



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

EIGHTH ANNUAL REPORT
(2012-13)

MISSION AND OBJECTIVES

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

CORPORATE OBJECTIVES

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

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

BOARD OF DIRECTORS

Shri Anil Kumar Gupta
Chairman

Shri Harpreet Singh
Director

Shri Yash Vardhan
Director

Ms. P. Alli Rani
Director & CEO

Dr. A. K. Bandyopadhyay
Director

Lt. Gen. (Retd.) Arvind Mahajan
Director

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

STATUTORY AUDITORS

M/s Gupta Gupta And Associates
New Delhi.

BANKERS

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

REGISTERED OFFICE

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

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

Eighth Annual Report (2012-13)

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FRESH & HEALTHY ENTERPRISES LIMITED

(A Wholly Owned Subsidiary of CONCOR)

Chairman's Address

Dear Shareholders,

I have great pleasure in welcoming you to this Eighth Annual General Meeting of your Company. The Audited Annual Accounts of the Company for the period ended 31st March, 2013, Directors' Report, Auditors' Report along-with the comments of the Comptroller & Auditor General of India, have already been circulated to you and with your permission, I take them as read.

During the financial year 2012-13, Company procured 6,243 MT of Apples from Shimla / Kinnaur districts of Himachal Pradesh, 403 MT of Kinnows, 167 MT of Oranges & 15 MT of Pomegranates and sold 4719 MT (inclusive of opening stock of 2,878 MT) of Apples & other fruits at Delhi, Mumbai, Chennai, Ahmedabad, Hyderabad and other fruit wholesale terminal markets in India on fixed prices.

The Company achieved a turnover of Rs. 38.83 Crore in F/Y 2012-13 against Rs. 39.89 Crore in the previous year, registering a decline of 2.67% appx. The Company suffered Net Loss of Rs. 9.48 Cr. as against Net Loss of Rs. 12.22 Cr. of last year.

The company supplied apples & other fruits to all the big Retail Chains namely Wal-Mart, More, Reliance, Big Bazaar, Mother Dairy, Big Apple etc. In addition a number of buyers from Punjab, Mumbai, Ahmedabad, Bangalore and Chennai directly procured fruit from FHEL. In line with our endeavour nearly 100% of off-season sales were done at fixed rates.

During Diwali, FHEL sold nearly 73 MT of Supreme & AAA quality apples as Gift Packs/boxes valuing Rs. 81 lacs of apples in packing formats of 6, 12 & 20/25 apples. Apart from Apples, FHEL also procured and sold sizeable quantities of Kinnows, Oranges & Pomegranates on trial basis. During off-season, FHEL has given chambers on hire for storage of Rice, Flower Bulbs & Apples.

In terms of MOU targets (2012-13), your company achieved excellent targets in the area of Research & Development (R & D).

In respect of sustainable development, I would like to inform that during the financial year 2012-13, 2,500 trees were planted in FHEL CA Area and Energy units consumed per MT in 2012-13, were 55.40 KWH, as compared to 55.78 KWH in 2011-12. Further, in order to improve the land productivity & efficiency of farmers, training was given to more than 50 growers in the areas of Pre and Post harvest, handling of fruit etc. Fruit was also procured from them on pre-determined rates.

With respect to Corporate Governance, I would like to mention that your Company is following almost all the guidelines issued by Department of Public Enterprises.

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

Thanking you,

Place : NEW DELHI

Date : 18.07.2013

(Anil Kumar Gupta)

Chairman

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FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)
(A Wholly owned subsidiary of CONCOR)

Directors' Report

To the shareholders

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31st March, 2013.

Operations Review

The company procured 6,243 MT of Apples, 403 MT of Kinnows, 167 MT of Oranges & 15 MT of Pomegranates. Apples were primarily procured from Kinnaur & Shimla districts of Himachal Pradesh and in the financial year 2012 – 13 company sold 4639 MT (inclusive of opening stock of 2,878 MT) of apples & other fruits at Delhi, Mumbai, Chennai, Ahmadabad, Hyderabad and other fruit wholesale terminal markets in India on fixed prices.

During, the year under review, the company made significant improvements in operations by ensuring procurement of better quality fruit, quick movement of fruit to Rai, Recycling of packing material, improvement in quality during storage and innovation in sorting/grading/packing of apples. The attempt has been made to supply international quality of domestic origin fruit to consumers.

The open policy of sale to all interested buyers throughout country on pre-determined price was adopted for the first time which has resulted well. The buyers have appreciated the new initiative taken by FHEL as it has given opportunity to them to buy directly from FHEL. Although sale of products on pre-determined fixed price is a bit tough this time due to agents expecting the past practice wherein they had freedom to quote price, it will definitely help in selling larger quantity in coming year at fixed price and prevent losses to FHEL.

Marketing Review

In 2012 - 13 FHEL procured 6,243 MT of Apples, 403 MT of Kinnows, 167 MT of Oranges & 15 MT of Pomegranates. Bulk of the apples procured & stored was sold in the wholesale markets like Delhi, Chennai, Bangalore, Maharashtra etc. In the year 2012 - 13, the best of FHEL apples were sold at par with imported apples.

The company supplied apples & other fruits to all the big Retail Chains namely, Wal-Mart, More, Reliance, Big Bazaar, Mother Dairy, Big Apple, etc. In addition a number of buyers from Punjab, Mumbai, Ahmedabad, Bangalore and Chennai also directly procured fruit from FHEL. In line with our endeavor nearly 100% of off - season sales were done at fixed rates.

During, Diwali FHEL sold nearly 73 MT of Supreme & AAA quality apples as Gift Packs/boxes valuing Rs. 81 lacs of apples in packing formats of 6, 12, & 20/25 apples. Apart from apples FHEL also procured & sold sizable quantities of Kinnows, Oranges & Pomegranates on trial basis. During off-season FHEL has given chambers on hire for storage of Rice, Flower Bulbs & Apples.

FINANCIAL REVIEW

During the year under review, Operating turnover of your Company registered a decline of 2.67% appx., decreasing from Rs. 39.89 Cr. in F/Y 2011-12 to Rs. 38.83 Cr. in F/Y 2012-13. Cost of Sales reduced by 8.33% appx., from Rs. 36.48 Cr. in F/Y 2011-12 to Rs. 33.44 Cr. in F/Y 2012-13. Further, Employee Benefits Expenses, Finance costs and other expenses for F/Y 2012-13 are Rs. 2.03 Cr., Rs. 6.92 Cr. and Rs. 2.59 Cr., respectively. After providing for depreciation & writing off of preliminary expenses amounting to Rs. 3.61 Cr. Rs. 0.12 Cr. respectively the Company suffered Net Loss of Rs. 9.48 Cr. as against Net Loss of Rs. 12.22 Cr. of previous year. The average procurement rate of apple in 2012-13 was Rs. 54.10/- per kg as compared to Rs. 65.69/- per kg. during 2011-12.

CAPITAL STRUCTURE

The Authorized Equity Share Capital of the Company was increased from Rs. 50 Cr. to Rs. 150 Cr. After such increase, Issued, Subscribed and Paid up Equity Share Capital of the Company stands at Rs. 76.33 Cr. CONCOR continues to hold 100% of the Paid up Equity Share Capital of FHEL, during the financial year 2012-13.

SECURED LOANS

During F/Y 2012-13, your Company paid entire outstanding Long-term Loan of Rs. 29.64 Cr. (inclusive of interest accrued & due of Rs. 0.28 Cr.) due to Axis Bank.

In order to meet Working capital requirement for F/Y 2012-13, your Company entered into an arrangement with Yes Bank for sanction of Secured Working Capital Demand Loan & CC Limit of Rs. 30 Cr. & Rs. 20 Cr., respectively. Out of

total Sanctioned Working Capital limit of Rs. 50 Cr., your Company had drawn a sum of Rs 42.95 Cr. during F/Y 2012-13. After repayment of Rs. 4.22 Cr. to Yes Bank, Secured Working Capital limit stood at Rs. 38.73 Cr. on 31st March, 2013.

UNSECURED LOAN

Total outstanding loan due to holding Company (CONCOR) stood at Rs. 48 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12 and interest accrued & due of Rs. 4.86 Cr. Net of TDS) as on 31.03.2013.

CONTROLLED ATMOSPHERE (CA) STORE

In order to increase the shelf life of fruits and vegetables produced in the Country, Company has a Controlled Atmosphere (CA) Store consisting of three units of 4000 MT capacity each at Rai, Sonapat. The facility has been operating successfully during the F/Y 2012-13.

