



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

ELEVENTH ANNUAL REPORT
(2015-16)



FRESH & HEALTHY ENTERPRISES LTD.

VISION & MISSION

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

Corporate Objectives

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

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

BOARD OF DIRECTORS

Shri Anil Kumar Gupta
Chairman

Shri Yash Vardhan
Director

Dr. P. Alli Rani
Director

Shri Arvind Bhatnagar
Director

Shri Sanjeev S. Shah
Director (w. e. f. 02.05.2016)

Maj. Gen. (Retd.) Raj Krishan Malhotra
Director (w. e. f. 02.05.2016)

Shri Sudhir Mathur (till 24.09.2015)
Director

Shri Pradeep Bhatnagar (till 05.03.2016)
Director

Shri M. P. Shorawala (till 05.03.2016)
Director

COMPANY SECRETARY

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

STATUTORY AUDITORS

M/s Anil Ashok & Associates
New Delhi.

BANKERS

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

REGISTERED OFFICE

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

10 YEAR FINANCIAL/PHYSICAL PERFORMANCE (YEAR WISE DATA)

Amount (Rs. In Lakhs)

SNO	PARTICULARS	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Total Income (Including other income)	490.75	1,778.85	3,550.49	2,555.84	6,484.95	4,028.68	3,922.97	8,555.89	3,286.47	2,415.47
2	Expenditure (inc. increase/decrease in stock)	506.70	3,030.99	3,942.45	2,713.99	5,532.18	4,081.91	3,817.57	11,330.07	3,594.47	4,173.37
3	Operating Margin (1-2)	(75.95)	(1,252.14)	(391.96)	(158.15)	952.77	(59.29)	105.40	(2,754.18)	(748.00)	(1,757.90)
4	Interest Expenses		841.84	446.73	381.77	507.68	826.43	692.27	782.71	663.35	307.96
5	Depreciation	1.37	216.97	362.63	366.51	364.08	361.60	360.69	378.13	535.96	536.74
6	Profit before Tax	(17.32)	(1,830.95)	(1,201.32)	(906.49)	61.01	(1,241.26)	(947.56)	(9,316.08)	(1,447.31)	(2,602.60)
7	Profit after Tax	(18.79)	(1,804.90)	(1,204.55)	(906.43)	42.16	(1,222.43)	(947.56)	(9,316.08)	(1,447.31)	(2,602.60)
8	Dividend										
9	Profit & Loss Account Balance	(18.79)	(1,839.08)	(1,037.63)	(1,944.09)	(3,801.90)	(5,124.32)	(6,071.87)	(9,987.95)	(11,435.95)	(14,038.55)
10	General Reserve/Security Premium				10.62	10.62	10.62	19.03	39.06	95.23	95.23
11	Term Loan	3,047.15	5,028.11	4,836.07	4,212.06	3,588.05	2,964.04				
12	Working Capital Loan		1,946.00	2,264.33	3,364.93	2,814.33	4,314.33	8,160.43	7,992.67	4,389.77	3,145.00
13	Reserve & Surplus (9+10)	(18.78)	(1,833.08)	(1,037.63)	(1,933.44)	(3,891.28)	(5,113.69)	(6,052.84)	(9,958.89)	(11,340.72)	(13,943.32)
14	Fixed Assets (Gross Block)	77.55	8,260.57	8,191.51	8,149.16	8,169.23	8,177.23	8,180.73	8,194.51	8,168.39	8,061.94
15	Sanitary Debtors		304.95	484.49	208.50	1,237.16	1,060.96	274.76	551.97	423.71	202.51
16	Share Capital	3,500.00	3,500.00	3,500.00	4,827.38	4,827.38	4,827.38	7,632.96	7,642.93	14,656.77	14,656.77
17	Capital Employed	1,089.63	8,596.97	8,091.46	8,497.24	8,539.44	3,049.63	1,538.18	(2,355.93)	3,306.05	613.45
18	Government Investment										
19	Net Worth (13+16)	3,481.22	1,666.92	482.37	898.94	936.10	(290.21)	1,538.17	(2,955.96)	3,206.05	613.45
20	Profit before Tax to Capital Employed (6+17)	(0.02)	(0.21)	(0.15)	(0.11)	0.01	(0.03)	(0.62)	1.66	(0.45)	(4.24)
21	Operating Margin to Capital Employed (3+17)	(0.03)	(0.14)	(0.05)	(0.02)	0.11	(0.03)	0.07	1.17	(0.08)	(2.87)
22	Profit after Tax to Share Capital (7+15)	(0.01)	(0.23)	(0.34)	(0.19)	0.01	(0.25)	(0.12)	(0.51)	(0.10)	(0.18)
23	Expenditure to Income (2+3)	1.03	1.70	1.11	1.05	0.86	1.01	0.97	1.32	1.08	1.73
24	Number of Employees	16.00	31.00	28.00	30.00	33.00	35.07	36.00	37.00	32.00	27
25	Income per Employee (2+24)	30.67	57.38	126.80	85.19	195.91	115.14	108.97	281.24	102.70	89.46
26	Current Ratio	1.94	1.57	1.33	8.97	6.32	0.47	0.50	0.11	0.85	0.12
27	Debt Equity Ratio (11+19)	0.89	3.02	10.46	4.71	3.83	(10.23)				
28	PHYSICAL PERFORMANCE (HANDLING OF FRUITS IN MTs)										
	Fruits Handling (In MTs)										
	Opening Stock			3,156,760	2,817,275	1,874,109	914,869	2,878,406	4,573,675		3824,735
	Procured	1,056,750	10,973,140	7,732,420	2,855,650	9,361,373	7,113,935	6,917,576	11,239,281	8,544,206	
	Sold	1,056,700	7,972,900	8,240,540	4,205,745	9,538,540	5,009,731	4,639,104	15,062,312	4,549,672	3544,583
	Closing Stock		3,156,760	2,748,560	1,374,189	914,869	2,878,405	4,573,675		3,824,735	

Note 1. Quantities are in MTs

2. Quantities mentioned for 2006-07, 2007-08 & 2008-09 has been converted in 20Kg. Per box to derive quantity in Kg.

3. Shortage of 1,050 MT in 2006-07 is due to normal wastage and internal consumption.

4. Excess of 155,920 MT and 99,920 MT in 2007-08 and 2008-09, respectively, is on account of self generation caused by repacking.

5. Shortage of 53,271 MT and 282,073 MT in 2009-10 and 2010-11, respectively, is due to moisture loss, spoilage & Testing of fruits.

6. Shortage of 240,568 MT and 493,203 MT in 2011-12 and 2012-13, respectively, is due to moisture loss, spoilage & Testing of fruits.

7. Shortage of 750,644 MT and 1,621,869 MT in 2013-14 and 2014-15, respectively, is due to moisture loss, spoilage & Testing of fruits.

8. Shortage of 280,172 MT in 2015-16 is due to moisture loss, spoilage & Testing of fruits.

9. ** Capital Employed and Net Worth calculated after deduction of Preliminary Expenses not written off.

10. Profit & Loss account balance for the FY 2014-15 has been adjusted due to change in rate of Depreciation.

11. While calculating the Current Ratio, non-current & current liabilities/assets has been taken into consideration.

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

Eleventh Annual Report (2015-16)

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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 Eleventh Annual General Meeting of your Company. The Audited Annual Accounts of the Company for the period ended 31st March, 2016, Directors' Report incorporating remarks of Statutory Auditor along-with replies thereto and Comments of Secretarial Auditor and Comptroller & Auditor General of India, Auditors' Report, have already been circulated to you and with your permission, I take them as read.

Keeping in view the losses incurred by the Company year after year despite implementation of various strategic measures, it was agreed that (a) company will not do any purchase/procurement during the year; and (b) leasing model for CA (Controlled Atmosphere) chambers would be followed for the year 2015-16.

Further, Committee of Secretaries (COS) in its meeting held on 13.07.2015 recommended that Ministry of Railways (MoR) may consider the possibility of divesting the Company to the Private sector. However, HSIIDC in their letter in December, 2015 refused to transfer land lease arrangements on which the facility has been constructed to any private entity, thus making divestment not a feasible option. In view of such refusal by HSIIDC, various options like merger, closure etc., are being examined for restructuring of your company.

During 2015-16, your Company sold last year's apple stock of 3825 MT and rented out 37 Chambers to various parties/leading apple business players.

Your Company could achieve a turnover of Rs. 23.61 Crore in F/Y 2015-16 against Rs. 32.14 Crore in the previous year, registering a decline of 26.54% appx. Accumulated losses of company stood at Rs. 140.39 Cr. as on 31.03.2016 (inclusive of net loss of Rs. 26.03 Cr. of F/Y 2015-16).

In respect of CSR (Corporate Social Responsibility) and sustainable development, I would like to inform that during the financial year 2015-16, a project on CSR and sustainability was implemented by TERI (The Energy and Resources Institute) in Shimla, Kullu and Kinnaur districts of Himachal Pradesh covering activities like training and capacity building, exposure visits, distribution of apple planting materials, water solutions etc. to more than 250 beneficiaries.

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 : 27.07.2016

(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, 2016.

Restructuring of FHEL

Keeping in view the losses incurred by the Company year after year despite implementation of various strategic measures, it was agreed that (a) company will not do any purchase/procurement during the year; and (b) leasing model for CA (Controlled Atmosphere) chambers would be followed for the year 2015-16.

Further, Committee of Secretaries (COS) in its meeting held on 13.07.2015 recommended that Ministry of Railways (MoR) may consider the possibility of divesting the Company to the Private sector. However, HSIIDC in their letter in December, 2015 refused to transfer land lease arrangements on which the facility has been constructed to any private entity, thus making divestment not a feasible option. In view of such refusal by HSIIDC, various options like merger, closure etc., are being examined for restructuring of your company.

Operations & Marketing Review

On 1st April 2015, your company had a stock of 3625 MT of apples. Out of this, FHEL had entered into an agreement with M/s FCI, Chennai for sale of 2,500 MT of apples. Hence, bulk of the quantity was sold to them as per the agreement. Balance material was sold to number of buyers from Delhi, Chennai, Vijaywada, Mumbai, Kolkata, Guwahati, Bihar, Madhya etc. Nearly, all the sales were made from the CA stores at fixed prices. However, as market prices were low, realizations were not upto mark.

As regards transactions for the year 2015-16, FHEL changed its Business model from long term procurement, storage and sale of apples to leasing out CA Chambers to the interested parties. It was the first year with the changed business model. In line with the company's open door policy, the availability of space was widely publicized by giving an advertisement on all India basis in the leading newspaper and also by sending both written invitations and personal contacting on phone and email for space booking.

During the year 37 chambers were given on rent to various parties/ leading apple business players. The parties who took chambers on rent include Gem Tree Natural Produce P Ltd., Adani Agri Fresh Ltd., United Cold Chain & Food Processing Ltd., Dev Bhoomi Cold Chain P Ltd., Mr. Amit Kumar, Mr. Rupinder Pal, Dahiya Floritech, Mr. Vinod Joshi and Him Agro. Though, Initially the interest was evinced by the above parties for taking on rent all the 78 chambers but they could not occupy the same due to higher Kinnaur apple prices making long term storage risky and in their perception financially uneconomical.

FINANCIAL REVIEW

During the year under review, Operating turnover of your Company registered a decline of 26.54% appx. i. e. from Rs. 32.14 Cr. in F/Y 2014-15 to Rs. 23.61 Cr. in F/Y 2015-16. Cost of Sales increased by 21.40% appx., from Rs. 30.70 Cr. in F/Y 2014-15 to Rs. 37.27 Cr. in F/Y 2015-16, primarily on account of stock transfer of previous year. Further, Employee Benefits Expenses, Finance costs and other expenses for F/Y 2015-16 are Rs. 1.75 Cr., Rs. 3.08 Cr. and Rs. 2.71 Cr., respectively. After providing for depreciation & amortization expenses amounting to Rs. 5.37 Cr., the Company suffered Net Loss of Rs. 26.03 Cr. during F/Y 2015-16 as against Net Loss of Rs. 14.47 Cr. during previous year (2014-15). As on 31.03.2016, accumulated losses of the company stood at Rs. 140.39 Cr.

