Statutory audit fee	1.08	1.08
Service Charge	8.67	0.09
Service tax expense	-	2.07
Swachh bharat cess	-	0.07
Krishi kalyan cess	-	0.07
Property tax Haryana	-	1.63
Trade licence	0.76	1.09
Rates & taxes	-	1.92
ROC Fee	-	37.50
Loss on sale of fixed assets	83.65	-
Waived/Write Off	-	0.02
Miscellaneous expenses	3.32	3.43
<b>Total</b>	<b>177.50</b>	<b>130.23</b>

\* Includes land given on lease by HSIIDC Limited, Rai for 30 years from 26.03.2003, further extendable 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; kept same for F.Y. 2018-19. Includes land given on lease by H.P. Govt. for lease money charged at 10% of current circle rates to the tune of Rs.5,85,626/- per annum subject to revision/enhancement every five years of the existing lease amount as per provisions of Rule, 8(i) & (ii) of H.P. Lease Rules, 2013 for 99 years w.e.f. 01.08.2014.

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**32. Income taxes**

**32.1 Income tax recognised in profit or loss**

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>Deferred tax</b>		
In respect of the current year	-	-
<b>Total income tax expense recognised in the current year</b>	-	-

The income tax expense for the year can be reconciled to the accounting profit/(loss) as follows:

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
<b>Profit/(Loss) before tax</b>	(838.84)	(1,062.50)
Income tax credit calculated (at 25% * 104% = 26% (C.Y.) / 25% * 103% = 25.75% (P.Y.))	(218.10)	(273.59)
Effect of expenses that are not deductible in determining taxable profit	22.09	12.01
Income tax not recognised on losses	(196.01)	(261.58)
<b>Income tax expense recognised in profit or loss</b>	-	-

The tax rate used for the reconciliations above is the corporate tax rate of 25% plus cess of 4% on total income tax payable by corporate entities in India on taxable profits under the Indian tax law for F.Y. 2018-19.

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33. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
Deferred tax assets	(569.69)	
Deferred tax assets over and above deferred tax liability not recognized*	5,837.78	(637.49)
Net deferred tax	(5,268.09)	(5,072.12)

\* The Company has carried out the Deferred tax computation in accordance with the Ind AS 12 - Income taxes. Management is of the view that it is not reasonable certain to realise deferred tax assets in the near future. In the absence of the reasonable certainty of realisability of deferred tax assets, the deferred tax assets has been recognised only to the extent of deferred tax liability.

2018-2019

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Excess depreciation as per Income tax Act, 1961, over depreciation as per books	(639.85)	67.84	-	-	(572.01)
Loan to employees	(0.40)	-	-	-	(0.40)
Remeasurement of defined benefit plan	2.76	-	(0.04)	-	2.72
Deferred tax liability	(637.49)	67.84	(0.04)	-	(569.69)
Expenditure covered by section 43B of I.T. Act, 1961					
Share issue expenses	(15.77)	0.01	-	-	(15.76)
Adjustment for amortisation of premium paid on leasehold land	1.92	-	-	-	1.92
Discounting of security deposit given	1.09	0.02	-	-	1.11
Brought forward losses and unabsorbed depreciation	5,722.37	128.14	-	-	5,850.51
Deferred tax asset	5,709.61	128.17	-	-	5,837.78
Deferred tax assets over and above deferred tax liability not recognized	(5,072.12)	(196.01)	0.04	-	(5,268.09)
Net deferred tax					

2017-2018

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Recognised directly in equity	Closing balance
Deferred tax (liabilities)/assets in relation to:					
Excess depreciation as per Income tax Act, 1961, over depreciation as per books	(708.32)	68.47	-	-	(639.85)
Loan to employees	(0.40)	-	-	-	(0.40)
Remeasurement of defined benefit plan	(1.98)	-	4.74	-	2.76
Deferred tax liability	(710.70)	68.47	4.74	-	(637.49)
Expenditure covered by section 43B of I.T. Act, 1961					
Share issue expenses	7.60	(23.37)	-	-	(15.77)
Adjustment for amortisation of premium paid on leasehold land	1.92	-	-	-	1.92
Discounting of security deposit given	1.05	0.04	-	-	1.09
Brought forward losses and unabsorbed depreciation	5,505.93	216.44	-	-	5,722.37
Deferred tax asset	5,516.50	193.11	-	-	5,709.61
Deferred tax assets over and above deferred tax liability not recognized	(4,805.80)	(261.58)	(4.74)	-	(5,072.12)
Net deferred tax					

33.1 Unrecognised deductible temporary differences and unused tax losses

Particulars	Unused tax losses will expire in	For the year ended March 31, 2019	For the year ended March 31, 2018
Deductible temporary differences and unused tax losses for which no deferred tax assets have been recognised are attributable to the following:			
- tax losses A/Y 2010-11			
- tax losses A/Y 2011-12	A/Y 2017-18		
- tax losses A/Y 2012-13	A/Y 2018-19	29,989,230.00	138,055,149.00
- tax losses A/Y 2013-14	A/Y 2019-20	148,536,281.00	29,989,230.00
- tax losses A/Y 2014-15	A/Y 2020-21	110,628,378.00	148,536,281.00
- tax losses A/Y 2015-16	A/Y 2021-22	400,313,389.00	110,628,378.00
- tax losses A/Y 2016-17	A/Y 2022-23	131,436,910.00	400,313,389.00
- tax losses A/Y 2017-18	A/Y 2023-24	241,010,822.00	131,436,910.00
- tax losses A/Y 2018-19	A/Y 2024-25	112,123,169.00	241,010,822.00
Total	A/Y 2025-26	84,048,743.00	112,123,169.00
		1,258,086,922.00	1,312,093,328.00

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**34. Segment Information**

The company is dealing in logistics of fresh fruits. All the activities of the company are related to this business. Company has operations in India only. Information reported to the chief operating decision maker (CODM) for the purposes of resource allocation and assessment of segment performance focuses only on logistics of fresh fruits.