PARTICULARS OF EMPLOYEES

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

HUMAN RESOURCE MANAGEMENT

Human resource is the key asset of FHEL. As on 31.03.2013, the total employee strength of company remained 36 (which includes Regular-28, Deputationist-02, and Contractual-06) employees. All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

INDUSTRIAL RELATIONS

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

RESERVATION POLICY

FHEL has been following the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservation of SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2013, the total employees' strength (excluding deputationist) remained 34 including 05-OBC, 02-SC and 01-ST.

AWARDS

During the year 2012-13, Best Display Award was conferred by Media Today for presentation by Director (Fin)/CONCOR & CEO/FHEL, on the concept of 'Emerging Trends in Cold Chain Development & Bottlenecks to be addressed'.

RESEARCH & DEVELOPMENT

In terms of MOU target for 2012-13 signed between CONCOR & FHEL, your Company has achieved the Excellent Target in respect of following parameters under R & D -:

(i) Innovation in operations – Experiments were conducted in the CA cabinets of the laboratory on the shelf life extension of Tomato, Mashroom, Green Peas, Ginger, Cauliflower, Pomegranate and oranges i.e. 7 nos. as compared to the target of 3 nos. in MOU (2012-13).

(ii) Quality of Storage in the facility - % of readings of CA Storage not within acceptable range are less than 3 (three)%.

SUSTAINABLE DEVELOPMENT

For the purpose of Bio-diversity conservation (afforestation), your Company planted 2500 trees in FHEL CA area.

In respect of Energy conservation, it may be mentioned that units consumed per MT in 2012-13 was 55.40 KWH as compared to 55.78 KWH in 2011-12.

In order to improve the land productivity & efficiency of farmers, training was given to more than 50 growers in the areas of Pre & post harvest, handling of fruit etc. Fruit was also procured from them on pre-determined rates.

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

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

There is no Foreign Exchange earning or outgo during the Financial year 2012-13.

AUDITORS

M/s. Gupta Gupta & Associates, Chartered Accountants, Delhi were appointed as Company's Statutory Auditors for the F/Y 2012-13. Statutory Auditor is paid remuneration of Rs 1,08,000/- plus Service Tax, as fixed by Board of Directors'.

BOARD OF DIRECTORS

The Board met 6 (Six) times for transacting business of the Company during the financial year 2012-13.

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

- (1) Shri Anil Kumar Gupta, CMD, CONCOR & Chairman/FHEL;
- (2) Shri Harpreet Singh, Director (P &S)/CONCOR & Director/FHEL;
- (3) Shri Yash Vardhan, Director (IM & O)/CONCOR & Director/FHEL;
- (4) Ms. P. Alli Rani, Director (Finance)/CONCOR & Director (CEO)/FHEL.
- (5) Lt. Gen. (Retd.) Arvind Mahajan, Director;
- (6) Dr. A. K. Bandyopadhyay, Director.

Shri Naresh Kumar Jawa, CEO/FHEL was relieved from the charge of post of CEO/FHEL w.e.f. 30.11.2012 on account of his resignation from service. Ms. P. Alli Rani, Director (Finance)/CONCOR, is holding the charge of CEO/FHEL till alternative arrangements are made.

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 1956, Shri Anil Kumar Gupta and Dr. A. K. Bandyopadhyay, Directors, are liable to retire by rotation and being eligible, offer themselves for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2013, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2013 on a 'going concern' basis.

CODE OF CONDUCT

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

Based on the affirmation received from Board Members, it is hereby declared that all the members of the Board have affirmed compliance of Code of Conduct for the financial year ended on March 31st, 2013.

CORPORATE GOVERNANCE REPORT

Report on Corporate Governance is enclosed.

CONCLUSION

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

For and on behalf of the Board of Directors

sd/-
(Anil Kumar Gupta)
CHAIRMAN

Place : New Delhi
Date : 24/05/2013

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ADDENDUM TO THE CAG AUDIT REPORT 2012-2013

Reply to the comments of the Comptroller and Auditor General of India under section 619(4) of the companies act, 1956 on the accounts of FHEL for the financial year 2012-2013

Points in C & AG Audit Report	C & AG's Comments	Reply of Management
<p>Balance Sheet Assets Non-Current Assets Tangible Assets (Note No.5) Rs.61,51,91,255.00 Plant & Machinery Rs.33,28,65,178/-</p>	<p>(a)The above includes 'Refrigeration and Electrical Machinery' amounting to Rs. 27,82,97,046/- representing the value of Controlled Atmosphere Plant. In this connection, a reference is invited to Comment no. 2 and Comment no. 1 of C&AG of India under Section 619(4) of Companies Act, 1956 on the accounts of Fresh & Healthy Enterprises Limited, New Delhi for the year 2007-08 and 2008-09 respectively wherein it was pointed out that Controlled Atmosphere Plant, being in the nature of continuous process plant, should be depreciated at the rate of 5.28% (on Straight Line Method) as per requirement of Schedule XIV of Companies Act, 1956 instead of 4.75% (on SLM) applicable to the Plant and Machinery other than Continuous Process Plant.</p> <p>During the year 2012-13 also the Company has provided the depreciation on the Controlled Atmosphere Plant at the rate of 4.75% instead of 5.28%. This has resulted in overstatement of Net Block of Plant and Machinery and Reserve and Surplus by Rs. 1,15,20,330/- each and understatement of 'Depreciation and Amortization Expenses' and Loss for the year by Rs. 20,12,363/- each.</p>	<p>(a) As per Schedule XIV of the Indian Companies Act, 1956, 'continuous process plant' means a plant, which is required and designed to operate 24 hours a day. However in our case all the chambers of CA Store at Rai are not operational on 24X7 basis for the entire financial year. The business being seasonal in nature, most of the equipments work only in season, and also there is no as such shut-down and/or start-up cost involved which is also significant for defining plant as 'continues process plant' as per guidance note issued by ICAI. Thus it cannot be categorized as 'continuous process plant' for which a depreciation rate of 5.28% has been prescribed under SLM method in Schedule XIV of the Indian Companies Act, 1956 and also our plant is not so designed for 24 Hrs.</p>

Points in C & AG Audit Report	C & AG's Comments	Reply of Management
	<p>(b) The above includes Forklifts and its batteries amounting to Rs. 49,26,036 on which depreciation was charged at the rate of 4.75% on Straight Line Method against the rate of 7.07% on Straight Line Method as prescribed in the Schedule XIV of Companies Act, 1956 for 'Electrically operated vehicles including battery powered'. The Provision of Depreciation at the lower rate has resulted in the understatement of 'Depreciation and Amortization Expenses' and Loss for the year by Rs. 1,30,023/- each and overstatement of Net Block of Plant and Machinery and Reserve and Surplus by Rs. 5,25,850/- each.</p>	<p>(b) The company is charging depreciation @ 4.75 % on Fork lift as a part of Plant & Machinery on straight line method (SLM) as per Schedule XIV of the Indian Companies Act, 1956. In view of C&AG's observations, the matter is proposed to be reviewed.</p>

Annexure to the Directors' Report
CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY

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

BOARD OF DIRECTORS

CMD / CONCOR is the ex-officio Part-time Chairman on the Board of FHEL and all other members of Board are nominated by CONCOR, subject to the provisions of Companies Act, 1956 and Govt. guidelines in force.

The Board of Directors of Company presently consists of Six Part-time Directors including a Chairman (Ex-officio) and two Independent Directors, nominated by CONCOR (Holding company).

The Board met Six times for transacting business during the financial year 2012-13 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
38	23 rd April, 2012
39	9 th May, 2012
40	23 rd July, 2012
41	25 th Oct., 2012
42	11 th Dec., 2012
43	28 th Jan., 2013

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

Based on the affirmation received from Board Members, it is hereby declared that all the members of the Board have affirmed compliance of Code of Conduct for the financial year ended March 31st, 2013.

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

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

* Shri Naresh Kumar Jawa, CEO/FHEL was relieved from the charge of post of CEO/FHEL w.e.f. 30.11.2012 on account of his resignation from service. Ms. P. Alli Rani, Director (Finance)/CONCOR, is holding the charge of CEO/FHEL till alternative arrangements are made.

AUDIT COMMITTEE

The Audit Committee comprised -:

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

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

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

The Committee met 5 (Five) times during the financial Year 2012-2013 on 23.04.12, 09.05.12, 23.07.12, 25.10.12, & 28.01.13.