CAPITAL STRUCTURE

The Authorized Equity Share Capital of the Company stood at Rs. 150 Cr. Issued, Subscribed and Paid up Equity Share Capital of the Company remained Rs. 145.67 Cr. CONCOR continues to hold 100% of the Paid up Equity Share Capital of FHEL, during the financial year 2015-16.

SECURED LOANS

Your Company has not taken any Secured loan during F/Y 2015-16.

UNSECURED LOAN

In order to meet working capital requirement for F/Y 2015-16, your Company entered into an arrangement with CONCOR (holding company) for sanction of unsecured working capital loan of Rs. 1.90 Cr. at an interest rate of 8.51% p.a. Out of sanctioned working capital loan of Rs. 1.90 Cr., your Company had drawn a sum of Rs. 1.45 Cr. on 31.03.2016.

As on 31.03.2016, total outstanding loan (unsecured) due to holding Company (CONCOR) stood at Rs. 31.45 Cr. (inclusive of Rs. 30 Cr. for F/Y 2014-15 and Rs. 1.45 Cr. for F/Y 2015-16). Apart from this, Company has interest accrued & due on borrowings of Rs. 11.22 Cr. on 31.03.2016.

CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS WITH RELATED PARTIES

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

During the period ended 31st March, 2016, FHEL's related party transactions were with its holding company CONCOR (A PSU under Ministry of Railways), in ordinary course of business and on arm's length basis. The same are reviewed and approved by the Audit Committee regularly in its meetings.

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

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 with total capacity of 12000 MT appx. The facility has been operating successfully during the F/Y 2015-16.

PARTICULARS OF EMPLOYEES

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

HUMAN RESOURCE MANAGEMENT

Human resource management function in the organization is designed to maximize employee performance and is an employer's strategic objective. As on 31.03.2016, employee strength of company remained 27 (which includes Regular-24 and three employees deputed by CONCOR). All the employees have high level of motivation to achieve organization's objectives. The company also gives training to employees whenever considered necessary.

INDUSTRIAL RELATIONS

FHEL maintained industrial peace and harmonious relations and no man-days were lost during the financial year. Positive IR has been the goal of HR Department. FHEL provides two way communication, participative culture, open platforms for discussion for ideas and motivation of the employees.

RESERVATION POLICY

FHEL a wholly owned subsidiary of CONCOR, a Central Government Public Sector (PSU), is following all the Presidential Directives and Guidelines as issued by the Government from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2016, there were 03-OBC, 02-SC and 01-ST employee.

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

Fresh & Healthy Enterprises Ltd. (FHEL) prohibits any kind of act of Sexual Harassment at work place and included the acts amounting to Sexual Harassment at Workplace in its Conduct Rules and Certified Standing orders (as certified in 1998) and Discipline & Appeal Rules so as to prohibit any such Act. FHEL constituted an Internal Complaints Committee in the year 2014 to receive and investigate complaints related to "Sexual harassment at workplace" following the guidelines issued by Hon'ble Supreme Court of India in "Visakha Vs. State of Rajasthan". The then committee consists of four members including at Manager level & one external member who is practicing advocate in Hon'ble High Court of Punjab & Haryana, Chandigarh. Manager(Fin) & Company Secretary is the Presiding Officer of the committee.

FHEL has 03 female employees out of total 24 employees. The company has created conducive work environment free from any kind of harassment. During the FY 2015-16, no complaint has been received by the Committee.

VIGILANCE

Vigilance Awareness Week was observed in FHEL from 26th October, 2015 to 31st October, 2015. Theme for this year's Vigilance Awareness Week was '**Preventive Vigilance As A Tool of Good Governance**'. The Vigilance Awareness Week was observed at FHEL CA Store, Rai/Sonepat with fervor, zeal and enthusiasm wherein all employees participated and shown their intention to take preventive measures in order to achieve Government of India's objective to fight with corruption and prevalence of Good Governance all over the country. Posters were also floated in facility in view of Vigilance Awareness Week.

During the Vigilance Awareness Week, 'OATH OF ALLEGIANCE' was administered amongst all the employees at FHEL CA Store/Rai by the CEO on 27.10.2015. During the week, all employees have been advised to be vigilant at all times while dealing with official matters and perform their duties diligently.

During the year under review, one case pertaining to Irregularity in payment to FHEL was brought into notice by vigilance department of CONCOR and the same was registered with the investigating agency by CONCOR.

RESEARCH & DEVELOPMENT (R & D)

Due to change in business model of the Company, no new R & D activities were carried out during the period under review.

CA storage readings of chambers are maintained within set range after the chambers attained the steady state temperatures and CA values. Percentage (%) of readings of CA Storage not within acceptable range, are less than 3 (three) %.

CORPORATE SOCIAL RESPONSIBILITY (CSR) AND SUSTAINABLE DEVELOPMENT

Under CONCOR/FHEL's CSR and Sustainability initiative, a project on CSR and Sustainability was implemented by The Energy and Resources Institute (TERI) in Shimla, Kullu and Kinnaur districts of Himachal Pradesh covering activities like training and capacity building, exposure visits, distribution of apple planting materials, water solutions etc. The project covered more than 250 beneficiaries through training programs during the financial year 2015-16. Being a loss making entity, FHEL is not mandated to incur any expenditure towards CSR in accordance with the provisions of Companies Act, 2013 and rules made thereunder.

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 2015-16.

RISK MANAGEMENT POLICY

FHEL has identified the possible risks and mitigation plans arising in the operations and other key area of the company. Implementation of risk mitigation/management measures is reviewed by Audit Committee and Board periodically.

AUDITORS

Being a Government Company, the Comptroller & Auditor General of India appointed M/s. Anil Ashok & Associates, Chartered Accountants, Delhi as Company's Statutory Auditors for the F/Y 2015-16. Statutory Auditor is paid remuneration of Rs 1,08,000/- plus Service Tax, as fixed by Board of Directors'. The Statutory Auditors of your Company have given report on the accounts of the Company for the financial year 2015-16 drawing attention under 'Emphasis of Matter' to Note 15(13) & Note 2 to financial statements, related to sundry debtors and significant doubt about the Company's ability to continue as a going concern, respectively. Management's replies to the points raised by Statutory Auditor are as under -:

Statutory Auditor's Remarks	Management's Replies
Statutory Auditor Report- Emphasis of Matter 4.1 (A) Note 15(13) to the financial statement in respect of sundry debtors there is uncertainty related to the outcome of the lawsuit filed against various sundry debtors.	 It is stated that 04 cases are subjudice in legal proceedings. In all four cases, legal proceedings are under process.

Statutory Auditor Report- Emphasis of Matter	
<p>4.1(B) Note 2 in the financial statement which indicates that the Company has accumulated losses and its Net Worth has been fully/ substantially eroded, the Company has incurred a net Loss / net Cash loss during the current year and previous year(s) and, the Company current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.</p>	<p>FHEL is a fully owned subsidiary of CONCOR. It was incorporated in February 2006 with Rs.35 Crores equity capital received from CONCOR, and became operational in the year 2008. As on 31.03.2016, the paid up share capital of the company stood at Rs. 145.67 crores. FHEL intends to derive its strength from CONCOR, its holding company & is convinced of long term value in this segment. During next year, 60-65 chambers are expected to be leased for an average period of around 8 months which is expected to generate income of Rs.7.5 to Rs.8 crores, as good monsoon is expected this year. Further, Company is already exploring various options about business prospects for FHEL in future such as option of PPP model. Decision has also been taken to utilize vacant land available in Rai for developing as CONCOR CFS for Agri products. Therefore, there is reasonable certainty about the viability of the company. The management is of the view that the company will be in good condition in coming years as various options are being explored.</p>
<p>Our opinion is not modified in respect of these matters.</p>	

Comptroller & Auditor General of India (C&AG) vide office letter no. PDA/RC/RPSU/32-36/F&H/2015-16/1130 dated 17.06.2016 communicated its comment that it has decided not to conduct the supplementary audit of the financial statements of FHEL for the year ended 31st March, 2016 under section 143(6)(a) of the Companies Act, 2013. The Report of Statutory Auditor along-with Comments of C&AG on the financial statements of the Company for F/Y 2015-16, are placed elsewhere in the Annual Report.

In accordance with the provisions of Companies Act, 2013 and Rules made thereunder, Company has appointed M/s. Kumar Tripathi & Associates, Company Secretaries as Secretarial Auditor, who have conducted Secretarial Audit for F/Y 2015-16. The Report of Secretarial Auditor for F/Y 2015-16 and the Auditor who has given Corporate Governance Compliance certificate without any adverse observation/remark, are attached herewith.

Further, M/s. M. V. Co., Chartered Accountants were appointed as Internal Auditors of FHEL, who conducted Internal Audit for the FY 2015-16.

BOARD OF DIRECTORS

The Board met 5 (five) times for transacting business of the Company during the financial year 2015-16.

Shri Sudhir Mathur, ceased to be Independent Director on account of expiry of term on 24.09.2015. Shri Pradeep Bhatnagar was appointed as Independent Director of FHEL w.e.f. 12.10.2015.

Further, the tenure of Shri Pradeep Bhatnagar and Shri M. P. Shorawara, Independent Directors expired on 05.03.2016.

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

Further, Major Gen. (Retd.) Raj Krishan Malhotra and Shri Sanjeev S. Shah, were appointed as Independent Directors of the Company w. e. f. 02.05.2016.

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

1. Shri Anil Kumar Gupta, CMD/CONCOR & Chairman/FHEL;
2. Shri Yashvardhan, Director (IM & O)/CONCOR & Director/FHEL;
3. Dr. P. Alli Rani, Director (Finance)/CONCOR & Director/FHEL;
4. Shri Arvind Bhatnagar, Director (Dom. Div.)/CONCOR & Director/FHEL;
5. Maj. Gen. (Retd.) Raj Krishan Malhotra, Independent Director/FHEL;
6. Shri Sanjeev S. Shah, Independent Director/FHEL.

RETIREMENT OF DIRECTORS BY ROTATION

In terms of provisions of the Companies Act, 2013, Shri Anil Kumar Gupta, Chairman, is liable to retire by rotation and being eligible, offers himself for re-appointment.

DECLARATION BY INDEPENDENT DIRECTORS & SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosure to Board that they fulfill all the requirements as to qualify for their appointment as an independent Director under the provision of the Companies Act, 2013.

A separate meeting of Independent Directors was held on 04.03.2016, which was attended by Shri Pradeep Bhatnagar and Shri M. P. Shorawala, Independent Directors. In the said meeting, Independent Directors reviewed inter-alia the performance of non-independent directors, Board as a whole, Chairman and assessed the quality, quantity, timelines of flow of information etc.

PERFORMANCE EVALUATION OF THE DIRECTORS' AND THE BOARD

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

In this regard, Ministry of Corporate Affairs, through its notification dated 5th June, 2015 has exempted Government Companies from these provisions. The appointment of Directors of your Company is done by holding company CONCOR, a PSU under Ministry of Railways. Also, performance of the Board of Government Companies is evaluated during performance evaluation of the MOU signed with the holding company, in accordance with guidelines issued by Department of Public Enterprises.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) in the preparation of the annual accounts for the financial year ended 31st March, 2016, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for the year under review;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the accounts for the financial year ended 31st March, 2016 on a 'going concern' basis;
- (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CODE OF CONDUCT

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

Based on the affirmation received from Board Members and Key Managerial Personnel, it is hereby declared that all the members of the Board and Key Managerial Personnel have affirmed compliance of Code of Conduct for the financial year ended on March 31st, 2016.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

EXTRACT OF ANNUAL RETURN

Extract of Annual Return for the financial year ended on 31.03.2016 is attached in the prescribed form.