Segment revenue represents revenue generated from external customers. There were no inter-segment sales in the current year. The Company operates in only one geography i.e. India.

**Revenue from major products and services**

The following is are the details of revenue from its major products and services:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Sale of fresh fruits	-	-

**Information about major customers**

Included in revenues arising from sales of fresh fruits of Rs.Nil (2017-2018: NIL) and revenues of approximately Rs. NIL (2017-18: Rs. NIL) which arose from sales to the Company's largest customer. No single customer contributed 10% or more to the company's revenue for both 2018-19 and 2017-18.

**35. Earning per share**

Particulars	As at March 31, 2019	As at March 31, 2018
Basic earning/ (loss) per share	(0.53)	(0.73)

There are no dilutive instruments issued by the company.

**Basic earning per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows.

Particulars	As at March 31, 2019	As at March 31, 2018
Profit for the year attributable to owners of the Company	(838.84)	(1,062.50)
Earnings used in the calculation of basic earnings per share	(838.84)	(1,062.50)
Weighted average number of equity shares for the purposes of basic earnings per share	1,591.18	1,456.68

**36. Impact of changes in accounting policies**

There are no changes in the accounting policies which had impact on the amounts reported for earning per share.

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37. Employee benefit plans

A. Defined Contribution Plans

a) 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 the Statement of Profit & Loss. 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 recognised the following amounts in the statement of profit and loss :-  
 Employers Contribution to Provident Fund

	For the year ended March 31, 2019	For the year ended March 31, 2018
	0.67	4.62

B. Defined Benefit Plans and Other Long Term Benefits

a) Contribution to Gratuity Funds - Employee's Gratuity Fund.

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.

b) Leave Encashment/ Compensated Absence and sick leave.

The company has a defined benefit leave encashment plan 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) Leave Travel Concession.

The Company provides LTC facilities to its employees, which is regulated in accordance with the policy framed in this regard. The liability for the same is recognised on the basis of actuarial valuation.

These plans typically expose the company to actuarial risk such as: investment risk, interest rate risk, longevity risk and salary risk.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life's expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2019 by Mithras Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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An actuarial valuation was carried out in respect of the aforesaid defined benefit plans and other long term benefits based on the following assumptions.

Particulars	As at March 31, 2019					As at March 31, 2018				
	Employees Gratuity Fund	Leave Encashment	Sick leave	Leave Travel Concession	Medical	Employees Gratuity Fund	Leave Encashment	Sick leave	Leave Travel Concession	Medical
Discount rate (per annum)	7.77%	7.77%	7.77%	7.77%	7.77%	7.89%	7.89%	7.89%	7.89%	7.89%
Rate of increase in compensation levels	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%	5.50%
Rate of return on plan assets	NA									
Mortality	IALM (2006-08) Ultimate									

Estimates of future salary increases considered in actuarial valuation take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Changes in present value of obligations

Particulars	For the year ended March 31, 2019					For the year ended March 31, 2018				
	Employees Gratuity Fund	Leave Encashment	Sick leave	Leave Travel Concession	Medical	Employees Gratuity Fund	Leave Encashment	Sick leave	Leave Travel Concession	Medical
Present value of obligation as at beginning of the year	2.55	2.45	1.82	0.69	0.58	33.81	51.24	6.85	2.91	4.05
Interest cost	0.20	0.19	0.14	0.05	0.05	2.54	3.84	0.51	0.22	0.30
Current service cost	0.40	0.40	0.17	0.53	0.27	0.35	0.36	0.06	0.34	0.19
Benefits paid	-	(0.44)	-	(0.15)	(2.65)	(15.74)	(16.31)	(0.23)	(0.61)	(4.14)
Actuarial (gain) / loss on obligations*	0.14	(0.11)	(0.08)	0.99	2.59	(18.41)	(36.68)	(5.37)	(2.17)	0.18
Effect of change in financial assumptions (gains)/ losses	0.05	0.04	0.02	0.01	-	(0.14)	(0.13)	(0.05)	(0.00)	-
Effect of experience adjustments (gains)/ losses	0.09	(0.15)	(0.10)	0.98	-	(18.27)	(36.55)	(5.32)	(2.17)	-
Present value of obligation as at the year end	3.29	2.49	2.05	2.11	0.84	2.55	2.45	1.82	0.69	0.58

\* Other Comprehensive Income of Rs.-0.14 Lakhs pertains to remeasurements of the defined benefit plan.

Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	As at March 31, 2019					As at March 31, 2018				
	Employees Gratuity Fund	Leave Encashment	Sick leave	Leave Travel Concession	Medical	Employees Gratuity Fund	Leave Encashment	Sick leave	Leave Travel Concession	Medical
Present value of obligation as at the year end	3.29	2.49	2.05	2.11	0.84	2.55	2.45	1.82	0.69	0.58
Fair value of plan assets as at the year end	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit)	3.29	2.49	2.05	2.11	0.84	2.55	2.45	1.82	0.69	0.58
Unfunded net asset/ (liability) recognised in balance sheet	3.29	2.49	2.05	2.11	0.84	2.55	2.45	1.82	0.69	0.58

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Classified as Long Term	3.19	2.42	1.78	1.56	0.56	2.47	2.38	1.65	0.33	0.39
Classified as Short Term	0.10	0.07	0.27	0.55	0.28	0.08	0.07	0.17	0.36	0.19
<b>Total</b>	<b>3.29</b>	<b>2.49</b>	<b>2.05</b>	<b>2.11</b>	<b>0.84</b>	<b>2.55</b>	<b>2.45</b>	<b>1.82</b>	<b>0.69</b>	<b>0.58</b>