The details of the attendance of the members in the Committee meetings held during F/Y 2012-13 are as under :-

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

Recently, the Committee has been reconstituted comprising of following members -:

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

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

Remuneration Committee & Policy

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

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

The details of sitting fee paid during F/Y 2012-13 to Part-time non-executive (Independent) Directors, for attending meetings of Board of Directors and Committee thereof, are given below -:

S. No.	Name of Directors	Rs. in Lakhs
1.	Lt. Gen. (Retd.) Arvind Mahajan	2.40
2.	Dr. A. K. Bandyopadhyay	0.40^

^ As per his volition.

No Remuneration Committee has been constituted.

SUBSIDIARY COMPANY

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

GENERAL BODY MEETINGS

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

<u>AGM Date</u>	<u>Location</u>	<u>Time</u>
28.08.12	Conference Hall, Container Corporation of India Ltd. CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi – 110076	12:00 Hrs.
20.08.11	-----Do-----	10.30 Hrs.
16.09.10	----- Do-----	15:00 Hrs.

One Special Resolution according consent to Board of directors for issue & allotment of fresh Equity Shares of Rs. 10/- each at premium of Re. 0.03/- per share to CONCOR, was passed during the AGM held on 28.08.2012.

AGM of Current Year

Date	:	18 th July, 2013
Time	:	15:00 Hrs.
Venue	:	Conference Hall, Container Corporation of India Ltd., CONCOR Bhawan, C-3, Mathura Road, Opposite Apollo Hospital, New Delhi – 110076.

DISCLOSURES

- (i) Transactions with related parties as per requirements of Accounting Standard (AS -18) 'Related Party Disclosures' issued by the Institute of Chartered Accountants of India are disclosed in Note -16.
- (ii) There were no instances of penalties / strictures imposed on the Company by any statutory authority (except a minor penalty of Rs. 2,000/- by H. P. VAT during F/Y 2011-12) due to non compliance on any matter related to any guidelines issued by Government during the last three years.
- (iii) In terms of Corporate Governance Guidelines & to adopt best practices therein, the Company has implemented 'Whistle Blower Policy' during the year.
- (iv) Compliance with the requirement of these guidelines are detailed in this report
- (v) 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.
- (vi) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (vii) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.
- (viii) Details of Administrative and office expenses as percentage of total expenses -:

<u>Fin. Year</u>	<u>Admn. & Office Exp.</u> <u>(Rs.in Lakhs)</u>	<u>Total Expenses</u> <u>(Rs. in Lakhs)</u>	<u>Percentage of Admn.</u> <u>& Office Expenses</u> <u>Vis-à-vis Total</u> <u>Expenses</u>
2012-13	258.67	4870.53	5.31%
2011-12	247.42	5269.94	4.69%

RISK MANAGEMENT

With a view to streamline the business model, Consultants have been appointed to review Business Plan of the Company covering Risk factors. The Consultants are expected to submit the plan shortly.

MEANS OF COMMUNICATION

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

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

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

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directorship Held	Details of Other Committee Membership
Shri Anil Kumar Gupta	24.09.1956	16.09.2010	M.A. M. Phil. (Economics), MBA (NMP)	Railway Operations Commercial & Safety related issues. Expertise in Container Terminal Planning and Management & Marketing of Services.	Five@	Nil
Dr. A. K. Bandyopadhyay	11.11.1947	27.06.2011	Master degree in Electronics and Telecommunication Engineering, Ph.d. (Engg.)	Electronic, Telecommunication Engineering & research	Two\$	One \$\$

@ 1. Container Corporation of India Ltd., 2. CONCOR Air Limited 3. CONYK Cartrack Pvt. Limited 4. Gateway Terminals India Pvt. Ltd. 5. SHDCUL CONCOR Infra Co. Ltd.

\$ 1. Container Corporation of India Ltd. 2. RailTel Corporation of India Ltd.

\$\$ 1. RailTel Corporation of India Ltd. – Member, Audit Committee.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments :

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

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

FHEL is one of the first companies who have invested in specialized CA Store for storage of apples. Over the last 4 years many more facilities have come up in the country.

2. Strength & Weakness :

Strengths -:

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

Weaknesses :-

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

3. Opportunity & Threats :

Opportunities :-

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

Threats :-

- (a) Traditional linkages between middlemen & grower, this affects sourcing of fruit in times of shortages.
- (b) Cheap imports or reduction in custom duty.
- (c) Non-availability of Trained Manpower.
- (d) Increasing competition from Private player who have set up CA store in last few years.

4. Segment-wise or Product-wise Performance

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

5. Outlook :

India is a huge country and the market for quality fruit & Vegetables is growing rapidly. India is the second largest producer of Fruits & vegetables in the world and this business is in excess of nearly Rs. 2,00,000 Crores. Out of this more than Rs. 70,000 crore worth of fruit & vegetables perish due to lack of Cold Chain Infrastructure and lack of organized distribution and marketing. Due to the nature of business and perishable nature of the commodity, it is indeed a big challenge to organize it and generate profits. The company has been able to make substantial improvements in the business each year. Our main focus at present is on apples coming from Himachal Pradesh. The growing areas of Himachal Pradesh are dependent on rainfall for crop. Further, there are risks of hail storm during the summer months April – June which effects crop. Otherwise Himachal Pradesh produces apples worth approx Rs.2,000 Crore per annum. The apple from Kinnaur Command premium price and company has a substantial presence in this area. The demand for Shimla & Kinnaur apples is expected to remain good.

6. Risks & Concerns :

- (i) The business is dependent on weather conditions, particularly rainfall. It can be adversely impacted with hail storm during pre-harvest period.
- (ii) Unorganized nature of the trade.
- (iii) Un-economical small farm holdings
- (iv) Competition from Cheaper imports
- (v) Lack of trained manpower
- (vi) Local competition

7. Internal Control Systems and their Adequacy :

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

8. SECURED LOANS

During F/Y 2012-13, your Company paid entire outstanding Long-term Loan of Rs. 29.64 Cr. (inclusive of interest accrued & due of Rs. 0.28 Cr.) due to Axis Bank.

In order to meet Working capital requirement for F/Y 2012-13, your Company entered into an arrangement with Yes Bank for sanction of Secured Working Capital Demand Loan & CC Limit of Rs. 30 Cr. & Rs. 20 Cr., respectively. Out of total Sanctioned Working Capital limit of Rs. 50 Cr., your Company had drawn a sum of Rs 42.95 Cr. during F/Y 2012-13. After repayment of Rs. 4.22 Cr. to Yes Bank, Secured Working Capital limit stood at Rs. 38.73 Cr. on 31st March, 2013.

9. UNSECURED LOAN

Total outstanding loan due to holding Company (CONCOR) stood at Rs. 48 Cr. (inclusive of Rs. 16.64 Cr. for 2008-09, Rs. 11.50 Cr. for 2009-10, Rs. 15 Cr. for 2011-12 and interest accrued & due of Rs. 4.86 Cr. Net of TDS) as on 31.03.2013.

10. Fixed Assets

	(Rs. in Cr.)		
<u>Year Ended March 31</u>	<u>2013</u>	<u>2012</u>	<u>%age Incr.(Decr.)</u>
Original Cost of Assets	81.81	81.77	0.05
Less : Accumulated Dep.	20.29	16.68	21.64
Net Fixed Assets	61.52	65.09	(5.48)

An amount of Rs. 0.04 Cr. was capitalized during the year. The main addition is on account of purchase of plant & machinery.

11. Inventory

	Item	Opening	Purchased	Sold	Consumed*	Closing
Fruits	Qty (Kgs.) C/Y	28,78,406	68,27,576	46,39,104	4,93,203	45,73,675
	Qty (Kgs.) P/Y	9,14,869	71,13,336	50,09,231	1,40,568	28,78,406
	Amount (in Rs.) C/Y	26,16,81,179	35,16,51,302	35,00,29,459	-	40,40,75,462
	Amount (in Rs.) P/Y	4,74,74,162	45,65,80,603	35,31,44,871	-	26,16,81,179
Packing Material	Qty (No.) C/Y	12,56,346	9,75,482	2,72,270	54,299	19,05,259
	Qty (No.) P/Y	7,62,328	8,57,527	2,93,022	70,487	12,56,346
	Amount (in Rs.) C/Y	1,45,66,023	1,99,30,059	93,48,423	39,26,471	2,12,21,188
	Amount (in Rs.) P/Y	1,25,73,700	1,69,28,189	1,01,34,440	48,01,426	1,45,66,023

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

12. Sundry Debtors

Sundry Debtors are 7.08% of operating income of the year.