CONCLUSION

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

For and on behalf of the Board of Directors

Place : New Delhi
Date: 27.07.2016

Sd/-
(Anil Kumar Gupta)
CHAIRMAN

Annexure to the Directors' Report

CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY

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

BOARD OF DIRECTORS

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

Board of Directors' of the Company comprises of Six Part-time Directors including a Chairman (Ex-officio), one Women Director and two Independent Directors.

As on 31.03.2016, the composition of Board was not in conformity with DPE guidelines on Corporate Governance as number of independent directors are not one-third of the total strength of the Board due to completion of tenure of Shri Mahipal Shorawala and Shri Pradeep Bhatnagar, independent directors on 05.03.2016.

FHEL appointed Maj. Gen. (Retd.) Raj Krishan Malhotra and Shri Sanjeev S. Shah as Independent Directors w. e. f. 02.05.16. After appointment of two independent directors, Company is in compliance with the provisions of DPE guidelines on Corporate Governance.

The Board met five times for transacting business during the financial year 2015-16 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
54	29 th April, 2015
55	21 st July, 2015
56	31 st August, 2015
57	19 th Oct., 2015
58	19 th Jan., 2016

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 and Key Managerial Personnel, it is hereby declared that all the members of the Board and Key Managerial Personnel have affirmed compliance of Code of Conduct for the financial year ended March 31st 2016.

The Composition of Directors, attendance at the Board Meetings during the year 2015-16 and the last Annual General Meeting, the number of other directorships, chairmanship and committee memberships (as provided) are given below :-

Sl. No.	Category of Directorship	Name of Director	No. of Board Mtgs Attended	Attendance At last AGM	No. of Other Committee Membership/ Chairmanship		No. of Other Directorship / Chairmanship	
(I)	Part-time Ex-Officio/Non-Executive Chairman							
1.	Chairman & Managing Director, CONCOR	Sh Anil Kumar Gupta (DIN : 00066328)	Four	Yes	One	One	Three	Two
(II)	Part-time /Non-Executive Directors							
2.	Dir. (IM & Ops)/CONCOR	Sh. Yash Vardhan (DIN : 01842119)	Four	No	Three	Nil	Five	One
3.	Dir. (Finance)/CONCOR	Dr. P. Ali Rani (DIN : 02305257)	Five	Yes	Ten	Two	Six	Two
4.	Dir. (Domestic)/CONCOR	Shri Arvind Bhatnagar (DIN : 03564703)	Five	Yes	One	Nil	Four	Nil
(III)	Part-time Non-Executive Directors (Independent)							
5.	Director	Shri Sudhir Mathur* (DIN : 00168155)	Three	Yes	Two	One	Two	Nil
6.	Director	Shri M. P. Shorawala** (DIN : 02754082)	Five	Yes	Five	Nil	Four	Nil
7.	Director	Shri Pradeep Bhatnagar*** (DIN : 00196664)	Two	N.A.	Four	Nil	Two	Nil

* Tenure expired on 24.09.2015. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per disclosures made last year.

** Tenure expired on 05.03.2016. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per disclosures made last year.

*** Appointed w. e. f. 12.10.2015 and tenure expired on 05.03.2016. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per last disclosures submitted.

KEY MANAGERIAL PERSONNEL

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

Shri Mohan Lal Arora, Chief Executive Officer;
Shri Umesh Behl, Chief Finance Officer;
Ms. Suman Lata, Manager (Fin) & Company Secretary.

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of Independent Directors was held on 04.03.2016 without the presence of non-independent directors and members of management. The meeting was attended by both the Independent Directors. In the said meeting, Independent Directors reviewed inter-alia the performance of non-independent directors, Board as a whole, Chairman and assessed satisfactory quality, quantity, timelines of flow of information, compliance of regulatory requirements etc.

AUDIT COMMITTEE

At the beginning of the financial year 2015-16, Audit Committee comprised of the following members -:

Shri Sudhir Mathur	- Chairman
Shri M. P. Shorawala	- Member
Dr. P. Alli Rani	- Member

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

After expiry of term of Shri Sudhir Mathur, Independent Director on 24.09.2015, Shri Pradeep Bhatnagar, Independent Director was inducted as member of Committee w. e. f. 19.10.2015, who continued to be the member of Committee till expiry of his term on 05.03.2016. Further, the term of Shri M. P. Shorawala, who chaired the meetings of Audit Committee, after expiry of term of Shri Sudhir Mathur, Independent Director, also expired on 05.03.2016.

As on 31.03.2016 Audit Committee comprised of only one member i.e. Dr. P. Alli Rani, Director, due to expiry of tenure of Shri M. P. Shorawala and Shri Pradeep Bhatnagar, Independent directors on 05.03.2016.

After appointment of Shri Sanjeev S. Shah and Maj. Gen. (Retd.) Raj Krishan Malhotra, Independent Directors on the Board of FHEL and their nomination as members of Audit Committee w.e.f. 02.05.2016, FHEL is in compliance with DPE guidelines on Corporate Governance in respect of having minimum three directors as members of Audit Committee with two-thirds as Independent Directors.

The Committee met 4 (Four) times during the financial Year 2015-2016 on 29.04.15, 21.07.15, 19.10.15 and 19.01.16.

The details of the attendance of the members in the Committee meetings held during F/Y 2015-16 are as under -:

S. No.	Name of Members	No. of Committee Meetings Attended
1.	Shri Sudhir Mathur	Two
2.	Shri M. P. Shorawala	Four
3.	Dr. P. Alli Rani	Four
4.	Shri Pradeep Bhatnagar	Two

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.

NOMINATION AND REMUNERATION COMMITTEE

At the beginning of F/Y 2015-16, Nomination and Remuneration Committee (NRC) comprised of the following members -:

- (i) Shri Sudhir Mathur - Chairman
- (ii) Shri M. P. Shorawala - Director
- (iii) Shri Arvind Bhatnagar - Director

After expiry of term of Shri Sudhir Mathur, Independent Director on 24.09.2015, Shri Pradeep Bhatnagar, Independent Director was nominated as member of NRC w. e. f. 19.10.2015, who continued to be the member of Committee till expiry of his term on 05.03.2016. Further, the term of Shri M. P. Shorawala, Independent Director also expired on 05.03.2016.

As on 31.03.2016 Nomination and Remuneration Committee comprised of only one member i.e. Shri Arvind Bhatnagar, Director, due to expiry of tenure of Shri M. P. Shorawala and Shri Pradeep Bhatnagar, Independent directors on 05.03.2016.

After appointment of Shri Sanjeev S. Shah and Maj. Gen. (Retd.) Raj Krishan Malhotra, Independent Directors on the Board of FHEL and their nomination as members of Nomination and Remuneration Committee w. e. f. 02.05.2016, FHEL is in compliance with DPE guidelines on Corporate Governance.

During the year 2015-16, One meeting of 'Nomination & Remuneration Committee was held on 29.04.2015. Details of attendance at the meetings are as under -:

S. No.	Name of Members	No. of Committee Meetings Attended
1.	Shri Sudhir Mathur	One
2.	Shri M. P. Shorawala	One
3.	Shri Pradeep Bhatnagar	N.A.
4.	Shri Arvind Bhatnagar	One

As per notification dated 5th June, 2015 issued by Ministry of Corporate Affairs, Government Companies have been exempted to comply with the provisions of sub-sections (2), (3) & (4) of Section 178 of Companies Act, 2013 except with regard to appointment of Senior management and other employees. Thus, FHEL is not required to comply with the laid down requirements in respect of Directors. Being a wholly owned Subsidiary of Container Corporation of India Ltd. (Govt. Company), appointment/nomination of all the Directors is done by CONCOR (holding company). The Committee reviews and recommends to Board for confirmation of appointment of Key Managerial Personnel.

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

The Part-time non-executive directors (independent) are paid sitting fee of Rs. 20,000/- for each meeting of the Board or Committee thereof attended by them, except Rs. 10,000/- for attending meeting of Nomination and Remuneration Committee apart from reimbursement of expenses for participating in the Board and other meetings.

The details of sitting fee paid during F/Y 2015-16 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.	Shri Sudhir Mathur	1.10
2.	Shri M. P. Shorawala	2.10
3.	Shri Pradeep Bhatnagar	1.00

@ excluding service tax.

SUBSIDIARY COMPANY

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

GENERAL BODY MEETINGS

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

<u>AGM Date</u>	<u>Location</u>	<u>Time</u>
31.08.2015	Conference Hall, Container Corporation of India Ltd. C-3, Mathura Road, New Delhi – 110076.	11:00 Hrs..
02.09.14	-----Do-----	10:30 Hrs.
18.07.13	-----Do-----	15:00 Hrs.

In the last AGM held on 31.08.2015, Special Resolution was passed in terms of Section 197(7) and other applicable provisions of Companies Act, 2013, for payment of sitting fee to every Non-official part time (Independent) Director of Rs. 20,000/- (Rs. Twenty thousand only) for each Board or any of its Committee meeting, except Rs. 10,000/- (Rs. Ten thousand only) for attending meeting of Nomination and Remuneration Committee, apart from reimbursement of expenses for participation in the Board and other meetings, w. e. f. 22nd Oct., 2014.

AGM of Current Year

Date : 27th July, 2016
Time : 5 P. M.
Venue : CONCOR Bhawan,
C-3, Mathura Road,
New Delhi - 110076.

DISCLOSURES

- (i) During the year, there was no transaction of material nature with the directors or their relatives that had potential conflict with the interest of the company.
- (ii) There were no instances of penalties / strictures imposed on the Company by any statutory authority due to non-compliance on any matter related to any guidelines issued by Government during the last three years.
- (iii) In terms of Corporate Governance Guidelines & to adopt best practices therein, the Company has 'Whistle Blower Policy' in place.
- (iv) Your Company has filed report on Corporate Governance in specified format to CONCOR (holding company) & DPE within stipulated time.
- (v) Compliance with the requirement of these guidelines are detailed in this report
- (vi) FHEL has been following Presidential Directives and Guidelines issued by the Govt. of India from time to time regarding reservation of SCs, STs, OBCs, Physically Handicapped & Ex-Servicemen in letter and spirit.
- (vii) No Expenditure has been debited in the Books of Accounts, which is not for the purpose of business.
- (viii) The Company has not incurred any expense which is personal in nature and incurred for the Board of Directors and Top Management.
- (ix) Details of Administrative and office 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>
2015-16	260.71	5018.07	5.20%
2014-15	263.99	4733.78	5.58%

- (x) Transactions with related parties as per requirements of Accounting Standards issued by the Institute of Chartered Accountants of India are disclosed in relevant notes to the Balance Sheet of the Company.
- (xi) The Company has an adequate risk assessment and minimization plan. Certificate of compliance of applicable laws, is being placed before the Board.

MEANS OF COMMUNICATION

Financial Results : The Annual Report and quarterly un-audited financial results are regularly posted by the Company on its website.

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

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

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directorship Held	Details of Other Committee Membership
Shri Anil Kumar Gupta DIN :00066328	24.09.1956	28.02.2006	M.A. M. Phil. (Economics) MBA (NMP)	Ex-IRTS officer with Professional experience in Railway Operations, Commercial & Safety. Expertise in Container Terminal Planning and Management & Marketing of logistics Services.	Three@	One#
Shri Pradeep Bhatnagar DIN : 00196664	24.03.1952	12.10.2015	B.A. (Physics, Maths & Statistics) and M. A. (Western History)	Ex-AM(Traffic), Railway Board and having experience of more than 16 years in position of Jt. Secretary and above.	Two@@	Four##
Maj. Gen. (Retd.) Raj Krishan Malhotra DIN : 07483272	02.09.1949	02.05.2016	M. Sc. M. Phil.	Retd. Major Gen. with experience in National Security Council Secretariat under PMO	One@@@	Nil

				continuously for eight years.		
Shri Sanjeev S. Shah DIN 00323163	08.06.1960	02.05.2016	B. Sc., CA, CFE	Specialization in Mergers & Acquisitions, Corporate Finance, Acquisition Strategies, Due Diligence, Institutional & Private Equity, Capital Re- structuring & Rehabilitation, Drafting and Vetting of legal documents	Five@@ @@	Six###

@ 1. M/s. Container Corporation of India Ltd. as Chairman and Managing Director, 2. M/s. CONCOR Air Limited as Chairman 3. M/s. SIDCUL CONCOR Infra Co. Ltd, as Director.