Expenses recognised in the statement of profit & loss

Particulars	For the year ended March 31, 2019					For the year ended March 31, 2018				
	Employees Gratuity Fund *	Leave Encashment **	Sick leave **	Leave Travel Concession **	Medical **	Employees Gratuity Fund *	Leave Encashment **	Sick leave **	Leave Travel Concession **	Medical **
Current service cost	0.40	0.40	0.17	0.53	0.27	0.35	0.36	0.06	0.34	0.19
Interest cost	0.20	0.19	0.14	0.05	0.05	2.54	3.84	0.51	0.22	0.30
Net actuarial (gain)/ loss recognised during the year										
Effect of change in financial assumptions (gains)/ losses	-	0.04	0.02	0.01	-	-	(0.13)	(0.05)	(0.00)	-
Effect of experience adjustments (gains)/ losses	-	(0.15)	(0.10)	0.98	2.59	-	(36.55)	(5.32)	(2.17)	0.18
<b>Total expense recognised in statement of profit and loss</b>	<b>0.60</b>	<b>0.48</b>	<b>0.23</b>	<b>1.57</b>	<b>2.91</b>	<b>2.89</b>	<b>(32.48)</b>	<b>(4.80)</b>	<b>(1.61)</b>	<b>0.67</b>

\* Included in "Gratuity" in note no. 28 - Employee benefit expenses

\*\* Included in "Salary, Allowances & Other Employee Benefits" in note no. 28 - Employee benefit expenses

Expected contribution on account of Gratuity and Provident Fund for the year ending March 31, 2019 can not be ascertained at this stage.

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	As at March 31, 2019					As at March 31, 2018				
	Employees Gratuity Fund *	Leave Encashment	Sick leave	Leave Travel Concession *	Medical	Employees Gratuity Fund *	Leave Encashment	Sick leave	Leave Travel Concession *	Medical
Discount rate is 100 basis points higher	(0.40)	(0.30)	(0.11)	-	-	(0.32)	(0.30)	(0.06)	-	-
Discount rate is 100 basis points lower	0.47	0.36	0.13	-	-	0.38	0.36	0.07	-	-
Expected salary growth increases by 1%	0.48	0.33	0.13	2.23	0.84	0.38	0.36	0.14	0.70	0.58
Expected salary growth decreases by 1%	(0.41)	(0.30)	(0.12)	(2.00)	(0.84)	(0.33)	(0.31)	(0.13)	(0.68)	(0.58)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

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**38. Financial Instruments**

**(1) Capital management**

The company reviews the capital structure as and when need arises. As part of this review, the cost of capital and the risks associated with each class of capital are considered. Based on this, the Company determines the amount of capital required for annual and long-term operating plans. The funding requirements are met through equity and short term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company. The company isn't subject to any externally imposed capital requirements.

The Company is relying on the support of its holding company for meeting the long-term and short-term goals obligations. Further, the Company has already evaluated various business prospects based on which Management is of the view that there is no doubt about the viability of the Company and the Company will be in a good condition in the coming years without doubting its ability to continue as a going concern.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt long-term and short-term borrowings including interest accrued as reduced by cash and cash equivalents.

**38.1(i) Gearing ratio**

The gearing ratio as at the end of the reporting period was as follows:

	As at March 31, 2019	As at March 31, 2018
Debt	5,547.95	5,263.66
Cash and bank balances	<u>(1,350.26)</u>	<u>(13.39)</u>
Net debt	4,197.69	5,250.27
Equity	<u>(1,304.38)</u>	<u>(1,810.40)</u>
Net debt to equity ratio	-322%	-290%

**(ii) Categories of financial instruments**

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Financial assets carried at amortized cost*</b>		
Cash and bank balances	1,350.26	13.39
Trade receivables	160.01	163.40
Loans		0.07
Other financial assets	54.08	51.70
<b>Financial liabilities carried at amortized cost*</b>		
Trade payables	9.22	15.41
Borrowings	5,547.95	5,263.66
Other financial liabilities	341.83	337.08

\* There are no financial assets or financial liabilities carried at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) during FY 17-18 and 18-19.

**(iii) Financial risk management objectives**

The financial risks relating to the operations of the Company are managed by analyzing exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Further, there has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured. However company's exposure to the market risk does not arises in respect of the following:

- a) The company is not subject to transactions denominated in foreign currencies;
- b) The Company has availed borrowings at a fixed rate of interest from its holding company;
- c) The company does not hold any investments.

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(iv) Credit risk management

To tackle the credit default, Company has now adopted a policy of supplying material/ services against advance payment or against Bank guarantee. The Company has filed the legal cases in respect of some of the customers and expects a favourable outcome in all of the legal cases.

Company has bank balances held with a reputed and creditworthy banking institution resulting to limited credit risk from the counterparties.

(v) Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2019;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 3rd to 5th year	Due after 5th year	Total contracted cash flows
<b>Financial Liabilities</b>							
Borrowings and interest there	5,547.95	5,770.20	-	-	-	-	5,770.20
Trade payables	9.22	9.22	-	-	-	-	9.22
Other financial liabilities	341.83	341.83	-	-	-	-	341.83

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2018;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 3rd to 5th year	Due after 5th year	Total contracted cash flows
<b>Financial Liabilities</b>							
Borrowings and interest there	5,263.66	5,482.48	-	-	-	-	5,482.48
Trade payables	15.41	15.41	-	-	-	-	15.41
Other financial liabilities	337.08	337.08	-	-	-	-	337.08

The table below provides details regarding the contractual maturities of financial liabilities including estimated interest payments as at March 31, 2017;

Particulars	Carrying amount	Due in 1st year	Due in 2nd year	Due in 3rd year	Due in 3rd to 5th year	Due after 5th year	Total contracted cash flows
<b>Financial Liabilities</b>							
Borrowings and interest there	4,922.81	5,228.32	-	-	-	-	5,228.32
Trade payables	15.56	15.56	-	-	-	-	15.56
Other financial liabilities	195.34	195.34	-	-	-	-	195.34

The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets.