13. Cash & Bank

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

14. Income

Income from operations has decreased by 2.67% over F/Y 2011-12.

15. Expenses

Cost of Sales has decreased by 8.33% over F/Y 2011-12.

16. Administrative & Other Expenses

The Administrative & other expenses have increased by 4.55% over F/Y 2011-12.

17. Employee Remuneration

The Employee Cost has increased by 9.75% in comparison to last year.

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

Human resource is the key asset of FHEL. As on 31.03.2013, the total employee strength of company remained 36 (which includes Regular-28, Deputationist-02, and Contractual-06) employees. All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

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

As on 31.03.2013, the total employees' strength (excluding deputationist) remained 34 including 05-OBC, 02-SC and 01-ST.

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

Environmental protection and conservation, Technological conservation:

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

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

Measures taken for environmental protection and conservation:

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

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

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

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

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

Foreign Exchange Conservation :

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

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

20. Corporate Social Responsibility

As a step towards attaining social objective, Company has helped orchard owners so as to improve yield with expenditure of more than Rs. 5 lakhs during F/Y 2012-13.

Annexure to Directors' Report

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

A. CONSERVATION OF ENERGY

During the year 2012-13, regular in-house Audits in areas of Refrigeration and Air Conditioning, Compressed Air, Lube Oil Systems, Lighting, Water Balancing, Cooling Water System, were carried out at Controlled Atmosphere (CA) Store, Rai.

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

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

- (a) Energy Saving Screw Compressors and Chillers have been installed and used for refrigeration of CA Store, Processing Area Air Conditioning and Office building. Also, Variable frequency drives (VFDs) have been used for Refrigeration compressors, Cooling coil fan motors (312 motors), Air cooling unit fan motors for Air-conditioning (51 motors), Cooling tower fan motors (6 motors), Carbon dioxide scrubbers (12 motors).
- (b) Cooling towers and Condenser water pumps are operated based on ambient conditions and actual requirement.
- (c) Optimization of Running of refrigeration compressors and air conditioning system.
- (d) Cleaning and replacement of air filters for air compressors, nitrogen generator compressors and diesel generators.

2 Lighting :

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

3 **Heat energy :**

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

4 **Fuel oil :**

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

5 **Lubricants :**

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

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

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

7 **Battery chargers for material handling equipments and other**

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

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

(C) Impact of measures taken for Energy Conservation

Units consumed per MT in 2012-13 is 55.40 KWH as compared to 55.78 KWH in 2011-12.

FORM -A

Disclosure of particulars with respect of Conservative of Energy

A. Power and fuel Consumption		Current Year	Previous Year
1	Electricity		
1.1	Purchased		
	Unit(KWH)	1858066.00	2425092.67
	Total Amount(Rs)	13116337.60	13332228.37
	Rate/ Unit (Rs)	7.06	5.50
1.2	Own Generation		
1.2.1	Through Diesel generator		
	Unit (KWH)	682974.95	888609.60
	Unit per liter of Diesel oil	3.56	3.68
	Cost / Unit (Rs)	12.32	10.76
1.2.2	Through steam turbine / generator		
	Unit (KWH)	Nil	Nil
	Unit per liter of fuel oil / gas	Nil	Nil
	Cost / Unit	Nil	Nil
2	Coal (specify quality and where used)		
	Quantity (tonnes)	Nil	Nil
	Total Cost	Nil	Nil
	Average rate	Nil	Nil
3	Furnace Oil		
	Quantity (K.Ltrs.)	Nil	Nil
	Total Amount	Nil	Nil
	Average rate	Nil	Nil
4	Others / internal generation (please give details)		
	Quantity	Nil	Nil
	Total Cost	Nil	Nil
	Rate / Unit	Nil	Nil

B Consumption per unit of production (per ton of storage of apples)

Detail	Current Year (2012-13)	Previous Year (2011-12)
a. Total Nos of Units consumed (KWH)	2541040.95	3313702.27
b. Total Cost (Rs.)	21533949.76	22889723.17
c. Cost per unit (a / b) Rs.	8.47	6.91
d. Cumulative annaul Tonnage (MT)	45863.52	59404.49
e. Power cost per Unit (Rs.) [b / d]	469.52	385.32

Note: 1. The diesel cost increased from Rs. 39.94/- (as on 01-04-2012) to Rs. 46.72/- per litre (as on 31-03-2013).

2. The electricity tariff increased from Rs. 5.5/- (as on 01-04-2012) per unit to Rs. 7.06/- (as on 31-03-2013.) per unit

FORM -B

(See rule 2)

Form for disclosure of particulars with respect to absorption

A. Research and development (R & D)

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

Experiment are conducted on the shelf life extension of lemon, Tomato, Mushroom, Green Peas, Ginger, Cauliflower, Pomegranate, and oranges.

Commercial storage of Oranges and Pomegranate was done.

2) Benefits derived as a result of the above R & D: storage of Rice, Garlic, Orange

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

4) Expenditure on

i. Capital : Nil

ii. Recurring : Nil

iii. Total : Nil

iv. Total R & D expenditure as a : Nil

Percentage of total turnover :-

B. Technology absorption, adaptation and innovation

1) Efforts, in brief, made towards As of now our focus has been is doing as many trials as is technology absorption, adaptation and possible to store different fruits and vegetables with this new innovation . technology, so that utilization of the Store is maximized. Thus many trials as mentioned above have been done and these have been quite successful. Due to the same the utilization has been increased substantially.

2) Benefits derived as a result of the All fruits and vegetables storage is helping the company in above efforts, e.g. product offering these commodities for sale in off season. This is improvement, cost reduction, product increasing consumer satisfaction import substitution and more development, import substitution, etc remuneration prices for produce to farmers.

3). In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished

a) Technology imported

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

b) Year of import

b) 2007-08

c) Has technology been fully absorbed

c) In progress

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

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

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

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

CERTIFICATE

To
The Members
Fresh & Healthy Enterprises Limited

We have examined the compliance of conditions of Corporate Governance by Fresh & Healthy Enterprises Limited for the year ended 31st March, 2013 as stipulated in the guidelines issued by the 'Department of Public Enterprises' on Corporate Governance.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines except:

1. That the Company did not have Risk Management Plan.
2. That the Audit Committee did not have two-third of its members as Independent Directors. During the year under scrutiny Audit Committee consisted of three members and out of which there was only one Independent Director. However, the Audit Committee has been reconstituted with effect from 22nd May, 2013 appointing two members as Independent Directors.

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

For Akhil Rohatgi & Co.

(Akhil Rohatgi)
Company Secretary in Practice
C.P. No. 2317

Place: Delhi
Date: 24th May, 2013

FRESH & HEALTHY ENTERPRISES LIMITED
BALANCE SHEET AS AT 31st MARCH, 2013



(Amount in Rs.)

Particulars	Note No.	As at 31.03.2013 Audited	As at 31.03.2012 Audited
I EQUITY AND LIABILITIES			
1 Shareholder's Funds			
a) Share Capital	1	76,32,96,420	48,27,38,100
b) Reserve and Surplus	2	(60,52,82,871)	(51,13,68,407)
c) Money Received against Share warrants		-	-
		<u>15,80,13,549</u>	<u>(2,86,30,307)</u>
2 Share application Money pending allotment			
		-	-
3 Non-current Liabilities			
a) Long Term Borrowings	3	-	23,40,03,199
b) Deferred Tax Liabilities (Net)		-	-
c) Other Long Term Liabilities		-	-
d) Long Term Provisions		73,46,328	44,97,947
		<u>73,46,328</u>	<u>23,85,01,146</u>
4 Current Liabilities			
a) Short Term Borrowings	4	81,60,42,534	71,58,95,893
b) Trade Payables		1,99,02,272	82,70,906
c) Other Current Liabilities		8,21,96,531	11,10,40,421
d) Short Term Provisions		3,78,512	6,30,474
		<u>91,85,19,849</u>	<u>83,58,37,694</u>
Total		<u>1,08,38,79,726</u>	<u>1,04,57,08,533</u>
II Assets			
1 Non-Current Assets			
a) Fixed Assets	5		
i) Tangible Assets		61,51,91,255	65,03,09,606
b) Non-Current Investments		-	-
c) Deferred Tax Assets (Net)		-	-
d) Long Term Loans and advances	6	44,08,352	46,34,954
e) Other non-current Assets	7	33,13,189	4,39,712
		<u>62,29,12,796</u>	<u>65,59,84,272</u>
2 Current Assets			
a) Current Investments	8	-	-
b) Inventories		42,75,14,638	27,81,83,592
c) Trade Receivables		2,74,76,089	10,68,95,719
d) Cash and Cash equivalents		14,56,299	12,53,748
e) Short-term Loans and advances		28,69,884	29,40,438
f) Other Current Assets		16,50,020	4,50,764
		<u>46,09,66,930</u>	<u>38,97,24,261</u>
Significant Accounting Policies	14		
Other Notes	15-31		
Total		<u>1,08,38,79,726</u>	<u>1,04,57,08,533</u>