Chairman of CSR Apex Committee in Container Corporation of India Ltd.

@@ 1. M/s. Container Corporation of India Ltd. 2. M/s. CONCOR Air Limited

1. Member of Audit Committee, HR Committee and CSR Committee in Container Corporation of India Ltd. 2. Member of Audit Committee in CONCOR Air Ltd.

@@@ M/s. Container Corporation of India Ltd. as Part-time Independent Director.

@@@@ As Non-Executive Independent Director of (1) M/s. Container Corporation of India Ltd. (2) CONCOR Air Ltd. (3) IOT Anwasha Engineering & Construction Ltd.; and as Non-Executive Director of (1) M/s. Morgan Fincons Pvt. Ltd. (2) M/s. Mapara Holdings Pvt. Ltd.

1. Member of Audit Committee and Chairman of Nomination and Remuneration Committee in M/s. Container Corporation of India Ltd. 2. Member of Audit Committee in CONCOR Air Ltd. 3. Chairman of Audit Committee and Nomination & Remuneration Committee in M/s IOT Anwasha Engineering & Construction Ltd. and Member of CSR Committee in M/s. IOT Anwasha Engineering & Construction Ltd.

MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure & Developments :

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

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

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

FHEL is one of the first companies who had invested in specialized CA Store for storage of apples. Encouraged by the suitability of technology and associated benefits, private sector has seized the opportunity and invested heavily in setting up of CA Stores in the country. In last 10 years, many facilities have come up in Delhi NCR and in apple growing states of Himachal Pradesh and Jammu & Kashmir. Presently, the estimated CA Storage capacity in the country is in excess of 1.25 lac MT. This exponential increase in the capacity has resulted in rather stunted growth of imported apples, thereby, conserving precious foreign exchange for the country. Despite all these developments the import of apples is still increasing exhibiting further growth potential of CA storage in the country.

2. **Strength & Weakness :**

Strengths :-

- a) Fruits & Vegetable market in India is huge (approx. Rs. 2,00,000 Crore +) & high percentage (i.e. 18%) of perishability holds tremendous business potential for Cold Chain Infrastructure segment.
- b) The increase in the disposable income in hand of the consumer has led to year round demand for apples and hence larger demand for CA Storage.
- c) Being in operation for last 9 years the target customers are reasonably sure of our storage facility.
- d) Being a PSU, the transparent and uniform policies and dealings with all leads to better confidence among the clients.
- e) There is huge latent demand for quality produce, as country is importing large quantities of Fruits.
- f) High Margins in this trade are possible, resulting in higher demand potential.

Weaknesses :-

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

3. **Opportunity & Threats :**

Opportunities :-

- a) The proven results of apple storage in CA Stores in last 9 years has led to increased storage and the number of clients and hence bigger business opportunity.

- b) Improved living standards have led to higher and round the year demand of fruits in the country and hence increased emphasis on long term storage of Fruits and Vegetables.
- c) Since every year fruit imports is growing impressively, it shows customers are preferring quality fruit and thus organized business can make a significant contribution.

Threats -:

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

4. Segment-wise or Product-wise Performance

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

5. Internal Control Systems and their Adequacy :

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

6. SECURED LOANS

Your Company has not taken any Secured loan during F/Y 2015-16.

7. UNSECURED LOAN

In order to meet working capital requirement for F/Y 2015-16, your Company entered into an arrangement with CONCOR (holding company) for sanction of unsecured working capital loan of Rs. 1.90 Cr. at an interest rate of 8.51% p.a. Out of sanctioned working capital loan of Rs. 1.90 Cr., your Company had drawn a sum of Rs. 1.45 Cr. on 31.03.2016.

As on 31.03.2016, total outstanding loan (unsecured) due to holding Company (CONCOR) stood at Rs. 31.45 Cr. (inclusive of Rs. 30 Cr. for F/Y 2014-15 and Rs. 1.45 Cr. for F/Y 2015-16). Apart from this, Company has interest accrued & due on borrowings of Rs. 11.22 Cr. on 31.03.2016.

8. Fixed Assets

<u>Year Ended March 31</u>	<u>2016</u>	<u>2015</u>	(Rs. in Cr.) <u>%age Incr. (Decr.)</u>
Original Cost of Assets	80.61	81.68	(1.31)
Less : Accumulated Dep.	34.15	29.25	16.75
Net Fixed Assets	46.46	52.43	(11.39)

9. Inventory

As on 31.03.2016, there was no closing stock of fruits in FHEL.

10. Trade Receivables

Trade receivables are 8.58% of operating income of the year.

11. Cash & Cash Equivalent

The Company keeps available cash in flexi Deposits with Banks.

12. Income

Income from operations has decreased by 26.54% over F/Y 2014-15.

13. Cost of Sales

Cost of Sales has increased by 21.40% appx. over F/Y 2014-15.

14. Other Expenses

Other expenses have decreased by 1.20% over F/Y 2014-15.

15. Employee Remuneration

The Employee Cost has decreased by 8.07% in comparison to last year.

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

Human resource management function in the organization is designed to maximize employee performance and is an employer's strategic objective. As on 31.03.2016, employee strength of company remained 27 (which includes Regular-24 and three employees deputed by CONCOR). All the employees have high level of motivation to achieve organization's objectives. The company also gives training to employees whenever considered necessary.

FHEL maintained industrial peace and harmonious relations and no man-days were lost during the financial year. Positive IR has been the goal of HR Department. FHEL provides two way communication, participative culture, open platforms for discussion for ideas and motivation of the employees.

FHEL a wholly owned subsidiary of CONCOR, a Central Government Public Sector (PSU), is following all the Presidential Directives and Guidelines as issued by the Government from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2016, there were 03-OBC, 02-SC and 01-ST employee.

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

Environmental protection and conservation, Technological conservation:

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

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

Measures taken for environmental protection and conservation:

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

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

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

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

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

Foreign Exchange Conservation :

FHEL is one of the first companies who had invested in specialized CA Store for storage of apples. Encouraged by the suitability of technology and associated benefits private sector has seized the opportunity and invested heavily in setting up of CA Stores in the country. In last 10 years many facilities have come up in Delhi NCR and in apple growing states of Himachal Pradesh and Jammu & Kashmir. As on date the estimated CA Storage capacity in the country is in excess of 1.25 lac MT. This exponential increase in the capacity has resulted in rather stunted growth of imported apples, thereby, conserving precious foreign exchange for the country. Despite all these developments the import of apples is still increasing exhibiting further growth potential of CA storage in the country.

18. Outlook :

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

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

19. Risks & Concerns :

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

Major risks involved are -:

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

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

20. Corporate Social Responsibility (CSR)

Under CONCOR/FHEL's CSR and Sustainability initiative, a project on CSR and Sustainability was implemented by The Energy and Resources Institute (TERI) in Shimla, Kullu and Kinnaur districts of Himachal Pradesh covering activities like training and capacity building, exposure visits, distribution of apple planting materials, water solutions etc. The project covered more than 250 beneficiaries through training programs during the financial year 2015-16. Being a loss making entity, FHEL is not mandated to incur any expenditure towards CSR in accordance with the provisions of Companies Act, 2013 and rules made thereunder.

21. Cautionary Statement

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

CONSERVATION OF ENERGY

During the year 2015-16, regular in-house Audits in areas of Refrigeration and Air Conditioning, Compressed Air, Lube-Oil System, Lighting, Water Balancing, Cooling Water System, were carried out at Controlled Atmosphere (CA) Store, Rai.

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

1. POWER CONSUMPTION FOR REFRIGERATION AND AIR CONDITIONING,

AUXILIARY UNITS

- (a) Energy Saving Screw Compressors and Chillers have been installed 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 lights illumination and lighting voltage optimization. During the year special care was taken to ensure that lights operated only in areas where it was required. Area identified and implemented were External lighting, utility area, corridors, sorting hall, packing hall, machine room, and office building.

3. Heat energy:

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

4. Fuel oil:

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

5. Water for cooling towers and processing:

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

6. Battery chargers for material handling equipments and other purpose:

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

Impact of measures taken for Energy Conservation

Unit consumed per MT in 2015 -16 is 62.39 KWH as compared to 50.85 KWH in 2014-15, due to following reasons:-

- 1 The Energy Charges tariff increased from Rs.5.80 per unit to Rs.6.15 per unit (w.e.f 01.04.2015)
- 2 The Fixed Charges tariff increased from Rs.148950/- to Rs.168810/- (w.e.f 01.04.2015)
- 3 In 2014 - 15 opening Stock Nil & 2015 - 16 opening Stock 4869 MT (Out of 4869MT,3825 MT was of FHEL & 1044MT was of other parties stock till 11-07.2015)
- 4 Changes in the business model of the company only 33 chambers are filled out of 78 chambers.

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

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

Technology absorption

i)	Efforts made towards technology absorption.	Due to changed business model of RHEL, no efforts were made towards technology absorption
ii)	The Benefits derived like product improvement, cost reduction, product development, and import substitution.	Due to changed business model no direct benefits are derived to the company however storage in CA is helping the concerned parties / buyers.
iii)	<p>In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished</p> <p>(a).Details of Technology imported</p> <p>(b).Year of import</p> <p>(c).whether the technology been fully absorbed.</p> <p>(d).If not fully absorbed areas where absorption has not taken place and reasons therefore.</p>	<p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>
iv)	<p><u>Expenditure incurred on R&D</u></p> <p>(i) Capital</p> <p>(ii) Recurring</p> <p>(iii) Total</p> <p>(iv) Total R&D expenditure as a percentage of turnover</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>

FORM No. AOC-2

Annexure

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

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

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

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

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

S. No.	Name of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Duration of contracts/arrangements/transactions	Salient features of contracts/arrangements/transactions, including value, if any	Date of approval by the Board/Audit committee	Amount paid as advances, if any	Date on which special resolution was passed in general meeting u/s 188(1)(h)
1	Container Corporation of India Ltd. (Holding Company)	Unsecured Working Capital Loan taken	270 days from the date of sanction of loan.	Sanctioned an amount of Rs1.90 crore with an interest 8.51% p.a. Out of Rs.1.45 crore has been withdrawn.	179 TH CONCOR's BOD Meeting Held on 25/01/2016 & Agreement Dt:08.03.2016	N/A	N/A
2	Container Corporation of India Ltd. (Holding Company)	Unsecured Working Loan Refund		An amount of Rs. 12,89,77,383/- refunded during the financial year.		N/A	N/A