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31 March 2019;

Particulars	Carrying amount	upto 1 year	1-2 year	2-3 year	3-5 year	More than 5 year	Total Contracted Cash flows
Trade receivables	160.01	160.01	-	-	-	-	160.01
Loans	-	-	-	-	-	-	-
Current assets	-	-	-	-	-	-	-
Non-current assets	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Current assets	8.28	8.28	-	-	-	-	8.28
Non-current assets	45.80	-	-	-	-	54.78	54.78

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31 March 2018:

Particulars	Carrying amount	upto 1 year	1-2 year	2-3 year	3-5 year	More than 5 year	Total Contracted Cash flows
Trade receivables	163.40	163.40	-	-	-	-	163.40
Loans	-	-	-	-	-	-	-
Current assets	0.07	0.07	-	-	-	-	0.07
Non-current assets	-	-	-	-	-	-	-
Other financial assets	-	-	-	-	-	-	-
Current assets	6.20	6.20	-	-	-	-	6.20
Non-current assets	45.50	-	-	-	-	54.78	54.78

The table below provides details regarding the contractual maturities of financial assets including estimated interest receipts as at 31 March 2017:

Particulars	Carrying amount	upto 1 year	1-2 year	2-3 year	3-5 year	More than 5 year	Total Contracted Cash flows
Trade receivables	166.49	166.49	-	-	-	-	166.49
Loans	-	-	-	-	-	-	-
Current assets	5.25	5.87	-	-	-	-	5.87
Non-current assets	9.60	-	3.88	3.46	3.27	-	10.61
Other financial assets	-	-	-	-	-	-	-
Current assets	6.40	6.40	-	-	-	-	6.40
Non-current assets	45.24	-	-	-	-	54.78	54.78

(vi) Financing facilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Unsecured loan facilities from related party amount used	3,753.00	3,695.00
amount unused	47.00	105.00
Total	<u>3,800.00</u>	<u>3,800.00</u>

(vii) Fair value measurements

No financial assets and financial liabilities of the company are measured at fair value at the end of the reporting period.

(viii) Fair value of financial assets and financial liabilities that are not measured at fair value (but fair value disclosures are required)

Particulars	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Trade receivables*	Level 2	160.01	160.01	163.40	163.40
Loans					
Current assets*	Level 2	-	-	0.07	0.07
Non-current assets	Level 2	-	-	-	-
Other financial assets					
Current assets*	Level 2	8.28	8.28	6.20	6.20
Non-current assets	Level 2	45.80	45.80	45.50	45.50
<b>Financial Liabilities</b>					
<b>Current Liabilities*</b>					
Borrowings					
Including interest accrued	Level 2	5,547.95	5,547.95	5,263.66	5,263.66
Trade payables	Level 2	9.22	9.22	15.41	15.41
Other financial liabilities	Level 2	341.83	341.83	337.08	337.08

The fair values of the financial assets and financial liabilities included in the level 2 categories above have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

\* there is no significant change in the fair value of these current financial assets and current financial liabilities, therefore fair value is equal to its carrying value.

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39. Operating lease arrangements

a) As a lessee

Leasing arrangements

The Company has entered into operating leases arrangements for office premises and accommodation provided to staffs with different lease terms that varies from case to case. The company does not have an option to purchase the leased land at the expiry of the lease periods. The Company does not have any non-cancellable operating lease as on the each reporting date.

Payments recognised as an expense

Particulars	Year ended March 31, 2019			Year ended March 31, 2018		
	Office Premises	Accomodation provided to staff	Total	Office Premises	Accomodation provided to staff	Total
Minimum lease payments	18.59	-	18.59	19.01	-	19.01

**Fresh & Healthy Enterprises Limited**  
**Notes forming part of the financial statements**  
**(All amounts are in ₹ lakhs unless otherwise stated)**

**40. Statement of Transactions with related parties**

**Holding Company**  
 Container Corporation of India Limited

**Fellow subsidiary**  
 CONCOR Air Limited

**Part Time Directors**  
 Sh. V Kalyana Rama, Chairman  
 Sh. Rahul Mithal, Director  
 Sh. Sanjay Swarup, Director  
 Smt. Sangeeta Ramrakhyani, Director (w.e.f. 23.01.2018)

**Independent Directors**  
 Sh. Sanjeev S. Shah (ceased to be Independent Director w.e.f. 01.04.2019)

**Key Management Personnel**  
 Sh. Mohan Lal Arora, CEO  
 Sh. Umesh K. Behl, CFO  
 Ms. Suman Lata, Company Secretary

The following table summarizes related-party transactions and balances with the holding company for the year ended and as on reporting date:

**Transactions during the year**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Unsecured loan taken	58.00	175.00
Unsecured loan refunded	-	70.00
Unsecured loan converted into equity	-	-
Interest on loan	-	-
Interest Paid	246.78	295.92
TDS deducted on interest on loan	-	30.48
Lease rental of plastic bins	24.68	29.59
Lease rental of plastic bins paid	-	-
TDS deducted on lease rental	-	-
Sale of damaged CONCOR Bins	-	-
Payment of CONCOR Bins (recovered from customers)	-	-
Administrative expenses (Advertisement)	-	-
Travelling expenses	0.60	-
Boarding & Lodging	-	0.66
Regional provident fund commissioner	-	0.08
Reimbursement (salary, perks & Allowances)	-	0.50
TDS on Reimbursement of salary by CONCOR	0.28	71.20
Loans, advances & interest recovered (Employees)	-	6.62
	-	13.31

**Balances at the year end**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Other payables	28.42	28.42
Other payables for lease rent of plastic bins	50.92	50.92
Loans payables	3,753.00	3,695.00
Interest accrued on loans	1,790.76	1,568.66
Administrative expenses (Advertisement)	0.60	-

There are no transactions and balances outstanding with KMPs.

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#### 40.1 Loans from related parties

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Unsecured</b>		
Loans from Container Corporation of India Limited	3,753.00	3,695.00
Interest accrued on loans	1,790.76	1,568.66

The Company has taken working capital loan from its holding company Container Corporation of India (Concor) at the following terms: .