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

For and on behalf of Board of Directors

CA Ekta Jain
Partner
M.No. 512940
Date: 24/05/2013
Place: New Delhi

Anil Kr. Gupta
Chairman

P. Alli Rani
Director & CEO

Suman Lata
Mgr(F) & CS

FRESH & HEALTHY ENTERPRISES LIMITED
PROFIT AND LOSS STATEMENT FOR THE PERIOD ENDED 31.03.2013



Particulars	Note No.	(Amount in Rs.)	
		As at 31.03.2013 Audited	As at 31.03.2012 Audited
I Revenue from Operations	9	38,82,61,935	39,89,26,688
II Other Income	10	40,35,277	39,41,093
III Total Revenue (I+II)		39,22,97,212	40,28,67,781
IV Expenses:			
Purchases of Traded Goods		39,07,97,964	49,31,65,517
Change in Inventories	11	(14,90,49,448)	(21,62,69,340)
Direct Expenses		9,26,79,612	8,78,88,982
Employee Benefits Expenses	12	2,02,67,973	1,84,67,777
Finance Costs		6,92,26,912	8,26,43,517
Depreciation and Amortization Expenses		3,60,68,641	3,61,60,550
Other Expenses	13	2,70,61,697	2,49,37,248
Total Expenses		48,70,53,351	52,69,94,251
V Profit before exceptional and extraordinary items and Tax (III - IV)		(9,47,56,139)	(12,41,26,470)
VI Exceptional Items		-	-
VII Profit Before extraordinary items and tax (V-VI)		(9,47,56,139)	(12,41,26,470)
VIII Extraordinary Items		-	-
IX Profit before Tax (VII - VIII)		(9,47,56,139)	(12,41,26,470)
X Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Tax Adjustment for Prior Periods		-	(18,85,245)
XI Profit / (Loss) for the period from continuing operations (IX-X)		(9,47,56,139)	(12,22,41,225)
XII Profit/ (Loss) from discontinuing operations		-	-
XIII Tax Expense of discontinuing operations		-	-
XIV Profit/ (Loss) from discontinuing operations (XII-XIII)		-	-
XV Profit/(Loss) for the period (XI + XIV)		(9,47,56,139)	(12,22,41,225)
XVI Earning per Equity Share(Rs.)			
(1) Basic		(1.29)	(2.53)
(2) Diluted		(1.29)	(2.53)

For Gupta Gupta & Associates
Chartered Accountant

For and on behalf of Board of Directors

CA Ekta Jain
Partner
M.No. 512940
Date: 24/05/2013
Place: New Delhi

Anil Kr. Gupta
Chairman

P.Alli Rani
Director & CEO

Suman Lata
Mgr(F) & CS

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013



Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 1 : SHARE CAPITAL		
Authorised share capital (15,00,00,000 equity shares of Rs.10/- each)	1,50,00,00,000	50,00,00,000
	<u>1,50,00,00,000</u>	<u>50,00,00,000</u>
Issued, Subscribed & Paid-up Share Capital (*) (7,63,29,642 Equity Shares of Rs.10/- each fully paid-up)	76,32,96,420	48,27,38,100
	<u>76,32,96,420</u>	<u>48,27,38,100</u>

(*) Note

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

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

Shareholder

M/s Container Corporation of India Ltd. (nos.)	7,63,29,642	4,82,73,810
Percentage of shares held	(100%)	(100%)

3. CONCOR's BOD has approved the following:

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

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

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

FRESH & HEALTHY ENTERPRISES LIMITED



NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31.03.2013

Particulars	(Amount in Rs.)		
	As at 01.04.2012 Audited	Addition/ deduction/ appropriation	As at 31.03.2013 Audited

NOTE 2 : RESERVES AND SURPLUS

Securities Premium Reserve	10,61,900	8,41,675	19,03,575
Surplus (Profit and Loss Account)			
Opening Balance	(51,24,30,307)		
Profit/(Loss) after Tax for the year		(9,47,56,139)	
Closing Balance			(60,71,86,446)
Total	(51,13,68,407)	(9,39,14,464)	(60,52,82,871)

FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013**

Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited

NOTE 3 : NON-CURRENT LIABILITIES

Long Term Borrowings		
Term Loan from Banks		
Term Loan from Axis Bank Ltd. (Secured)	-	23,40,03,199
<p>(Long Term Loan taken from Axis Bank has been paid off in full in the F/Y 2012-13 out of the proceeds from issue of fresh share capital, Secured against first charge on the present and future fixed assets (movable and immovable) of the company and Second charge on the present and future assets of the company)</p>		
<p>(Long Term Loan taken from Axis Bank has been paid off in full in the F/Y 2012-13 out of the proceeds from issue of fresh share capital)</p>		
Deferred Tax Liabilities (Net)	-	-
Other Long Term Liabilities	-	-
Long Term Provisions		
Provision for Employee Benefits	73,46,328	44,97,947
Others	-	-
Total	73,46,328	23,85,01,146

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013



Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 4: CURRENT LIABILITIES		
Short Term Borrowings		
<u>Loans Repayable on Demand from Banks</u> (Secured against hypothecation of all current assets both present and future)	38,46,09,784	28,44,63,143
<u>Loans and Advances from Related Party</u>		
Container Corporation of India Ltd. (Holding Co.; Unsecured)	43,14,32,750	43,14,32,750
Trade Payables		
- Micro & Small Enterprises	-	-
- Others	1,99,02,272	82,70,906
Other Current Liabilities		
<u>Current Maturities of Long Term Debt</u> (Secured against first charge on the present and future fixed assets (movable and immovable) of the company and Second charge on the present and future assets of the company)	-	6,24,00,853
Interest Accrued & Due on Borrowings	5,13,20,604	3,13,12,851
Advance/Deposits from parties	64,76,712	60,79,949
Others	2,43,99,215	1,12,46,768
Short Term Provisions		
Provision for Employee Benefits	3,78,512	6,30,474
Others	-	-
Total	91,85,19,849	83,58,37,694

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD ENDED 31.03.2013



	Gross Block			Depreciation*			Net Block		Amount in Rs.
	As at 01.04.12	Additions during the year	Sale / adjustment	As at 31.03.2013	For the year	Sale / adjustment	Up to 31.03.2013	As at 31.03.2013	
Fixed Assets									
Intangible Assets									
Plant & Machinery	19,15,91,146	-	-	19,15,91,146	62,35,449	-	3,50,94,352	15,64,96,794	16,27,32,242
Computer	45,44,94,849	2,74,380	-	45,47,69,229	2,15,18,048	-	12,19,04,051	33,28,65,178	35,41,08,846
Motor Vehicle	13,37,372	-	-	13,37,372	2,12,055	-	11,22,742	2,14,630	4,26,685
Furniture & Fittings	16,40,968	75,909	-	17,16,877	99,112	-	6,76,143	10,40,734	10,63,937
Other Assets	16,86,58,630	-	-	16,86,58,630	80,03,977	-	4,40,84,711	12,45,73,919	13,25,77,896
Total	81,77,22,965	3,50,289	-	81,80,73,254	3,60,68,641	-	20,28,81,999	61,51,91,255	65,09,09,606
Previous Year	81,69,22,972	7,99,993	-	81,77,22,965	3,61,60,550	-	16,68,13,359	65,09,09,606	68,62,70,163

Computer procured in the month of March, 2013 however the CCTV has been put to use in the month of April, 2013. Depreciation on assets created on leasehold land is provided in line with the accounting policy of the company irrespective of the land lease period, as the leases are likely to be renewed / extended. Depreciation has been provided as per SLM method in accordance with Companies Act, 1956.