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3	Container Corporation of India Ltd. (Holding Company)	Interest On Loan	-	An amount of Rs.3,07,96,188/- due during the F.Y. 2015-16.	-	N/A	N/A
4	Container Corporation of India Ltd. (Holding Company)	Interest Paid	-	An amount of Rs.1,45,64,532/- paid during the F.Y. 2015-16	-	N/A	N/A
5	Container Corporation of India Ltd. (Holding Company)	TDS deducted on interest on loan	-	An amount of Rs.30,79,624/- deducted during the F.Y. 2015-16	-	N/A	N/A
6	Container Corporation of India Ltd. (Holding Company)	Lease Rent on Plastic Bins	-	An amount of Rs.1,13,71,070/- due on account of lease rent of plastic bins during the F.Y. 2015-16	-	N/A	N/A
7	Container Corporation of India Ltd. (Holding Company)	Lease Rent on Plastic Bins paid	-	An amount of Rs.1,11,43,648/- paid on account of lease rent of plastic bins during the F.Y. 2015-16.	-	N/A	N/A
8	Container Corporation of India Ltd. (Holding Company)	TDS deducted on lease rent of plastic bins	-	An amount of Rs.2,27,422/- deducted on account of TDS during the F.Y. 2015-16.	-	N/A	N/A
9	Container Corporation of India Ltd. (Holding Company)	Balance of Unsecured loan at the end of F.Y.2015-16	-	Rs.31,45,00,000/-	-	N/A	N/A
10	Container Corporation of India Ltd. (Holding Company)	Interest Accrued & due at the End of F.Y. 2015-16	-	Rs. 11,22,13,736/-	-	N/A	N/A

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2016

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

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

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

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of apples, procured during last year from Shimla & Kinnaur areas of Himachal Pradesh, during off-season after storage in Controlled Atmosphere store at Rai, Sonapat.	10309	82%
2	Leasing of CA (Controlled atmosphere) Chambers	52101	16%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

(1) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	-								
b) Central Govt	-								
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other Government Company - Container Corporation of India Ltd.	-	14,56,67,721	14,56,67,721	100	-	14,56,67,721	14,56,67,721	100	Nil
Sub-total (A)	-	14,56,67,721	14,56,67,721	100	-	14,56,67,721	14,56,67,721	100	Nil
(1)									
(2) Foreign									
a) NRIs-Individuals									
b) Other individuals									
c) Bodies Corporate									
d) Banks/FI									
e). Any other									
Sub-total (A)									
(2)									

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

Total Public Shareholding (B)-(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	14,56,67,721	14,56,67,721	100	-	14,56,67,721	14,56,67,721	100	Nil

ii) Shareholding of Promoters -

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

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14,56,67,721	100	14,56,67,721	100
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
	At the end of the year	14,56,67,721	100	14,56,67,721	100

iv) Shareholding Pattern of top ten Shareholders:

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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14,56,67,721	100	14,56,67,721	100
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil

At the end of the year (or on the date of separation, is separated during the year)	14,56,67,721	100	14,56,67,721	100
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v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	Nil	Nil	Nil	Nil
	At the end of the year	Nil	Nil	Nil	Nil

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	4289.77	Nil	4289.77
ii) Interest due but not paid	Nil	990.62	Nil	990.62
iii) Interest accrued but not due	Nil	----	Nil	----
Total (i+ii+iii)	Nil	5280.39	Nil	5280.39
Change in Indebtedness during the financial year				
* Addition	Nil	145.00	Nil	145.00
* Reduction	Nil	1289.77	Nil	1289.77
Net Change	Nil	(1144.77)	Nil	(1144.77)
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	3145.00	Nil	3145.00
ii) Interest due but not paid	Nil	1122.14	Nil	1122.14
iii) Interest accrued but not due	Nil	--	Nil	--
Total (i+ii+iii)	Nil	4267.14	Nil	4267.14

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

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

B. Remuneration to other directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rupees in Lakhs)
1	Independent Directors	Shri Pradeep Bhatnagar	Shri Sudhir Mathur	Shri M. P. Shorawala	
	Fee for attending board /committee meetings	1.00	1.10	2.10	4.20
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	1.00	1.10	2.10	4.20
2	Other Non-Executive Directors				
	Fee for attending board /committee meetings	Nil	Nil	Nil	Nil
	Commission	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	1.00	1.10	2.10	4.20
	Total Managerial Remuneration	1.00	1.10	2.10	4.20
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.

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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO*	CS	CFO*	Total
1	Gross salary	18,30,307/-	12,41,213/-	20,07,015/-	50,78,535/-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,44,900/-	12,30,461/-	19,73,445/-	49,48,806/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	85,407/-	10,752/-	33,570/-	1,29,729/-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	18,30,307/-	12,41,213/-	20,07,015/-	50,78,535/-

* Remuneration is being paid by CONCOR (Holding Company)

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES :

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

For and on behalf of Board of Directors

Sd/-
(Anil Kumar Gupta)
Chairman

Date : 27.07.16
Place : New Delhi

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

AKHIL ROHATGI & COMPANY.
Company Secretaries
21, Shaanath Marg, Civil Lines,
Delhi - 110054.
Phone : 23926564, 9810690633
Email : rohatgi_co_secy@yahoo.co.in

CERTIFICATE

To the Members of
FRESH & HEALTHY ENTERPRISES LIMITED

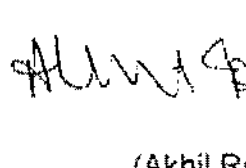
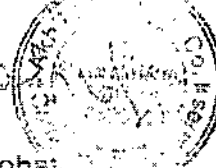
We have examined the compliance of conditions of Corporate Governance by Fresh & Healthy Enterprises Limited for the year ended 31st March, 2016 as stipulated in the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the 'Department of Public Enterprises', Ministry of Heavy Industries and Public Enterprises, Government of India.

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

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

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

For Akhil Rohatgi & Co.

(Akhil Rohatgi)
Company Secretary in Practice
F.C.S: 160
C.P. No. 2317

Place: New Delhi
Date : 17.05.2016

Secretarial Audit Report,
(For the period ended on 31/03/2015)
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Fresh & Healthy Enterprises Limited,
Concor Bhawan C-3 Mathura Road,
Opp Apollo Hospital, New Delhi-110076

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Fresh & Healthy Enterprises Limited** (hereinafter called the Company) a wholly owned subsidiary of Container Corporation of India Limited an Indian Government Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period ended on 31/03/2016 complied with the statutory provisions listed hereunder and also that the company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **Fresh & Healthy Enterprises Limited** ("The Company") for the period ended on 31/03/2016 according to the provisions of:
 - i. The Companies Act, 2013 (**the Act**) and the Rules made thereunder.
 - ii. The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Rules made thereunder- Not Applicable
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder- Not Applicable
 - iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings- Not Applicable
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("**SEBI Act**") to the extent applicable to the Company:
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011- Not Applicable
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992- Not Applicable
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009- Not Applicable
 - d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999- Not Applicable
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not Applicable

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not Applicable
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable

- vi. Compliance of guidelines issued by Department of Public Enterprises (DPE).
- vii. The Agricultural Produce Marketing Act, 1998
- viii. Food Safety and Standard of India Act, 2011
- ix. The Legal Metrology Act, 2009
- x. Pollution laws as applicable,
- xi. Labour Laws as applicable,
- xii. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013
- xiii. Secretarial Standard Issued by Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of non-executive directors and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Date: 17/05/2016
Place: New Delhi

For Kumar Tripathi & Associates
Company Secretaries

DEEPAK

KUMAR
Deepak Kumar, Partner

M. No.-23673, CP No.- 11372

Digitally signed by DEEPAK KUMAR
DN: cn=DEEPAK KUMAR, o=KUMAR
and Associates, email=deepak.kumar@ktapcs.com, c=IN
Date: 2016.05.17 11:13:10 +05'30'

(This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.)

To,

The Members,
Fresh & Healthy Enterprises Limited,
Concor Bhawan, C-3 Mathura Road,
Opp. Apollo Hospital, New Delhi-110076,

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

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

Date: 17/05/2016

Place: New Delhi

For Kumar Tripathi & Associates
Company Secretaries

DEEPAK KUMAR

Digitally signed by DEEPAK KUMAR
DN: cn=DEEPAK KUMAR, o=KUMAR TRIPATHI & ASSOCIATES,
ou=COMPANY SECRETARIES, email=KTAPCS@GMAIL.COM,
c=IN, Date: 2016.05.17 12:11:46 +05'30'

Deepak Kumar, Partner
M. No.-23673, CP No.- 11372

FRESH & HEALTHY ENTERPRISES LIMITED
BALANCE SHEET AS AT 31st March, 2016



		(Rs. in Lakhs)	
Particulars	Notes No.	As at 31.03.2016 Audited	As at 31.03.2015 Audited
I	EQUITY AND LIABILITIES		
1	Shareholder's Funds		
a)	Share Capital	14,566.77	14,566.77
b)	Reserve and Surplus	(13,943.32)	(11,340.72)
c)	Money Received against Share warrants		
		623.45	3,226.05
2	Share application Money pending allotment		
3	Non-current Liabilities		
a)	Long Term Borrowings		
b)	Deferred Tax Liabilities (Net)		
c)	Other Long Term Liabilities		
d)	Long Term Provisions	68.87	76.36
		68.87	76.36
4	Current Liabilities		
a)	Short Term Borrowings	3,145.00	4,289.77
b)	Trade Payables	15.56	148.78
c)	Other Current Liabilities	1,332.81	1,265.44
d)	Short Term Provisions	14.04	3.92
		4,507.41	5,708.91
	Total	8,199.73	9,011.32
II	Assets		
1	Non-Current Assets		
a)	Fixed Assets		
i)	Tangible Assets	4,644.37	5,240.38
ii)	Intangible Assets	1.90	2.45
b)	Non-Current Investments		
c)	Deferred Tax Assets (Net)		
d)	Long Term Loans and advances	93.25	99.62
e)	Other non-current Assets	4.58	14.27
		4,744.10	5,356.72
2	Current Assets		
a)	Current investments		
b)	Inventories	59.83	3,143.02
c)	Trade Receivables	302.51	423.71
d)	Cash and Cash equivalents	136.68	36.60
e)	Short-term Loans and advances	39.43	32.84
f)	Other Current Assets	17.18	18.43
		455.63	3,654.60
	Total	8,199.73	9,011.32

Significant Accounting policies 14

Other Notes 15

Notes 1 to 15 form an integral part of the accounts

As per our report of even date

For Anil Gupta & Associates

Chartered Accountant

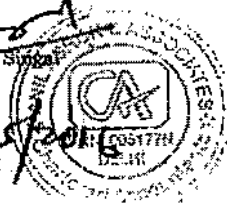
CA Vijay Kumar Singh

Partner

ML.No. D97963

Date: 17/05/2016

Place: New Delhi



For and on behalf of Board of Directors

Anil Kr. Gupta
Chairman

Dr. P. Anil Rani
Director

M.L. Arora
CEO

Suman Lata
Mgr(F) & CS

Umesh K. Behl
Chief Finance Officer

FRESH & HEALTHY ENTERPRISES LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2016

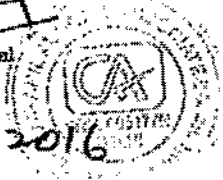
(Rs. in Lakhs)

Particulars	Note No.	31.03.2016 Audited	31.03.2015 Audited
I Revenue from Operations	9	2,360.86	3,213.76
II Other Income	10	54.61	72.71
III Total Revenue (I+II)		2,415.47	3,286.47
IV Expenses:			
Purchases of Traded Goods		102.71	4,899.25
Change in Inventories	11	3,083.20	(2,969.32)
Direct Expenses		541.50	1,139.92
Employee Benefits Expenses	12	175.25	190.63
Finance Costs		307.96	663.35
Depreciation and Amortization Expenses		536.74	535.96
Other Expenses	13	270.71	273.99
Total Expenses		6,018.07	4,733.78
V Profit before exceptional and extraordinary items and Tax (III - IV)		(2,602.60)	(1,447.31)
VI Exceptional Items		-	-
VII Profit Before extraordinary items and tax (V+VI)		(2,602.60)	(1,447.31)
VIII Extraordinary Items		-	-
IX Profit before Tax (VII - VIII)		(2,602.60)	(1,447.31)
X Tax Expense:			
(1) Current Tax		-	-
(2) Deferred Tax		-	-
(3) Tax Adjustment for Prior Periods		-	-
XI Profit / (Loss) for the period from continuing operations (IX-X)		(2,602.60)	(1,447.31)
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)		(2,602.60)	(1,447.31)
XVI Earning per Equity Share(Rs.)			
(1) Basic		(1.79)	(1.35)
(2) Diluted		(1.79)	(1.35)
Significant Accounting policies	14		
Other Notes	15		

Notes 1 to 15 form an integral part of the accounts

For Anil Ashok & Associates
 Chartered Accountant

CA Vijay Kumar Singal
 Partner
 M.No. 097963
 Date: 17/05/2016
 Place: New Delhi



For and on behalf of Board of Directors

Anil K. Gupta
 Chairman

Dr. P. Anil Rani
 Director

M. L. Arora
 CEO

Suman Lata
 Mgr(F) & CS

Umesh K. Behl
 Chief Finance Officer

FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars

31.03.2016
Audited31.03.2015
Audited**NOTE I : SHARE CAPITAL****Authorized share capital**

(15,00,00,000 equity shares of Rs.10/- each)

15,000.00

15,000.00

15,000.00

15,000.00**Issued, Subscribed & Paid-up Share Capital (*)**

(CY: 14,56,67,721 Equity Shares (FY: 14,56,67,721) of Rs.10/-each fully paid-up)

14,566.77

14,566.77

14,566.77

14,566.77**(*) 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.)