Particulars	Amount	Rate of Interest	Repayable
<b>As at March 31, 2019</b>			
Loan tranche 2	3,000.00	6.58%	Bullet repayment by the end of next year*
Loan tranche 3	190.00	6.58%	
Loan tranche 4	450.00	6.58%	
Loan tranche 5	113.00	6.58%	
<b>As at March 31, 2018</b>			
Loan tranche 2	3,000.00	8.51% (6.58% w.e.f Jan 1, 2018)	Bullet repayment by the end of next year*
Loan tranche 3	190.00	8.51% (6.58% w.e.f Jan 1, 2018)	
Loan tranche 4	450.00	8.51% (6.58% w.e.f Jan 1, 2018)	
Loan tranche 5	125.00	8.51% (6.58% w.e.f Jan 1, 2018)	Out of Rs.1.25 Cr. an amount of Rs.0.70 Lakhs has been refunded
<b>As at March 31, 2017</b>			
Loan tranche 2	3,000.00	9.74% (8.51% w.e.f October 1, 2015)	Bullet repayment by the end of next year*
Loan tranche 3	190.00	8.51%	
Loan tranche 4	400.00	8.51%	
<b>As at March 31, 2016</b>			
Loan tranche 2	3,000.00	9.74%	Bullet repayment by the end of next year*
Loan tranche 3	145.00	8.51%	
<b>As at March 31, 2015</b>			
Loan tranche 1	932.67	9.74%	Bullet repayment by the end of next year*
Loan tranche 2	3,357.10	9.31%	

\* As per the contractual terms, loans from related party are payable by the end of next year. However, company takes approval from related party from the due date for deferment of these loan generally for the period of further one year.

40.2 Sitting fees paid to independent directors for the year is Rs.3.20 lakhs (previous year Rs.4.40 Lakhs)

#### 40.3 Compensation of key management personnel (Ms. Suman Lata) \*:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Short-term benefits</b>		
Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	-	5.46
Value of perquisites under section 17(2) of the Income tax Act, 1961	-	0.00
<b>Post-employment benefits</b>		
Other long-term benefits	-	-
Share-based payments	-	-
Termination benefits	-	-
	-	5.46

\* Compensation to Ms. Suman Lata, key management personnel paid by the holding company.

\* Compensation to other key management personnel (i.e. CEO & CFO) are paid by the holding company

#### 40.4 Terms and conditions

All the transactions were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash. No guarantees have been given or received. No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related party.

Fresh & Healthy Enterprises Limited  
Notes forming part of the financial statements  
(All amounts are in ₹ lakhs unless otherwise stated)

41. Contingent liabilities and contingent assets

	As at March 31, 2019 <u>2.00</u>	As at March 31, 2018 <u>2.00</u>
a. Bank Guarantees not provided for		
b. Carrots were stored by M/s GAPL in FHEL's facility. M/s GAPL disputed the rental and requested for arbitration. FHEL approached arbitrator to recover rental charge and handling charge of Rs.87,16,956/- and M/s GAPL approached Arbitrator for claim of Rs.4,58,84,497/- on quality issues. Arbitrator awarded Rs.87,16,956/- in favour of FHEL and Rs.80,44,961/- in favour of M/s GAPL. Both approached Hon'ble High Court and filed appeal against the Arbitrator award. The case is pending in High Court, Delhi.		
c. A Claim of Rs.53,46,837/- against FHEL has been filed by the Growers of Shimla area which is under arbitration proceeding. A counter claim of Rs.1,68,98,043/- has also been filed by the Company.		
d. M/s Pulkit Industries have invoked arbitration clause for 2 tenders. The claim amount is Rs. 18.81 lakhs plus interest. The arbitration has awarded in favour of M/s Pulkit Industries which has been challenged by FHEL and the matter has been pending with Patiala House Court.		
e. M/s J. Papyrus Packaging Pvt. Ltd. has filed an execution petition as per the arbitration award of Rs.8,78,007/- . FHEL has challenged the award and also the execution petition at Sonipat Court.		
f) Manish Packers have file a recovery suit against FHEL in Sonipat Courts for Rs.1,37,043/- and legal proceedings are going on.		

No contingent assets and contingent gains are probable to the company.

42. Details of expenditure and earnings in foreign currency:

	For the Year ended March 31, 2019 <u>-</u>	For the Year ended March 31, 2018 <u>-</u>
Expenditure in foreign exchange		
Expenditure in foreign exchange		

43. Additional information required as per schedule III of companies Act 2013 regarding purchase, sale and stock of main items:

Item	Opening	Purchased	Sold	Consumed*	Closing
Fruits*	Qty (Kgs.) C/Y	-	-	-	-
	Qty (Kgs.) P/Y	-	-	-	-
	Amount (in Rs.) C/Y	-	-	-	-
	Amount (in Rs.) P/Y	-	-	-	-
Packing Material**	Qty (No.) C/Y	627,702	-	31,040	596,662
	Qty (No.) P/Y	640,305	-	12,603	627,702
	Amount (in Rs.) C/Y	2,594,320	-	308,679	2,285,641
	Amount (in Rs.) P/Y	4,374,404	-	123,854	1,656,230

\*\* Consumption includes recycled and used for packing and loss due to valuation.

44. Auditors Remuneration

Particulars	For the Year ended March 31, 2019 <u>1.08</u>	For the Year ended March 31, 2018 <u>1.08</u>
Statutory audit		
Tax audit		
Total		

Note : The above amount are exclusive of service tax/GST

45. The Particulars of dues to Micro, Small and Medium Enterprises under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act")

Particulars	2018-19 <u>9.03</u>	2017-18 <u>-</u>
Principal amount due to suppliers under MSMED Act at the year end.		
Interest accrued and due to suppliers under MSMED Act on the above amount, unpaid at the year end.		
Payment made to suppliers (other than interest) beyond the appointed date during the year.		

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Interest paid to suppliers under section 16 of MSMED Act during the year.

Interest due and payable to suppliers under MSMED Act for payments already made.