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013



Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 6 : LONG TERM LOANS AND ADVANCES		
Capital Advances	-	-
Security Deposits		
- Govt. Authorities (Unsecured, Considered Good)	22,25,450	22,51,136
- Others		
Other Loans and Advances		
Loans to Employees (Secured, Considered Good)	21,82,902	23,83,818
Total	44,08,352	46,34,954
NOTE 7 : OTHER NON-CURRENT ASSETS		
Interest accrued on deposits, loans and advances (Staff) (Secured, Considered Good)	3,13,189	2,44,712
Miscellaneous Expenses.	30,00,000	1,95,000
	33,13,189	4,39,712

FRESH & HEALTHY ENTERPRISES LIMITED



NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013

Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 8: CURRENT ASSETS		
Inventories		
(As taken, valued & certified by Management)		
Stock-in-Trade	40,40,75,462	26,16,81,179
Stores and Spares	2,34,39,176	1,65,02,413
	42,75,14,638	27,81,83,592
Trade Receivables		
Outstanding for period exceeding six Months		
	<u>2012-13</u>	<u>2011-12</u>
Unsecured Considered good	85,72,895/-	84,28,809/-
Unsecured Considered doubtful	25,304/-	25,304/-
	85,98,199/-	84,54,113/-
Less : Provision for Doubtful Debts	25,304/-	25,304/-
Others Unsecured Considered Goods	85,72,895	84,28,809
	1,89,03,194	9,84,66,910
	2,74,76,089	10,68,95,719
CASH AND BANK BALANCES		
(I) Cash and Cash equivalents		
- Cash (Including Imprest)	9,950	-
- Cheques in Hand	-	-
Bank Balances		
- In current Accounts	4,26,523	1,85,671
- In Deposits with original maturity upto 3 months		
(II) Other Bank Balances		
- Bank Deposits		
- With original maturity of more than 3 months and upto 12 months	7,26,219	7,96,275
- With original maturity of more than 12 months	-	-
- Earmarked Bank Balances		
- Unpaid Dividend	-	-
- <u>Bank Balances held as margin money or security against</u>		
- Guarantees**	2,93,607	2,71,802
- Letter of Credit	-	-
	14,56,299	12,53,748
Short-term Loans and advances		
<u>Loans to Related Parties</u>		
<u>Loans to Others</u>		
Loans to Employees (Secured, Considered Good)	5,05,188	5,08,552
Advances (Unsecured, Considered Good)	27,000	29,000
(Recoverable in Cash or in kind or value to be received)		
<u>Deposits (Unsecured, Considered Good)</u>		
- Govt. Authorities	7,09,162	8,13,664
- Others	86,750	52,000
Advance Income Tax/TDS (Net of Provisions)	15,41,784	15,37,222
	28,69,884	29,40,438
Other Current Assets		
Interest accrued on deposits, Loans and advances	23,259	9,024
Others	16,26,761	4,41,740
	16,50,020	4,50,764
Total	46,09,66,930	38,97,24,261

** Rs. 2,00,000/- is not freely available as the same is margin money for Bank Guarantee to Sales Tax Department

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013



Particulars	As at 31.03.2013 Audited	(Amount in Rs.) As at 31.03.2012 Audited
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NOTE 9 : REVENUE FROM OPERATIONS

Sale of Fresh Fruits	35,00,29,459	35,31,44,871
Sale - Off Seasonal Activity	1,97,44,273	2,06,55,380
Sale of Cartons	93,48,423	1,01,34,440
Sale of Scrap	8,12,776	16,41,045
Cooling Charges	83,27,004	1,33,50,952
Total	38,82,61,935	39,89,26,688

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

Fruit	31.03.2013	31.03.2012
Apples	34,77,44,757	34,92,36,668
Kinnow	18,39,998	38,59,964
Orange and Others	3,20,400	48239
Pomegranate	1,24,305	0
Total	35,00,29,460	35,31,44,871

FRESH & HEALTHY ENTERPRISES LIMITED



NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013

Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 10 : OTHER INCOME		
Interest earned on Short Term Bank Deposits (TDS Rs. 13,815/-; P/Y Rs. 97,184/-)	1,37,306	9,78,570
Interest earned on Loans to employees	68,477	68,919
Interest earned others	13,34,738	10,90,858
Other non-operating Income	24,94,756	18,02,746
Total	40,35,277	39,41,093

FRESH & HEALTHY ENTERPRISES LIMITED



NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013

Particulars	(Amount in Rs.)	
	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 11		
Purchases of Traded Goods		
Stock-in-Trade	37,08,67,905	47,62,37,328
Stores and Spares	1,99,30,059	1,69,28,189
	39,07,97,964	49,31,65,517
Change in Inventories		
<u>Opening Stock</u>		
Stock-in-Trade	26,16,81,179	4,74,04,162
Stores and Spares	1,61,00,023	1,41,07,700
	27,77,81,202	6,15,11,862
<u>Closing Stock</u>		
Stock-in-Trade	40,40,75,462	26,16,81,179
Stores and Spares	2,27,55,188	1,61,00,023
	42,68,30,650	27,77,81,202
Increase/(Decrease) in Inventory	(14,90,49,448)	(21,62,69,340)
Direct Expenses		
CA store maintenance	1,28,11,074	1,16,91,803
Freight Exp	2,40,19,035	2,81,75,526
Handling Expenses (Mandi)	9,38,505	6,28,253
Loading/Unloading Charges	81,86,224	73,45,094
Power & Fuel	2,15,79,039	2,28,39,675
Testing Exps./ Charges /Consumable Goods	60,097	18,009
Procurement Supervision Consultants	69,04,975	86,90,409
Water Spray at Control Room	1,85,625	2,25,950
Consumable Goods	12,05,752	11,43,192
APMC Fees	31,46,525	45,55,395
Lease Rent - Plastic Bins	1,33,38,302	21,89,175
Performance Award	1,77,500	2,57,000
Store Rent	1,26,959	1,27,201
Hiring Charges Equipment	-	2,300
	9,26,79,612	8,78,88,982
Total Cost	33,44,28,128	36,47,85,159

FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013



Particulars	As at	(Amount in Rs.) As at
	31.03.2013 Audited	31.03.2012 Audited

NOTE 12: EMPLOYEES BENEFITS EXPENSES

Salary, Allowances & Other Employee Benefits	1,68,78,253	1,49,82,163
Contribution to CPF & FPF	13,55,581	12,95,824
Rent for Leased Accommodation	2,62,562	3,97,126
Employees Welfare & Medical	15,82,121	13,17,051
Gratuity	1,76,638	4,74,113
Training Expenses	12,818	1,500
Total	2,02,67,973	1,84,67,777

FRESH & HEALTHY ENTERPRISES LIMITED



NOTES TO ACCOUNTS FOR THE PERIOD ENDED ON 31.03.2013

(Amount in Rs.)

Particulars	As at 31.03.2013 Audited	As at 31.03.2012 Audited
NOTE 13 : OTHER EXPENSES		
Printing & Stationery Exp	2,51,798	3,28,931
Travelling & Conveyance	18,68,584	17,41,199
Travelling & Conveyance -Dir.	86,401	63,191
Rent Office Space/ Rai Land and Licence Fee*	23,32,250	23,65,892
Research & Development Exps.	800	-
office/ CA Store Upkeeping Exps.	20,15,757	21,63,099
Electricity Expenses	1,13,461	63,054
Repairs & Maintenance		
- Building	-	28,047
- Plant & Machinery	15,04,086	15,14,378
Security Expenses	10,73,069	10,84,342
Office Vehicle/ Car Hire Charges	24,84,132	17,40,725
Business Development	31,626	53,504
Postage , Telephone & Internet	6,95,745	6,75,676
Books & Periodicals	5,688	17,923
Bank Charges	38,988	44,514
Legal & Professional Charges	16,41,585	6,02,012
Agency Charges-Commission	74,76,897	93,43,208
Insurance Premium	8,40,788	5,17,243
Subscription & Membership Fee	11,489	2,850
Penalty	-	2,000
Interest	5,177	
Exhibition Exps.	-	-
Discount	14,71,735	5,27,272
Advertisement	6,43,888	9,92,412
Auditors Remuneration		
- Statutory Audit Fee	85,000	84,944
- Tax Audit Fee	36,500	36,405
Provision for Doubtful Debts	-	12,652
Miscellaneous Expenses	5,50,605	2,36,775
Corporate Social Responsibility	6,00,648	5,00,000
Preliminary Expenses w/off	11,95,000	1,95,000
Total	2,70,61,697	2,49,37,248

* The land has been given on lease by HSIIDC Limited, Rai for 30 years from 26.03.2003, further expandable for a period of 99 years for which no lease premium has been paid. Lease rent is @ Rs.1.50 per sq. mtr. per month for 66,400 sq. mtr. area for first 15 years and thereafter will be fixed mutually.