14,56,67,721

14,56,67,721

Percentage of shares held

(100%)

(100%)



FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS**

Particulars	01.04.2015 Audited	Addition/ deduction/ appropriation	(Rs. in Lakhs)
			As at 31.03.2016 Audited
NOTE 2 : RESERVES AND SURPLUS			
Securities Premium Reserve	95.23	-	95.23
Surplus (Profit and Loss Account)			
Opening Balance	(11,435.95)	-	-
Less: Adjstment of Assets Reserve prev Years	-	-	-
Profit/(Loss) after Tax for the period	-	(2,602.60)	-
Closing Balance	-	-	(14,038.55)
Total	(11,340.72)	(2,602.60)	(13,943.32)



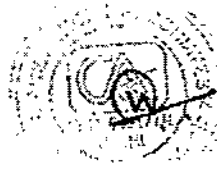


FRESH & HEALTHY ENTERPRISES LIMITED		NOTES TO ACCOUNTS	
(Rs. in Lakhs)			
Particulars	31.03.2016	Audited	31.03.2018
	Audited		Audited
NOTE 3 : NON-CURRENT LIABILITIES			
Long Term Borrowings			
Long Term Provisions			
Provision for Employee Benefits	68.87		76.36
Total	68.87		76.36

FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars	31.03.2016 Audited	31.03.2015 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)	-	-
<u>Loans and Advances from Related Party</u>		
Container Corporation of India Ltd. (Holding Co.; Unsecured)	3,145.00	4,289.77
Trade Payables		
- Micro & Small Enterprises	-	-
- Others	15.56	148.78
Other Current Liabilities		
<u>Current Maturities of Long Term Debt</u>	-	-
Interest Accrued & Due on Borrowings	1,122.14	990.62
Advance/Deposits from parties	111.98	136.49
Statutory Liability	-	-
Others	98.69	139.33
Short Term Provisions		
Provision for Employee Benefits	14.04	3.92
Total	4,507.41	5,708.91



FRESH & HEALTHY ENTERPRISES LIMITED
NOTES TO ACCOUNTS

Description	Gross Block				Depreciation			Net Block			
	As at 01.04.15	Additions during the period	Sale/adjustment	As at 31.03.2016	As at 01.04.15	For the period	Adjustment for FY	Sale / adjustment	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2016
Tangible Assets											
Building	1,922.53	-	-	1,922.53	471.67	58.58	-	-	530.25	1,392.28	1,450.86
Plant & Machinery	4,571.02	0.41	(0.43)	4,571.86	1,803.59	347.96	-	0.01	2,151.54	2,420.32	2,767.43
Computer	33.48	-	-	33.05	15.99	4.89	-	-	21.87	11.18	16.49
Furniture & Fittings	17.55	-	-	17.55	10.18	2.35	-	-	13.53	5.02	7.37
Bins	1,620.86	-	107.46	1,513.40	622.63	122.42	-	67.92	697.53	815.57	598.23
Sub Total:	8,165.44	0.91	107.46	8,058.39	2,928.06	536.19	-	47.24	3,414.02	4,644.37	5,240.38
Intangible Assets											
Software	2.95	-	-	2.95	0.50	0.55	-	-	1.03	1.90	2.45
Sub Total:	2.95	-	-	2.95	0.50	0.55	-	-	1.03	1.90	2.45
Grand Total	8,168.39	0.91	107.46	8,061.34	2,932.86	536.74	-	47.24	3,415.07	4,646.27	5,242.83
Previous Year	8,104.81	34.61	0.73	8,169.39	2,389.40	630.96	0.69	0.49	2,928.36	5,242.83	5,745.11

* Depreciation on assets treated on leasehold land is provided in line with the accounting policy of the company irrespective of the lease period, as the leases are likely to be renewed / extended. Depreciation has been provided as per SLM method in accordance with Companies Act, 2013





FRESH & HEALTHY ENTERPRISES LIMITED		NOTES TO ACCOUNTS	
Particulars	31.03.2016	Audited	31.03.2016
(Rs. in Lakhs)			
NOTE 6 : LONG TERM LOANS AND ADVANCES			
Security Deposits	81.73		81.56
- Govt. Authorities (Unsecured, Considered Good)			
- Others			
Other Loans and Advances	11.52		18.06
Loans to Employees (Secured, Considered Good)			
Total	93.25		99.62
NOTE 7: OTHER NON-CURRENT ASSETS			
Interest accrued on deposits, loans and advances (Staff)	4.58		4.27
(Secured, Considered Good)			
Preliminary/Miscellaneous Expenses			10.00
	4.58		14.27

FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS**

(Rs. In Lakhs)

Particulars	31.03.2016 Audited	31.03.2015 Audited
NOTE 8: CURRENT ASSETS		
Inventories (As taken, valued & certified by Management)		
Stock-in-Trade	-	3,003.48
Stores and Spares	59.83	139.54
	<u>59.83</u>	<u>3,143.02</u>
Trade Receivables (Unsecured considered Good)		
Outstanding for period exceeding six Months	174.56	160.77
Outstanding for period less than six Months	27.85	262.94
	<u>202.41</u>	<u>423.71</u>
CASH AND BANK BALANCES		
(I) Cash and Cash equivalents		
- Cash (Including Imprest)	0.08	0.00
Bank Balances		
- in current Accounts	16.34	25.31
(II) Other Bank Balances		
- Bank Deposits		
- With original maturity of more than 3 months and up to 12 months	116.47	7.77
- Earmarked Bank Balances		
- Bank Balances held as margin money or security against		
- Guarantees**	3.79	3.52
	<u>136.68</u>	<u>36.60</u>
Short-term Loans and advances		
Loans to Others		
Loans to Employees (Secured, Considered Good)	6.70	6.79
Advances (Unsecured, Considered Good) (Recoverable in Cash or in kind or value to be received)	1.64	1.44
Deposits (Unsecured, Considered Good)		
- Govt. Authorities	1.28	2.63
- Others	-	0.28
Advance Income Tax/TDS (Net of Provisions)	29.81	21.70
	<u>39.43</u>	<u>52.84</u>
Other Current Assets		
Interest accrued on deposits, Loans and advances	-	-
Preliminary/Miscellaneous Expenses.	10.00	10.00
Others	7.18	8.43
	<u>17.18</u>	<u>18.43</u>
Total	<u>455.63</u>	<u>3,654.60</u>

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

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FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars	31.03.2016 Audited	31.03.2015 Audited
NOTE 9 : REVENUE FROM OPERATIONS		
Sale of Fresh Fruits	1,940.03	2,859.01
Sale of Farm Inputs	1.44	137.98
Sale of Cartons	5.87	20.43
Sale of Scrap	-	60.86
Cooling Charges	379.03	135.48
Automatic Sorting & Grading Machine Charges	7.77	-
Income from Space for sorting Packing Machine	1.10	-
Income from Strapping Machine	0.15	-
Bin Rental	8.52	-
Handling Income	15.95	-
Total	2,360.86	3,213.76

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

Fruit	31.03.2016	31.03.2015
Apples	1,940.03	2,751.51
Kinnow	-	14.47
Mango	-	77.12
Green Almond	-	-
Orange and Others	-	-
Grapes	-	15.91
Pomegranate	-	-
Total	1,940.03	2,859.01



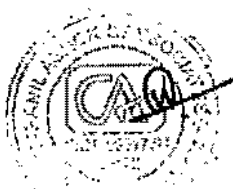


FRSH & HEALTHY ENTERPRISES LIMITED		NOTES TO ACCOUNTS	
(Rs. in Lakhs)			
Particulars	31.03.2016	Audited	31.03.2015
	Audited	Audited	
Interest earned on Short Term Bank Deposits	4.48	14.18	
Interest on TDS Refund	0.24	0.46	
Interest earned on Loans to employees	0.31	4.59	
Interest earned others	12.11	5.78	
Excess Provision written Back	11.79	22.45	
Prior Period Income	-	25.01	
Other non-operating Income	25.92	72.71	
Total	64.61	64.61	72.71

FRESH & HEALTHY ENTERPRISES LIMITED**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars	31.03.2016 Audited	31.03.2015 Audited
NOTE 11		
Purchases of Traded Goods		
Stock-in-Trade	1.39	4,810.57
Stores and Spares	101.32	88.68
	102.71	4,899.25
Change in Inventories		
Opening Stock		
Stock-in-Trade	3,003.49	-
Stores and Spares	139.54	173.71
	3,143.03	173.71
Closing Stock		
Stock-in-Trade	-	3,003.49
Stores and Spares	59.83	139.54
	59.83	3,143.03
Increase/(Decrease) in Inventory	3,083.20	(2,969.32)
Direct Expenses		
CA store maintenance	140.61	141.60
Freight Exp	2.86	378.11
Handling Expenses (Mandi)	0.48	1.95
Handling Expenses (Rai)	63.46	104.58
Power & Fuel	215.72	268.22
Testing Exps./ Charges /Consumable Goods	0.12	0.10
Procurement Supervision Consultants	4.54	73.65
Water Spray at Control Room	-	-
Consumable Goods	-	-
A/C Fees	-	45.80
Lease Rent - Plastic Bins	113.71	113.40
Performance Award	-	11.98
Godown Rent (Shimla)	-	0.53
Hiring Charges Equipment	-	-
	641.50	1,139.92
Total Cost	3,727.41	3,069.85



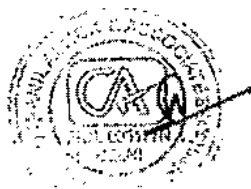
FRESH & HEALTHY ENTERPRISES LIMITED



NOTES TO ACCOUNTS

(Rs. in Lakhs)

Particulars	31.03.2016 Audited	31.03.2015 Audited
NOTE 12: EMPLOYEES BENEFITS EXPENSES		
Salary, Allowances & Other Employee Benefits	150.85	155.69
Contribution to CPF & FPF	12.24	12.60
Rent for Leased Accommodation	0.38	1.10
Employees Welfare & Medical	9.40	13.78
Gratuity	2.30	7.28
Training Expenses	0.08	0.18
Total	175.25	190.63



FRESH & HEALTHY ENTERPRISES LIMITED

NOTES TO ACCOUNTS



(Rs. in Lakhs)