Interest accrued and not paid to suppliers under MSMED Act up to the year end.

9.03

Note: The above information has been disclosed in respect of parties which have been identified on the basis of the information available with the Company.

46. Pending issuance of Notification u/s 441A of Companies Act, 1956 and as no provisions on the matter are stated in the companies act, 2013, no provision has been made towards Cess on turnover.

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

48. Insurance Claims of Rs. 5.54 lakhs for transit accident of apple loaded trucks is pending with National insurance Company.

49. 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 Indian Accounting Standard 36.

50. During the year, provision for current tax is not made as the Company has brought forward losses and unabsorbed depreciation amounting to 125.81 crore upto A/Y 2018-19 (as at March 31, 2018: Rs.131.21 crore upto A/Y 2017-18) in accordance with the provisions of the Income Tax Act, 1961.

51. During the year the Company had no employee drawing remuneration equal to or more than the limits prescribed under the Companies Act, 2013 and the rules made there under.

52. An amount of Rs. 6.16 lakhs is appearing in Income Tax/TDS portal against the company TAN No. as payable on account of short deduction. However, in the opinion of the management, no amount is payable for F.Y. 2007-08 of Rs.2.60 Lakhs and for balance provision has been made in F.Y. 2017-18.

53. A business plan has been approved for re-engineering of the facility at Rai, Sonapat in two phases i.e. Phase I for modification of existing facility at a cost of Rs.13.45 Crore to cater the specific requirements of the clients based on detailed market analysis and projected business volumes and Phase II with an investment of Rs.30.86 Crore for building 2000MT of Deep Freeze facilities and 3000sq. mtrs of Ancillary High Rise storage as a feeder facility for existing facility.

CONCOR has made equity infusion of Rs.13.45 Crore towards implementation of Phase I by subscription of Rights issue of 1,34,50,000 equity shares of Rs.10/- each.

*Amit Maheshwari*

CA Amit Maheshwari

Partner

M.No. 538665

Date: 24.04.2019

Place: New Delhi

*V. Kalyana Rama*  
V. Kalyana Rama  
Chairman

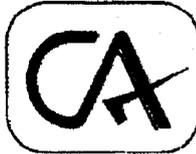
*Suman Lata*  
Suman Lata  
Company Secretary

*Rahul Mithal*  
Rahul Mithal  
Director

*Umesh K. Behl*  
Umesh K. Behl  
Chief Finance Officer

*M.L. Arora*  
M.L. Arora  
CEO

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**INDEPENDENT AUDITOR'S REPORT**

**TO**

**THE MEMBERS OF**

**M/s FRESH & HEALTHY ENTERPRISES LIMITED**

**Report on the Audit of Standalone Ind AS Financial Statements**

**1. Opinion**

We have audited the accompanying Standalone financial statements of **M/s. FRESH & HEALTHY ENTERPRISES LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 "Act" in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**3. Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in the



context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the circumstances and facts of the company and the audit, we have determined that there are no key matters to communicate in our report.

**4. Responsibility of Management and those charge with governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

**5. Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and

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# **Anil Ashok & Associates**

**Chartered Accountants**



4117, 1<sup>st</sup> Floor,

Naya Bazar, Delhi-110006

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Fax : 011-23911438

E-mail : roc.anilashok@gmail.com

obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matter we communicated with those charged with governance, we determine those matters that were significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe those matters in our audit's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our audit report



because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 6. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
- ii) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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, the Statement of Profit and Loss, the statement of Cash Flow and the statement of change in equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the company has accumulated losses and its net worth has been substantially/fully eroded. The Company has incurred a net Loss / net Cash loss during the current year and previous year(s) and, the Company current liabilities exceeded its current assets as at the balance sheet date.  
However, the company has a re-engineering plan which is expected to result reasonable profits in future years.
  - (e) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 8 to the Standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- iii) As required by section 143(5) of the act, we give in the "Annexure C", a statement on the matters specified in the Directions issued by The Comptroller and Auditor General of India, and in our opinion, no action is required to be taken thereon and there is no impact on accounts and the financial statements of the company.

#### 7. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements.

Note 8 to the financial statement in respect of sundry debtors there is uncertainty related to the outcome of the lawsuit filed against various sundry debtors.

Our opinion is not modified in respect of these matters.

For Anil Ashok & Associates  
Chartered Accountants  
FRN:005177N

*Amit Maheshwari*

(CA Amit Maheshwari)

Partner

M. No. : 538665

Place: New Delhi  
Date: 24<sup>th</sup> April 2019



**Annexure "A" to the Auditor's Report of Fresh and Healthy Enterprises Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Fresh and Healthy Enterprises Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable

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assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

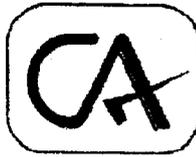
For Anil Ashok & Associates  
Chartered Accountants  
FRN:005177N

*Amit Maheshwari*

(CA Amit Maheshwari)  
Partner

M. No. : 538665

Place: New Delhi  
Date: 24<sup>th</sup> April 2019



The Annexure-B referred to in paragraph 6(i) of Our Report of even date to the members of FRESH & HEALTHY ENTERPRISES LIMITED on the Standalone Ind AS financial statements of the company for the year ended 31<sup>st</sup> March, 2019.

We report that:

1. A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification during the year.
  - (c) The title deeds of immovable properties, which are held in the name of company as at the balance sheet date, are held in the name of company.
2. (a) As explained to us, Inventory has been physically verified by the management as at 31 March 2019.
  - (b) In our opinion and according to the information and explanations given to us, 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.
  - (c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. The company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of Companies Act, 2013.
5. The Company has not accepted any deposits from the public as defined in section 73 and 76 of the Companies Act 2013
6. The company is not required to maintain cost records under subsection (1) of Section 148 of the Act.
7. (a) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods & Service tax, Provident Fund, Employees State



Insurance, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

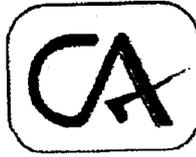
(b) According to the information and explanations given to us, there are no dues of Income tax or Sales Tax or Goods & Service tax or duties of excise or value added tax or cess and other material statutory dues which have not been deposited by the Company on account of any disputes.