Fresh & Healthy Enterprises Limited

NOTE 14: SIGNIFICANT ACCOUNTING POLICIES

A. Accounting Convention & Concepts

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

B. Fixed Assets

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

C. Borrowing cost

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

D. Inventories

Inventories are valued at cost or Net realizable value, whichever is lower. Costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on specific identification method for fresh fruits and FIFO method for other inventories.

E. Depreciation

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

F. Impairment of assets

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

G. Retirement Benefits

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

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

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

H. Revenue Recognition:

Sales

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

Rental Income

Revenue is recognized on accrual basis.

Other Income

Revenue is recognized on accrual basis.

I. Taxes on income

- i) Provision for current tax is made as per applicable provisions of Income Tax Act, 1961.
- ii) Deferred tax is recognized, subject to the consideration of prudence on timing differences, being the difference between taxable income and accounting income that originates in one period and are capable of reversal in one or more subsequent years.

J. Provisions, Contingent Liabilities & Contingent Assets:

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

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

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

K. Preliminary expenses

Preliminary Expenses are amortized over a period of five years.

L. Leases

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

M. Claims/ Counter-Claims/ Penalties/ Awards

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

Notes to Accounts

15. a) Contingent Liabilities not provided for:

	<u>2012-13</u>	<u>2011-12</u>
i) Bank Guarantees (Rs.)	200,000/-	200,000/-
ii) An amount of Rs. 85,72,895/- is due from Global Agri System P Ltd. The case is under litigation and out of this, Rs. 85,72,895/- is outstanding for more than six months; (P/Y Rs. 84,28,809/-).		
iii) Notice of Demand u/s 201(1) of the Income Tax Act, 1961 for Rs. 33,300/- has been received from TDS Ward 49(2), New Delhi on 28.03.2013 (P/Y Rs. 2,27,406/-)		

b) Contingent Assets not provided for:

(i) Claims for Rs. 4,73,827/- have been lodged and is under consideration as on 31.03.2013 (P/Y Rs. 4,73,827/-) with M/s United India Assurance Ltd.

16. Related party disclosure

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

a) **Relationship:**

i) **Parties whose control exists**

Holding company – Container Corporation of India Ltd.

ii) **Key management personnel**

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

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

		<u>2012-13</u>		<u>2011-12</u>
i) Parties whose control exists (Holding Company)				
Unsecured Loan Taken	Rs.	NIL	Rs.	15,00,00,000
Intt. Free Unsecured Loan Refunded	Rs.	NIL	Rs.	NIL
Interest on Loan	Rs.	3,88,28,949	Rs.	3,22,38,486
Interest Paid	Rs.	1,22,64,651	Rs.	75,75,421
TDS Deducted on Interest on Loan	Rs.	38,82,904	Rs.	32,23,855
Lease Rental of Plastic Bins	Rs.	1,33,38,302	Rs.	21,89,175
TDS Deducted on Lease Rental	Rs.	10,67,777	Rs.	43,784
ii) Key management personnel				
<u>Sitting Fee to Independent Directors:</u>				
Lt. Gen. (Retd.) Arvind Mahajan	Rs.	2,40,000	Rs.	1,20,000
Dr. (Prof.) A.K. Bandyopadhyay	Rs.	40,000	Rs.	20,000
Sh. Janat Shah	Rs.	NIL	Rs.	NIL
Sh. T.R.Doongaji	Rs.	NIL	Rs.	NIL

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

i) **Parties Whose Control Exists (Holding Company) :**

Unsecured Loan	Rs.	43,14,32,750	Rs.	43,14,32,750
Interest Accrued and Due	Rs.	4,86,45,262	Rs.	2,58,49,210
Lease Rental of Plastic Bins	Rs.	1,43,80,652	Rs.	21,45,391

ii) **Key management personnel:**

Nil

17. Earning Per Share

	<u>31.03.2013</u>	<u>31.03.2012</u>
Profit/loss after taxation as per Profit and Loss account (Rs.)	(9,47,56,139)	(12,22,41,225)
Weighted Average number of Equity Shares outstanding (Nos.)	7,34,08,761	4,82,73,810
Basic and diluted Earning/loss Per Share (Rs.)	(1.29)	(2.53)

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

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

	<u>2012-13</u>	<u>2011-12</u>
a) Expenditure in Foreign Currency	NIL	NIL
b) Earning in Foreign Currency	NIL	NIL

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

Item		Opening	Purchased	Sold	Consumed*	Closing
Fruits*	Qty (Kgs.) C/Y	28,78,406	68,27,576	46,39,104	4,93,203	45,73,675
	Qty (Kgs.) P/Y	9,14,869	71,13,336	50,09,231	1,40,568	28,78,406
	Amount (in Rs.) C/Y	26,16,81,179	35,16,51,302	35,00,29,459	-	40,40,75,462
	Amount (in Rs.) P/Y	4,74,74,162	45,65,80,603	35,31,44,871	-	26,16,81,179
Packing Material**	Qty (No.) C/Y	12,56,346	9,75,482	2,72,270	54,299	19,05,259
	Qty (No.) P/Y	7,62,328	8,57,527	2,93,022	70,487	12,56,346
	Amount (in Rs.) C/Y	1,45,66,023	1,99,30,059	93,48,423	39,26,471	2,12,21,188
	Amount (in Rs.) P/Y	1,25,73,700	1,69,28,189	1,01,34,440	48,01,426	1,45,66,023

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

** Consumption includes used for packing.

21. As per As-19, amounts charged to Profit & Loss Account in respect of operating leases for office premises and accommodation provided to staff is Rs 27,52,400/- (Previous Year Rs. 27,37,218/-) which is net of recovery of Rs. 2,03,276/- (Previous Year Rs. 2,75,168/-). The period of lease arrangements varies from case to case.

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

23. The company has, with effect from 1st April 2010, adopted Accounting Standard 15, Employee Benefits (revised 2005), issued by the Institute of Chartered Accountants of India (ICAI). The disclosures as required as per the above accounting standard are as under:

(a) Defined Contribution plans:

i) Employers' contribution to Provident Fund

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

i) Employers' contribution to Provident Fund – Rs. 11.35 Lakh (p/y: Rs. 10.40 lakh)

(b) Defined Benefit Plans:

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

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

Leave Encashment 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) Summarized Position:

(Amount in Rs.)

Particulars	Leave Travel Concession (Non- Funded)		Gratuity (Non- Funded)		Leave Encashment Including Sick Leave (Non - Funded)	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
Expenses Recognized in Profit & Loss Account	13,545	3,23,641	1,76,638	4,74,113	19,15,495	13,98,554
Amount Recognized in the Balance Sheet:						
Present Value of obligations as at 31 st March (i)	1,88,228	2,69,248	17,52,314	12,25,676	49,78,374	32,37,701
Fair Value of Plan Assets (ii)	-	-	-	-	-	-
Difference (ii)-(i)	(1,88,228)	(2,69,248)	(17,52,314)	(12,25,676)	(49,78,374)	(32,37,701)
Net Asset/(Liabilities) recognised in the Balance Sheet	(1,88,228)	(2,69,248)	(17,52,314)	(12,25,676)	(49,78,374)	(32,37,701)

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

	2012-13	2011-12
i) Method Used	Projected Unit Credit Method	Projected Unit Credit Method
ii) Discount Rate	8.25%	8.50%
iii) Future Salary Increases	5.50%	5.50%

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

24. During the year the company had no employee drawing remuneration equal to or more than the limits prescribed under the Companies (Particulars of Employees) Amendment Rules, 2011.

25. During the year, provision for current tax is not made as the company has brought forward losses and unabsorbed depreciation amounting to Rs. 76.63 crore upto A/Y 2012-13 in accordance with the provisions of Income Tax Act, 1961.

26. As at 31 March 2013, the Company has carried out tax computation in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified under the Companies (Accounting Standards) Rules, 2006. Management is of the view that it is not virtually certain to realize the deferred tax assets in the near future. In the absence of virtual certainty of realisability of deferred tax assets, the deferred tax assets has been recognized only to the extent of deferred tax liability. The Company has taken a view of Calculating Deferred Tax Assets and Deferred Tax Liability from the current year onwards by calculating figures of previous year's also. The components of deferred taxes as at 31 March 2013 are as follows:

Particulars	As at 31 March 2013
Deferred tax liability	
Excess depreciation as per Income tax Act, 1961, over depreciation as per books (a)	8,48,86,712
Total	8,48,86,712
Deferred tax assets	
Excess depreciation as per books, over depreciation as per Income tax Act, 1961	

Provision for gratuity	3,80,765
Provision for LTC	58,162
Provision for Leave Encashment	5,14,854
Provision for Sick Leave	3,94,157
Brought forward losses and unabsorbed depreciation	27,08,24,360
Total	27,21,72,298
Recognition of deferred tax assets to the extent of Deferred tax liability (b)^	8,48,86,712
Net deferred tax assets/(liability) [(a)-(b)]	Nil

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

27. The Company has not received any intimation from the suppliers regarding their status under the Micro, Small and Medium Enterprise Development Act, 2006, as at the Balance Sheet date and therefore no such disclosures under the said Act have been made.