Particulars	31.03.2016 Audited	31.03.2015 Audited
NOTE 13 : OTHER EXPENSES		
Printing & Stationery Exp	1.51	2.62
Travelling & Conveyance	2.83	6.56
Travelling & Conveyance -Dir.	-	0.54
Rent Office Space/ Rai Land and License Fee*	25.13	25.11
Research & Development Exps.	-	0.03
Office/ CA Store Up keeping Exps.	14.46	15.17
Electricity Expenses	0.18	0.99
Repairs & Maintenance	-	-
- Building	-	-
- Plant & Machinery	20.52	31.26
Security Expenses	11.88	13.19
Office Vehicle/ Car Hire Charges	12.21	23.18
Business Development	0.07	0.09
Postage, Telephone & Internet	5.37	6.83
Books & Periodicals	0.02	0.13
B. Charges	0.05	0.08
Stamp Duty Charges	-	14.66
Feasibility Study Exp	-	-
Filing Fees	0.08	0.19
Legal & Professional Charges	16.86	22.02
Agency Charges-Commission	-	3.70
Insurance Premium	4.96	5.91
Subscription & Membership Fee	0.12	0.13
Penalty	-	-
Interest	-	-
Exhibition Exps.	-	0.57
Discount	73.44	58.53
Advertisement	5.19	9.66
Auditors Remuneration	-	-
- Statutory Audit Fee	0.87	0.85
- Tax Audit Fee	0.37	0.36
Service Tax Exp	3.25	3.20
Property Tax Haryana	7.15	-
Trade Licence	0.99	-
Trade Mark Fees	0.25	-
Swachh Bharat Cess	0.05	-
Store exp	-	-
Provision for Doubtful Debts	1.16	-
Miscellaneous Expenses	1.71	4.35
Vat Expenses	0.57	-
Loss on sale of Fixed assets	45.54	-
Corporate Social Responsibility	-	-
Prior Period Expenses	3.92	14.08
Preliminary Expenses w/off	10.00	10.00
Total	270.71	273.99

* Includes land given on lease by HSIIDC Limited, Rai for 30 years from 26.03.2003, further expandable for a period of 99 years for which no lease premium has been paid. Lease rent is @ Rs.1.50 per sq. mtr. per month for 66,400 sq. mtr. area for first 15 years and thereafter will be fixed mutually. Includes land given on lease by H.P. Govt. for lease money charged at 10% of current circle rates to the tune of Rs.5,85,626/- per annum subject to revision/enhancement every five years of the existing lease amount as per provisions of Rule, 8(i) & (ii) of H.P. Lease Rules, 2013 for 99 years w.e.f. 01.08.2014.



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, 2013. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles.

B. Fixed Assets

(i) Tangible 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.

(ii) Intangible Assets: (Software)

Expenditure on computer software, which is not an integral part of hardware, is capitalized as an intangible asset. The cost of software includes license fee & implementation cost & is capitalized in the year of its implementation. Software is amortized over five years

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 II of the Companies Act, 2013.

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. Employee 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 salary, Sick Leave and in case of medical reimbursement below supervisor level payable to employees is provided for on accrual basis based on valuation done by an independent actuary as at Balance Sheet date.

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



H. Revenue Recognition:

Sales

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

Rental Income

Rental Income 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 incomes 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.

N. Provision for Doubtful Trade Receivables/Advance/Deposits

Provision for Doubtful Trade Receivables/Advances/Deposits is made when there is uncertainty of realization irrespective of the period of its dues. For dues outstanding over three years, full provision is made unless the amount is considered recoverable.



NOTE: 15. OTHER NOTES:**1. Contingent Liabilities:**

- | | <u>2015-16</u> | <u>2014-15</u> |
|---|----------------|----------------|
| i) Bank Guarantees not provided for (Rs.) | 200,000/- | 200,000/- |
| ii) Carrots were stored by M/s GAPL in FHEL's facility. M/s GAPL disputed the rental and requested for arbitration. FHEL approached arbitrator to recover rental charge and handling charge of Rs.87,16,956/- and M/s GAPL approached Arbitrator for claim of Rs.4,58,84,497/- on quality issues. Arbitrator awarded Rs.87,16,956/- in favour of FHEL and Rs.80,44,497/- in favour of M/s GAPL. Both approached Hon'ble High Court and filed appeal against the Arbitrator award. The case is pending in High Court, Delhi. | | |
| iii) A Claim of Rs.53,46,837/- against FHEL has been filed by the Growers of Shimla area which is under arbitration proceeding. A counter claim of Rs.1,68,98,043/- has also been filed by the Company. | | |
| iv) A Claim of Rs.2,09,63,782/- plus interest @18% and return of PB BG of Rs.1.25 Crore and cost of arbitration has been filed by M/s First Choice International against which a counter claim of Rs.6,65,25,603.50 plus interest and cost of arbitration and permission to encash PB BG of Rs.1.25 crore has been filed by FHEL. The matter is under arbitration. | | |

2. Related party disclosure

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

a) Relationship:**i) Parties whose control exists**

Holding company - Container Corporation of India Ltd.

ii) Key management personnel

Sh. Anil Kumar Gupta	Chairman
Dr. P. Alli Rani	Director
Sh. Yashvardhan	Director
Sh. Arvind Bhatnagar	Director
Sh. Mohan Lal Arora	CEO
Sh. Umesh K. Behl	CFO
Ms. Suman Lata	Manager (F) & CS

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

	<u>2015-16</u>	<u>(Amounts in Rs.)</u> <u>2014-15</u>
i) Parties whose control exists (Holding Company)		
Unsecured Loan Taken	Rs. 1,45,00,000	Rs.53,00,00,000
Unsecured Loan Refunded	Rs.12,89,77,383	Rs.19,42,90,000
Unsecured Loan Converted into Equity	Rs. NIL	Rs.70,00,00,000
Intt. Free Unsecured Loan Refunded	Rs. NIL	Rs. NIL
Interest on Loan	Rs. 3,07,96,188	Rs. 6,63,35,029
Interest Paid	Rs. 1,45,64,532	Rs. 4,01,70,033
TDS Deducted on Interest on Loan	Rs. 30,79,624	Rs. 66,33,507
Lease Rental of Plastic Bins	Rs. 1,13,71,070	Rs. 1,13,40,002
Lease Rental of Plastic Bins Paid	Rs. 1,11,43,648	Rs. 1,11,13,201
TDS Deducted on Lease Rental	Rs. 2,27,422	Rs. 2,26,801

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

Unsecured Loan	Rs. 31,45,00,000	Rs.42,89,77,383
Interest Accrued and Due	Rs. 11,22,13,736	Rs. 9,90,61,704
Lease Rental of Plastic Bins	Rs. NIL	Rs. NIL

ii) Key management personnel:

NIL



3. Earning Per Share	31.03.2016	31.03.2015
Profit/loss after taxation as per Profit and Loss account (Rs.)	(26,02,60,257)	(14,47,31,062)
Weighted Average number of Equity Shares outstanding (Nos.)	14,56,67,721	10,69,70,107
Basic and diluted Earning/loss Per Share (Rs.)	(1.79)	(1.35)

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

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

	2015-16	2014-15
a) Expenditure in Foreign Currency	NIL	NIL
b) Earning in Foreign Currency	NIL	NIL

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

Item	Opening	Purchased	Sold	Consumed*	Closing	
Fruits*	Qty (Kgs.) C/Y	38,24,735	NIL	35,44,563	2,80,172	NIL
	Qty (Kgs.) P/Y	NIL	85,44,296	45,49,672	1,69,889	38,24,735
	Amount (in Rs.) C/Y	30,03,48,388	NIL	19,40,02,803	-	-
	Amount (in Rs.) P/Y	NIL	46,78,23,017	28,59,00,975	-	30,03,48,388
Packing Material**	Qty (No.) C/Y	14,17,285	5,27,986	16,573	12,86,380	6,40,318
	Qty (No.) P/Y	8,80,848	***27,70,506	6,10,473	16,23,596	14,17,285
	Amount (in Rs.) C/Y	1,16,67,652	98,66,790	6,87,215.02	-	43,74,612
	Amount (in Rs.) P/Y	1,57,16,448	75,05,631	80,71,732	-	1,16,67,652

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

** Consumption includes recycled and used for packing.

*** Purchase includes received with apple procured.

7. As per As-19, amounts charged to Profit & Loss Account in respect of operating leases for office premises and accommodation provided to staff is Rs.25,51,712/- (Previous Year Rs.25,21,543/-) against of which recovery of Rs.26,454/- has been made (Previous Year Rs.71,970/-). The period of lease arrangements varies from case to case.

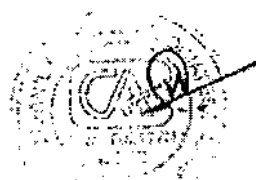
8. The company is dealing in logistics of fresh fruits. All the activities of the company revolve around this business and all the operations are in India. As such there is no other reportable segment defined by Accounting Standard As-17 related to segment reporting.

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

(a) Defined Contribution plans:

i). Employers' contribution to Provident Fund

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



i) Employers' contribution to Provident Fund – Rs.8.99 Lakh (p/y: Rs.9.65 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)		Medical (Non-Funded)	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Expenses Recognized in Profit & Loss Account	1,14,077	1,16,772	(*) 4,20,090	7,27,928	5,44,492	16,58,453	26,439	1,95,337
Amount Recognized in the Balance Sheet:								
Present Value of obligations as at 31 st March (i)	2,77,092	2,37,695	25,79,175	21,59,085	52,32,855	59,51,018	2,02,198	1,80,829
Fair Value of Plan Assets (ii)	-	-	-	-	-	-	-	-
Difference (iii)-(i)	(2,77,092)	(2,37,695)	(25,79,175)	(21,59,085)	(52,32,855)	(54,51,018)	(2,02,198)	(1,80,829)
Net Asset/(Liabilities) recognised in the Balance Sheet	(2,77,092)	(2,37,695)	(25,79,175)	(21,59,085)	(52,32,855)	(54,51,018)	(2,02,198)	(1,80,829)

(*) Includes Rs.1,90,205/- received from employee of parent organization during the year.

(d) **Actuarial assumptions:** Principal assumptions used for actuarial valuation (Except OPD & LTC for 2015-16) are:

i) Method Used	2015-16	2014-15
	Projected Unit Credit Method	Projected Unit Credit Method
ii) Discount Rate	8.00%	8.00%
iii) Future Salary Increases	5.50%	5.50%

Salary increase rate has been assumed keeping in view the inflation rate on long term basis. For OPD in 2015-16 the percentage increase is 10% based on expected availment of carried forward amount per year. For LTC in 2015-16 the method is benefit payout based on policy for block 2015-18.

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

11. During the year, provision for current tax is not made as the company has brought forward losses and unabsorbed depreciation amounting to Rs.140.86 crore upto A/Y 2015-16 in accordance with the provisions of Income Tax Act, 1961.

12. Insurance Claims of Rs.8,91,065/- (Rs.3,37,545/- for transit accident of apple loaded trucks is pending with United India Insurance Company and Rs.5,53,520/- for transit accident of apple loaded trucks is pending with National Insurance Company).



13. The position of Sundry Debtors is as under:-

a) Cases where Arbitration/Legal case/Appeal has been filed (Amounts as per Sundry Debtors):

(i)	M/s GAPL	Rs.85,72,895/-
(ii)	KFC Dhalli	Rs.11,78,032/-
(iii)	Sanjeev Kumar	Rs. 30,000/-
(iv)	Tarun Kumar	Rs.12,65,070/-

b) Cases where Legal action is under process (Amounts as per Sundry Debtors):

(i)	Orpine Agro (P) Ltd.	Rs. 4,26,500/-
(ii)	Ram Chandra & Sons	Rs. 7,33,066/-
(iii)	R.K.Brothers	Rs.26,63,856/-
(iv)	Mahalaxmi	Rs.15,23,211/-

c) For five Debtors more than three year old provision of Rs.1,15,740/- have been made.