(c) There was no amount which was due for transfer to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. In our opinion and according to the information and explanation given to us the Company has not defaulted in the repayment of loans or borrowings to the financial institutions, banks and Government and dues to debenture holders.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instrument ) and Term loans during the year hence clause 9 of CARO 2016 is not applicable.
10. According to the information and explanations given to us, no fraud on or by the Company by its officer or employees has been noticed or reported during the year.
11. No Managerial remuneration has been paid during the year in contravention to the provision of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company, Consequently , requirements of clause (xii) of paragraph 3 of the CARO 2016 are not applicable.
13. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc. as required by the applicable accounting Standards.
14. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review, consequently, requirements of clause (xiv) of paragraph 3 of the CARO 2016 are not applicable.

AK

**Anil Ashok & Associates**  
Chartered Accountants



4117, 1<sup>st</sup> Floor,  
Naya Bazar, Delhi-110006  
Phone : 011-23962062, 23923496  
Fax : 011-23911438  
E-mail : roc.anilashok@gmail.com

15. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under Section 451A of the Reserve Bank of India Act, 1934.

For Anil Ashok & Associates  
Chartered Accountants  
FRN:005177N

*Amit Maheshwari*  
(CA Amit Maheshwari)  
Partner  
M. No. : 538665

Place: New Delhi  
Date: 24<sup>th</sup> April 2019



**Annexure "C" to the Auditor's Report of Fresh and Healthy Enterprises Limited**  
**Report as per Sub direction u/s 143(5) of the Companies Act, 2013**  
(In Pursuance of the direction from the year 2018-19 onwards)

S.No.	Directions	Remarks
1	Whether the company has system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The company has system in place to process accounting transactions through IT system. The operational entries of the company like revenue, customer ledger accounts etc., have been recorded in Tally ERP.9. The payments and company accounts are maintained in Tally ERP.9. The income generated through Commercial software is transferred to accounting software through separate entries at monthly intervals. However, the company has adequate internal control and audit systems to verify correctness of the entries collated and posted Tally ERP.9.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes the financial impact may be stated.	Based on the information and explanation furnished to us by the Management, there were no such restructuring of loans or waivers/write off of debts/loans/interest etc made by the company during the financial year 2018-19.
3	Whether fund received /receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its return and conditions? List the case of deviation.	Based on the information and explanation furnished to us by the Management, there were no such funds received/receivable towards any specific schemes from Central/State Agencies during the financial year 2018-19.

For Anil Ashok & Associates  
Chartered Accountants  
FRN:005177N

*Amit Maheshwari*

(CA Amit Maheshwari)  
Partner

M. No. : 538665

Place: New Delhi  
Date: 24<sup>th</sup> April 2019



**REVISED INDEPENDENT AUDITOR'S REPORT**

**TO**

**THE MEMBERS OF**

**M/s FRESH & HEALTHY ENTERPRISES LIMITED**

**Report on the Audit of Standalone Ind AS Financial Statements**

**1. Opinion**

We have audited the accompanying Standalone financial statements of M/s. **FRESH & HEALTHY ENTERPRISES LIMITED** ("the Company") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

This report, revised consequent upon observation of Comptroller of Auditor General of India during the course of audit u/s 139(5) of the Companies Act 2013 ("the Act") for the period from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019, supersedes our earlier report dated 24<sup>th</sup> April, 2019 u/s 143 of Companies Act, 2013.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 "Act" in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 of the act read with the companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and the other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, changes in equity and its cash flows for the year ended on that date.

**2. Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. Those matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Based on the circumstances and facts of the company and the audit, we have determined that there are no key matters to communicate in our report.

### 4. Responsibility of Management and those charge with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act.

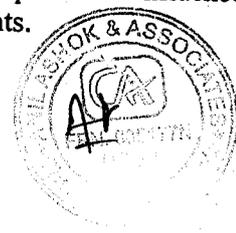
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate **internal financial controls**, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

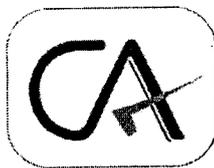
In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process

### 5. Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



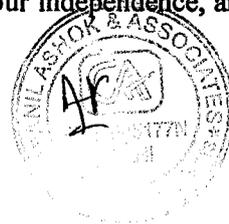


As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





From the matter we communicated with those charged with governance, we determine those matters that were significance in the audit of standalone financial statements of the current period and are therefore the key audit matters. We describe those matters in our audit's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 6. Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraph 3 and 4 of the Order to the extent applicable.
- ii) As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and 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, the Statement of Profit and Loss, the statement of Cash Flow and the statement of change in equity dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the company has accumulated losses and its net worth has been substantially/fully eroded. The Company has incurred a net Loss / net Cash loss during the current year and previous year(s) and, the Company current liabilities exceeded its current assets as at the balance sheet date.  
However, the company has a re-engineering plan which is expected to result reasonable profits in future years.
  - (e) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".





(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 8 to the Standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There was no amount required to be transferred to the Investor Education and Protection Fund by the Company.
- iii) As required by section 143(5) of the act, we give in the "Annexure C", a statement on the matters specified in the Directions issued by The Comptroller and Auditor General of India, and in our opinion, no action is required to be taken thereon and there is no impact on accounts and the financial statements of the company.

## 7. Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements.

Note 8 to the financial statement in respect of sundry debtors there is uncertainty related to the outcome of the lawsuit filed against various sundry debtors.

Our opinion is not modified in respect of these matters.