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

29. In the opinion of the management, during the year there are no indications that impairment of any asset has taken place. Accordingly, no provision for impairment of assets is required as per Accounting Standard 28.

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

Particulars	(Amount in Rs.)	
	Gratuity & Leave Encashment 2012-13	2011-12
Opening Balance	44,63,377/-	27,88,153/-
Addition during the year	28,05,963/-	18,72,667/-
Amount used/incurred	5,38,652/-	1,97,443/-
Closing Balance	67,30,688/-	44,63,377/-

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

b) Previous year's figures have been recast/regrouped/rearranged wherever considered necessary to confirm to compliance with revised Schedule-VI.

"SIGNATURES TO NOTES 1 TO 31"

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

For and on behalf of Board of Directors

CA Ekta Jain
Partner
M.No. 512940
Date: 24/05/2013
Place: New Delhi.

Anil Kumar Gupta
Chairman

P. Alli Rani
Director & CEO

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

FRESH & HEALTHY ENTERPRISES LTD.

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03. 2013



(Amount in Rs.)

Particulars	For the Year ended 31.03.2013	For the Year ended 31.03.2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax and extraordinary items	(9,47,56,139)	(12,22,41,225)
Adjustments for :		
Depreciation	3,60,68,641	3,61,60,550
Preliminary Expenses	11,95,000	1,95,000
Interest Debited	6,92,26,912	8,26,43,517
Interest Earned	(15,40,521)	(21,38,346)
Operating Profit before Working Capital changes	1,01,93,893	(53,80,504)
Adjustments for :		
Trade & other receivables	7,94,19,630	1,68,19,820
Inventories	(14,93,31,048)	(21,59,53,330)
Advances & other Current Assets (Decrease)	(49,47,317)	11,17,516
Trade & other Payable	2,77,76,994	(26,59,645)
Cash Flow from operating Activities	(3,68,87,848)	(20,60,56,143)
Less: Taxes paid	-	-
Net Cash Flow from operating activities	(3,68,87,848)	(20,60,56,143)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Decrease/ (Increase) in Fixed Assets	(3,50,289)	(7,99,993)
Interest Received	15,17,262	21,29,322
Net Cash from / (Used) in Investing Activities	11,66,973	13,29,329
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital at premium	28,13,99,995	-
Preliminary Expenses	-	-
Increase in Working Capital Limit	10,01,46,641	17,26,68,936
Proceeds from Borrowings	-	15,00,00,000
Repayment of Borrowings	(29,64,04,052)	(6,24,00,853)
Interest paid	(4,92,19,159)	(5,83,30,943)
Net cash from/(Used) in financing Activities	3,59,23,425	20,19,37,140
Net Increase/(Decrease) in Cash and Cash Equivalents	2,02,551	(27,89,674)
Opening cash and Cash Equivalents	10,53,748	38,43,422
Closing Cash and Cash Equivalents	12,56,299	10,53,748
Net Increase/(Decrease) as per Books	2,02,551	(27,89,674)

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

CASH AND BANK BALANCES

(I) Cash and Cash equivalents

- Cash (Including Imprest)	9,950	
- Cheques in Hand	-	

Bank Balances

- In current Accounts	4,26,523	1,85,671
- In Deposits with original maturity upto 3 months		

(II) Other Bank Balances

- Bank Deposits		
- With original maturity of more than 3 months and upto 12 mont	7,26,219	7,96,275
- With original maturity of more than 12 months	-	-
- Earmarked Bank Balances		
- Unpaid Dividend		
- Bank Balances held as margin money or security against		
- Guarantees**	2,93,607	2,71,802
- Letter of Credit	14,56,299	12,53,748
	2,00,000	2,00,000
	12,56,299	10,53,748

As per our report of even date

For Gupta Gupta & Associates

Chartered Accountant

CA Ekta Jain

Partner

M.No. 512940

Date: 24/03/2013

Place: New Delhi

For and on behalf of Board of Directors

Anil Kr. Gupta
Chairman

P.Alli Rani
Director & CEO

Suman Lata
Mgr(F) & CS



CHARTERED ACCOUNTANTS

**GUPTA
GUPTA
AND
ASSOCIATES**

BRANCH OFFICE:

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

Ph.: (011)-27672941

Auditors' Report

To,
The Members
Fresh & Healthy Enterprises Limited

Report on Financial Statements

We have audited the accompanying Financial Statements of Fresh & Healthy Enterprises Limited which comprise the Balance Sheet as at 31st March 2013, Profit and Loss Statement for the year then ended, and a summary of accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give true and fair view of the financial position and financial performance of the company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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





CHARTERED ACCOUNTANTS

**GUPTA
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BRANCH OFFICE:

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Opinion

In our opinion, and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013; and
- (b) in the case of Profit and Loss statement, of the **LOSS** for the year ended on that date;
- (c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub section (4A) of Section 227 of the Act, We give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.;
2. As required by Section 227(3) of the Act, We report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit and have found them to be satisfactory.
 - b. In our Opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The balance sheet, Profit & Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet and Profit and Loss Statement and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.





CHARTERED ACCOUNTANTS

**GUPTA
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- e. On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the company.

**For Gupta Gupta & Associates
Chartered Accountants
FRN - 001728N**



(Signature)
**(CA. Ekta Jain)
Partner
M.No. 512940**

Place : New Delhi
Date : 24.05.2013

maximum amount involved during the year was Rs. 48,00,78,012/- and the year end balance of loans taken from such party was Rs. 48,00,78,012/-.

- (c) In our opinion, terms and conditions on which loans have been taken from parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - (d) The Company has been regular in repaying the principal amounts as stipulated.
- (IV) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods & services.
- (V) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (VI) The Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act, 1956.
- (VII) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (VIII) In our opinion, the company is not required to maintain cost records under section 209(1) (d) of the companies Act, 1956.
- (IX) (a) According to the records of the Company, the company has generally been regular in depositing with appropriate authorities undisputed statutory dues.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other undisputed were outstanding at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of sale tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.



- (X) (i) Accumulated losses of the company at the end of the financial year are higher than fifty percent of its net worth.
- (ii) The company has incurred cash loss during the year.
- (iii) The company had incurred cash loss in the immediately preceding financial year.
- (XI) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- (XII) According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (XIII) In our opinion, the Company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(XIII) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (XIV) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investment. Accordingly, the provisions of clause 4(XIV) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (XV) In our opinion and according to the information and explanations given to us the Company has not given any guarantee for loans taken by its associates or subsidiaries from banks or financial institutions.
- (XVI) In our opinion, the term loans have been applied for the purpose for which they are raised.
- (XVII) According to the information and explanations given to us and on an overall examination of the balance sheet and Cash Flow Statement of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (XVIII) On the basis of records available and representations made before us, the Company has not made any preferential allotment of shares to any parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (XIX) During the period covered by our audit report, the Company did not have any outstanding debentures during the year.
- (XX) During the period covered by our audit report, the Company has not raised any money by public Issue.



(XXI) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Gupta Gupta & Associates
Chartered Accountants
FRN – 001728N



(Signature)
CA Ekta Jain)
Partner

M.No. 512940

Place : New Delhi
Date : 24.05.2013

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

Regd. Office : CONCOR Bhawan, C - 3,
Mathura Road,
Opposite Apollo Hospital,
New Delhi - 110076.
Ph. No. 011-41673093, 94, 95, & 96
Fax : 011-41673112
Website : www.fhel.co.in

OFFICES

CA STORE CUM OFFICE

Fresh & Healthy Enterprises Ltd.
CA Store,
HSIDC, Rai,
Sonepat - 131029

SHIMLA OFFICE

Fresh & Healthy Enterprises Ltd.
HPMC Building,
Subzi Mandi,
Shimla - 171001

SALES OFFICE

C - 97, 2nd Floor,
New Subzi Mandi,
Azadpur,
Delhi - 110033