14. As at 31 March 2016, the Company has carried out tax computation in accordance with Accounting Standard 22 - Accounting for Taxes on Income notified under the Companies (Accounting Standards) Rules, 2006. Management is of the view that it is not virtually certain to realize the deferred tax assets in the near future. In the absence of virtual certainty of reliability of deferred tax assets, the deferred tax assets has been recognized only to the extent of deferred tax liability. The Company has taken a view of Calculating Deferred Tax Assets and Deferred Tax Liability from the 2011-12. The components of deferred taxes as at 31 March 2016 are as follows:

Particulars	As at 31 st March 2016
Deferred tax liability	
Excess depreciation as per Income tax Act, 1961, over depreciation as per books (a)	7,78,87,425
Total	7,78,87,425
Deferred tax assets	
Excess depreciation as per books, over depreciation as per Income tax Act, 1961	-
Provision for gratuity	1,29,808
Provision for LTC	12,174
Provision for Leave Encashment	2,68,449
Provision for Sick Leave	(3,35,861)
Brought forward losses and unabsorbed depreciation	51,81,16,891
Total	51,81,91,461
Recognition of deferred tax assets to the extent of Deferred tax liability (b)^	7,78,87,425
Net deferred tax assets/(liability) [(a)-(b)]	Nil

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

15. In respect of Micro, Small and Medium Enterprise, no amount is pending as at the Balance Sheet date.

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

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



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

(Amount in Rs.)

Particulars	Gratuity and Leave Encashment	
	2015-16	2014-15
Opening Balance	76,10,103/-	67,93,282/-
Addition during the year	9,64,582/-	23,86,381/-
Amount used/incurred	7,62,655/-	15,69,560/-
Closing Balance	78,12,030/-	76,10,103/-

19. a) Unless Otherwise stated, the figures are in Lakhs.

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

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

For and on behalf of Board of Directors

CA Vijay Kumar Singal
Partner
M.No. 097963
Date: 17/05/2016
Place: New Delhi

Anil Kumar Gupta
Chairman

Dr. P. Alli Rani
Director

M. L. Afara
CEO

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

Umesh K. Behl
Chief Finance Officer

Particulars	For the Period Ended 31.03.2016 (Audited)	For the Year ended 31.03.2015 (Audited)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax and extraordinary items	(2,602.60)	(1,447.31)
Adjustments for :		
Depreciation	536.74	535.96
Preliminary Expenses	10.00	10.00
Loss on Sale of Fixed Assets	45.54	-
Interest Debited	307.96	663.35
Interest Earned	(16.90)	(19.24)
Operating Profit before Working Capital changes	(1,719.26)	(267.24)
Adjustments for :		
Trade & other receivables	221.20	128.26
Inventories	3,083.19	(2,969.31)
Advances & other Current Assets (Decrease)	0.71	(5.00)
Trade & other Payable	(64.22)	138.22
Cash Flow from operating Activities	1,521.62	(2,968.07)
Less: Taxes paid	-	-
Net Cash Flow from operating activities	1,521.62	(2,968.07)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase) in Fixed Assets	(0.41)	(34.60)
Decrease in Fixed Assets	14.70	0.23
Interest Received	16.90	19.24
Net Cash from / (Used) in Investing Activities	31.19	(15.13)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share Capital at premium/Application Money	-	-
Preliminary Expenses	-	-
Increase in Working Capital Limit	-	-
Proceeds from Borrowings	145.00	5,300.00
Repayment of Borrowings	(1,269.77)	(1,942.90)
Interest paid	(307.96)	(468.04)
Net cash from/(Used) in financing Activities	(1,452.73)	2,889.06
Net Increase/(Decrease) in Cash and Cash Equivalents	100.08	(91.14)
Opening cash and Cash Equivalents	36.60	127.74
Closing Cash and Cash Equivalents	136.68	36.60
Net Increase/(Decrease) as per Books	100.08	(91.14)

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

CASH AND BANK BALANCES**(I) Cash and Cash equivalents**

- Cash (including Imprest)	0.08	-
- Cheques in Hand	-	-

Bank Balances

- In current Accounts	16.24	25.31
- 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	116.47	7.77
- With original maturity of more than 12 months	-	-
- Earmarked Bank Balances		
- Unpaid Dividend		
- Bank Balances held as margin money or security against		
- Guarantees**	3.79	3.52
	136.58	36.60

As per our report of even date

For Anil Ashok & Associates

Chartered Accountants

CA Vijay Kumar Singh

Partner

M.No. 097963

Date: 17-05-2016

Place: New Delhi

For and on behalf of Board of Directors

Anil K. Gupta

Chairman

Dr. P. Anil Rani

Director

M. L. Aneta

CEO

Suman Lata

Mgr(F) & CS

Umesh K. Bhai

Chief Finance Officer



INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF

M/s FRESH & HEALTHY ENTERPRISES LIMITED

1. Report on the Financial Statements

We have audited the accompanying standalone financial statements of FRESH & HEALTHY ENTERPRISES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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



3. Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the



accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- i) As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraph 3 and 4 of the Order.
- ii) As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books ;
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial control over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

To



- i. The company has disclosed the impact of pending litigations on its financial position in its financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iv. there has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

4.1 Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements: -

- A) Note 15(13) to the financial statement, in respect of sundry debtors, there is uncertainty related to the outcome of the lawsuit filed against various sundry debtors.
- B) Note 2 in the financial statement which indicates that the Company has accumulated losses and its Net Worth has been substantially eroded, the Company has incurred a net Loss / net Cash loss during the current year and previous year(s) and, the Company's current liabilities exceeded its current assets as at the balance sheet date. These conditions indicate the existence of a material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.

Our opinion is not modified in respect of these matters.

Compliance of Directions issued under section 143(5) of Companies Act, 2013 issued by the office of the Comptroller and Auditor General of India.

Observation on the directions issued by the office of Comptroller and Auditor General of India u/s 143(5) of Companies Act, 2013 have been annexed by way of Annexure C of this report.

For Anil Ashok & Associates
Chartered Accountants
FRN NO. 005177N


(Vijay Kumar Singal)
Partner
M.No. 097963

Place: New Delhi
Dated: 17th May 2016



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

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

We have audited the internal financial controls over financial reporting of **Fresh and Healthy Enterprises Limited** ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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





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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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





Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Anil Ashok & Associates
Chartered Accountants
FRN NO. 005177N

(Vijay Kumar Singal)
Partner
M.No. 097963

Place: New Delhi
Dated: 17th May 2016



The Annexure-B referred to in paragraph 4(i) of our report of even date to the members of **FRESH & HEALTHY ENTERPRISES LIMITED** on the standalone financial statements of the company for the year ended 31st March, 2016.

We report that:

1. A) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all the fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification during the year.

(c) The title deeds of immovable properties, which are held in the name of company as at the balance sheet date, are held in the name of company.
2. (a) As explained to us, Inventory has been physically verified by the management as at 31 March 2016.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.

(c) In our opinion and on the basis of our examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
4. The company has not advanced any loan or given any guarantee or provided any security or made any investment covered under section 185 and 186 of Companies Act, 2013.
5. The Company has not accepted any deposits from the public as defined in section 73 and 76 of the Companies Act 2013
6. The company is not required to maintain cost records under subsection (1) of Section 148 of the Act.





7. (a) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Service tax, Provident Fund, Employees State Insurance, and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.

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

(c) There was no amount which was due for transfer to Investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. In our opinion and according to the information and explanation given to us the Company has not defaulted in the repayment of loans or borrowings to the financial institutions, banks and Government and dues to debenture holders.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instrument) and Term loans during the year hence clause 9 of CARO 2016 is not applicable.
10. According to the information and explanations given to us, no fraud on or by the Company by its officer or employees has been noticed or reported during the year.
11. No Managerial remuneration has been paid during the year in contravention to the provision of section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company, Consequently, requirements of clause (xii) of paragraph 3 of the CARO 2016 are not applicable.
13. To the best of our knowledge and belief and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting Standards.
14. To the best of our knowledge and belief and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of share or fully or partly convertible debentures during the year under review, consequently, requirements of clause (xiv) of paragraph 3 of the CARO 2016 are not applicable.



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

For Anil Ashok & Associates
Chartered Accountants
FRN NO. 005177N

(Vijay Kumar Singal)
Partner
M.No. 097963

Place: New Delhi
Dated: 17th May 2016



Annexure C to the audit report to the Fresh & Healthy Enterprises Ltd.

Report as per sub-direction u/s 143(5) of the Companies Act, 2013.

S. No.	Directions	Observations
1	If the company has been selected to disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & general Reserve) may be examined including the mode and present stage of disinvestment process.	The company has not been selected to disinvestment.
2	Please report whether there are any cases of waiver/write off of debts/loans, interest, if yes, the reasons there for and the amount involved.	There is no such case of waiver/write off of debts/loans, interest in the company.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	There are no inventories of the company lying with third parties & in respect of assets received from National Horticulture Board the required details as per the nature & size of the business are maintained.
4	A report on age-wise analysis of pending legal/arbitration cases including the reasons of pendency and existence/effectiveness of a monitoring mechanism for expenditure on all cases (foreign and local) may be given	Age-wise analysis of pending legal/arbitration cases : 1. Less than 1 year (2 cases) <u>Claim by FHEL</u> Rs. 6,77,90,673/- + encashment of BG of Rs. 1.25 crores <u>Claim of party</u> Rs. 2,09,63,782/- + release of BG of Rs. 1.25 crores 1-3 Years (3 cases) <u>Claim by FHEL</u> Rs. 1,81,06,075/- <u>Claim of party</u> Rs. 53,46,837/-



	<p>More than 3 years (1 case)</p> <p><u>Claim by FHEL</u> Rs. 87,16,956/-</p> <p><u>Claim of party</u> Rs. 4,58,84,497/-</p> <p>2. Expenditure on legal cases is being governed as per Schedule of Prices (SOP) and Delegation of Powers (GOP) being issued from time to time. In view of this, we observed that there is adequate mechanism for monitoring of expenditure on all legal cases.</p> <p>3. Legal cases are pending before different authorities in their ordinary course of judiciary proceedings.</p>
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For Anil Ashok & Associates
Chartered Accountants
FRN NO. 085177N

(Vijay Kumar Singal)
Partner
M.No. 097963

Place: New Delhi
Dated: 17th May 2016



Annexure C to the audit report to the Fresh & Healthy Enterprises Ltd.

Report as per sub-direction u/s 143(5) of the Companies Act, 2013

(In pursuance to the direction the year 2015-16)

S. No.	Directions	Observations
1.	Whether the company has clear title/lease deeds fir freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes. However, in respect of Leasehold land at RAI, Sonipat, Lease Deed is in the name of holding company i.e. Container Corporation of India Limited.
2.	Whether there are any cases of waiver/write off of debts/loans/ interest, if yes, the reasons there for and the amount involved.	There is no such case of waiver/write off of debts/loans, interest in the company.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift/ grant(s) from Govt. or other authorities.	There are no inventories of the company lying with third parties & in respect of assets received from National Horticulture Board the required details as per the nature & size of the business are maintained.

For Anil Ashok & Associates
Chartered Accountants
FRN NO. 605177N


(Vijay Kumar Singal)
Partner
M.No. 097963

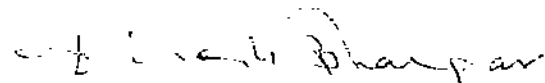
Place: New Delhi
Dated: 17th May 2016

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA
UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL
STATEMENTS OF FRESH & HEALTHY ENTERPRISES LIMITED FOR THE YEAR
ENDED 31 MARCH 2016.**

The preparation of financial statements of Fresh and Hcalthy Enterprises Limited for thc year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is responsible for expressing opinion on these financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 17 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Fresh and Healthy Enterprises Limited for the year ended 31 March 2016 under section 143 (6) (a) of the Act.

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



(Dinesh Bhargava)

Principal Director of Audit
Railway Commercial, New Delhi

Place: New Delhi
Dated: 17 June, 2016

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

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