For Anil Ashok & Associates  
Chartered Accountants

FRN:005177N

*Amit Maheshwari*

(CA Amit Maheshwari)  
Partner

M. No. : 538665

Place: New Delhi  
Date: 12<sup>th</sup> July 2019



**Annexure "A" to the Auditor's Report of Fresh and Healthy Enterprises Limited**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Fresh and Healthy Enterprises Limited** ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable





assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi  
Date: 12<sup>th</sup> July 2019

For Anil Ashok & Associates  
Chartered Accountants

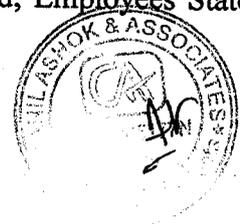
FRN/005377N  
  
(CA Amit Maheshwari)  
Partner  
M. No. : 538665



The Annexure-B referred to in paragraph 6(i) of Our Report of even date to the members of **FRESH & HEALTHY ENTERPRISES LIMITED** on the Standalone Ind AS financial statements of the company for the year ended 31<sup>st</sup> March, 2019.

We report that:

1. A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification during the year.  
  
(c) The title deeds of immovable properties, which are held in the name of company as at the balance sheet date, are held in the name of company.
2. (a) As explained to us, Inventory has been physically verified by the management as at 31 March 2019.  
  
(b) In our opinion and according to the information and explanations given to us, 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.  
  
(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. The company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of Companies Act, 2013.
5. The Company has not accepted any deposits from the public as defined in section 73 and 76 of the Companies Act 2013
6. The company is not required to maintain cost records under subsection (1) of Section 148 of the Act.
7. (a) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Goods & Service tax, Provident Fund, Employees State





Insurance, and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax or Sales Tax or Goods & Service tax or duties of excise or value added tax or cess and other material statutory dues which have not been deposited by the Company on account of any disputes.

(c) There was no amount which was due for transfer to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.

8. In our opinion and according to the information and explanation given to us the Company has not defaulted in the repayment of loans or borrowings to the financial institutions, banks and Government and dues to debenture holders.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instrument) and Term loans during the year hence clause 9 of CARO 2016 is not applicable.
10. According to the information and explanations given to us, no fraud on or by the Company by its officer or employees has been noticed or reported during the year.
11. No Managerial remuneration has been paid during the year in contravention to the provision of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company, Consequently, requirements of clause (xii) of paragraph 3 of the CARO 2016 are not applicable.
13. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Standalone Ind AS Financial Statements etc. as required by the applicable accounting Standards.
14. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review, consequently, requirements of clause (xiv) of paragraph 3 of the CARO 2016 are not applicable.



# Anil Ashok & Associates

Chartered Accountants



4117, 1<sup>st</sup> Floor,

Naya Bazar, Delhi-110006

Phone : 011-23962062, 23923496

Fax : 011-23911438

E-mail : roc.anilashok@gmail.com

15. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not entered into any non cash transactions with directors or persons connected with him.
16. To the best of our knowledge and belief and according to the information and explanations given to us, the Company is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934.

Place: New Delhi  
Date: 12<sup>th</sup> July 2019

For Anil Ashok & Associates  
Chartered Accountants

FRN: 005177N

*Amit Maheshwari*

(CA Amit Maheshwari)

Partner

M. No. : 538665



**Annexure "C" to the Auditor's Report of Fresh and Healthy Enterprises Limited**  
**Report as per Sub direction u/s 143(5) of the Companies Act, 2013**  
(In Pursuance of the direction from the year 2018-19 onwards)

S.No.	Directions	Remarks
1	Whether the company has system in place to process all the accounting transactions through IT system? If Yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any may be stated.	The company has system in place to process accounting transactions through IT system. The operational entries of the company like revenue, customer ledger accounts etc., have been recorded in Tally ERP.9. The payments and company accounts are maintained in Tally ERP.9. The income generated through Commercial software is transferred to accounting software through separate entries at monthly intervals. However, the company has adequate internal control and audit systems to verify correctness of the entries collated and posted Tally ERP.9.
2	Whether there is any restructuring of an existing loan or cases of waiver/write off debts/loans/interest etc. made by a lender to the company due to company's inability to repay the loan? If yes the financial impact may be stated.	Yes, Based on the information and explanation furnished to us by the Management, there were restructuring /deferral of repayment of principal amount of loan of Rs.3753.00 Lacs & interest of Rs.1790.76 Lacs respectively.
3	Whether fund received /receivable for specific schemes from Central/State agencies were properly accounted for/ utilized as per its return and conditions? List the case of deviation.	Based on the information and explanation furnished to us by the Management, there were no such funds received/ receivable towards any specific schemes from Central/State Agencies during the financial year 2018-19.

Place: New Delhi  
Date: 12<sup>th</sup> July 2019

For Anil Ashok & Associates  
Chartered Accountants

FRN/0051790  
Anil Maheshwari  
(CA Amit Maheshwari)  
Partner  
M. No. : 538665

**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 :  
Name of the Company:

U51909DL2006GOI145734  
Fresh & Healthy Enterprises Ltd  
(A Wholly Owned Subsidiary of  
CONCOR)  
CONCOR Bhawan, C-3, Mathura  
Road, New Delhi – 110076.

Registered Office :

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14<sup>th</sup> Annual General Meeting of the company, to be held on the 27<sup>th</sup> day of August, 2019 at 11 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 :

S. No.	Resolution(s)	Option* (please mention no. of shares)	
		For	Against
1	Adoption of Financial Statements for the year ended as on 31, March, 2019 and report of Board of Directors and Auditors' thereon ( Ordinary resolution)		
2	Re-appointment of Shri V Kalyana Rama as Chairman/ Director ( Ordinary resolution)		
3	To take note of the appointment of M/s. Anil Ashok & Associates, Statutory Auditors, New Delhi and authorization for their remuneration (Ordinary resolution)		

Signed this.....day of..... 2019

Signature of shareholder

Affix Revenue Stamp
------------------------

Signature of Proxy holder(s)

Notes: 1. This form of Proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the details of Resolutions and Notes, please refer to the Notice of 14<sup>th</sup> Annual General Meeting.

\*3. It is optional to indicate your preference. If you leave the column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

4. Please complete all details including details of member(s) before submission.