

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

**TENTH ANNUAL REPORT**  
**(2014-15)**

## **MISSION AND OBJECTIVES**

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

## **CORPORATE OBJECTIVES**

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

FINANCIAL PERFORMANCE		10 YEAR FINANCIAL/PHYSICAL PERFORMANCE (YEAR WISE DATA)											Amount (Rs. in Lakhs)	
S.NO	PARTICULARS	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15			
1	Total Income (Including other income)	-	490.75	1,778.85	3,550.49	2,355.84	6,464.95	4,028.68	3,922.97	8,555.89	3,286.47			
2	Expenditure (Inc. Increase/decrease in stock)	-	506.70	3,030.99	3,942.45	2,713.95	5,532.18	4,081.91	3,817.57	11,310.07	3,534.47			
3	Operating Margin (1-2)	-	(15.95)	(1,252.14)	(391.96)	(358.11)	932.77	(53.23)	105.40	(2,754.18)	(248.00)			
4	Interest Expenses	-	-	341.84	446.73	381.77	507.68	825.43	692.27	782.71	663.35			
5	Depreciation	-	1.37	216.97	362.63	366.51	364.08	361.60	360.69	379.19	535.96			
6	Profit before Tax	-	(17.32)	(1,810.95)	(1,201.32)	(906.43)	61.01	(1,241.26)	(947.56)	(5,916.08)	(1,447.31)			
7	Profit after Tax	-	(18.78)	(1,814.30)	(1,204.55)	(906.43)	42.16	(1,232.43)	(947.56)	(5,916.08)	(1,447.31)			
8	Dividend	-	-	-	-	-	-	-	-	-	-			
9	Profit & Loss Account Balance	-	(18.78)	(1,833.08)	(3,037.63)	(3,944.05)	(3,903.90)	(5,124.31)	(6,071.87)	(9,987.95)	(11,435.95)			
10	General Reserve/Security Premium	-	-	-	-	10.62	10.62	10.62	19.03	19.06	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	2,764.33	3,364.33	2,814.33	4,314.33	8,160.43	7,932.67	6,289.77			
13	Reserve & Surplus (9+10)	-	(18.78)	(1,833.08)	(3,037.63)	(3,933.44)	(3,891.28)	(5,113.69)	(6,052.84)	(9,968.89)	(11,340.72)			
14	Fixed Assets (Gross Block)	-	7.55	8,280.57	8,131.51	8,143.16	8,169.23	8,177.23	8,180.73	8,134.51	8,168.39			
15	Sundry Debtors	-	-	304.95	464.49	208.50	1,237.16	1,068.96	274.76	551.97	423.71			
16	Share Capital	3,500.00	3,500.00	3,500.00	3,500.00	4,827.38	4,827.38	4,827.38	7,632.96	7,642.93	14,566.77			
17	Capital Employed	2,011.48	1,089.63	8,696.92	8,091.46	8,492.74	8,539.44	2,049.33	1,538.18	(2,355.95)	3,206.05			
18	Government investment	-	-	-	-	-	-	-	-	-	-			
19	Net Worth (13+16)	3,500.00	3,481.22	1,666.92	452.37	893.94	936.10	(290.21)	1,538.17	(2,355.96)	3,206.05			
20	Profit before Tax to Capital Employed (6+17)	-	(0.02)	(0.21)	(0.15)	(0.11)	0.01	(0.61)	(0.62)	1.66	(0.45)			
21	Operating Margin to Capital Employed (3+17)	-	(0.01)	(0.14)	(0.05)	(0.02)	0.11	(0.03)	0.07	1.17	(0.08)			
22	Profit after Tax to Share Capital (7+16)	-	(0.01)	(0.52)	(0.34)	(0.19)	0.02	(0.25)	(0.12)	(0.51)	(0.10)			
23	Expenditure to Income (2+1)	-	1.03	1.70	1.11	1.06	0.86	1.01	0.97	1.32	1.08			
24	Number of Employees	16,000	31,000	28,000	30,000	33,000	33,000	35,000	36,000	37,000	32,000			
25	Income per Employee (1+24)	-	30.67	57.38	126.80	85.19	195.91	115.11	108.97	231.24	102.70			
26	Current Ratio	4,280.74	1.94	1.57	1.33	8.37	6.32	0.47	0.50	0.11	0.65			
27	Debt/Equity Ratio (11+19)	-	0.88	3.02	10.46	4.71	3.83	(10.21)	-	-	-			
28	PHYSICAL PERFORMANCE (HANDLING OF FRUITS IN MTs)													
	Fruits Handling (In MTs)													
	Opening Stock	-	-	-	-	-	-	-	-	-	-			
	Procured	-	1,056,760	10,973,140	7,732,420	2,855,850	9,361,379	7,113,336	6,827,576	13,239,281	8,544,296			
	Sold	-	1,056,700	7,972,300	8,240,540	4,205,245	9,538,540	5,009,231	4,639,104	15,062,312	4,549,672			
	Closing Stock	-	-	3,156,780	2,748,560	1,374,109	914,869	2,878,406	4,573,675	-	3,824,735			

Note 1. Quantities are in MTs

2. Quantities mentioned at 'A', 'B' and 'C' has been converted in 20Kg. Per box to derive quantity in Kg.

3. Shortage of 0.060 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 93.271 Mt and 282.073 Mt in 2009-10 and 2010-11, respectively, is due to moisture loss, spoilage & Testing of fruits.

6. Shortage of 140.568 Mt and 493.203 Mt in 2011-12 and 2012-13, respectively, is due to moisture loss, spoilage & Testing of fruits.

7. Shortage of 250.644 Mt and 169.889 Mt in 2013-14 and 2014-15, respectively, is due to moisture loss, spoilage & Testing of fruits.

8. \*\* Capital Employed and Net worth calculated after deduction of Preliminary Expenses not written off.

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

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

11. Company has been incorporated on 01-02-2006 and the relevant details are given above.

**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 (w. e. f. 01.10.14)

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

Shri M. P. Shorawala  
Director (w. e. f. 09.03.2015)

Shri Harpreet Singh (till 26.09.2014)  
Director

Shri Deepak Gupta (till 22.11.2014)  
Director

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

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

**COMPANY SECRETARY**

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

**STATUTORY AUDITORS**

M/s Shiv & 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.

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

**Tenth Annual Report (2014-15)**

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**NOTICE**

Notice is hereby given that the 10<sup>th</sup> Annual General Meeting of the Shareholders of the Company will be held as under :-

Day : Monday  
Date : 31<sup>st</sup> August, 2015  
Time : 11:00 A.M.  
Venue : CONCOR Bhawan,  
C-3, Mathura Road,  
New Delhi – 110076.

to transact, with or without modifications, as may be permissible, the following business :-

**ORDINARY BUSINESS** :-

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

1. To receive, consider and adopt the financial statements for the year ended on 31.03.2015 and the report of Board of Directors' and Auditors' thereon.
2. To appoint a Director in place of Shri YashVardhan, who retires by rotation and being eligible, offers himself for reappointment.
3. To take note of the appointment of M/s. Shiv & Associates, Chartered Accountants, New Delhi as Statutory Auditors of the Company and to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT the appointment of M/s. Shiv & Associates, Chartered Accountants as Statutory Auditors of the Company for the financial year 2014-15 in terms of order no. CA. V/COY/CENTRAL GOVERNMENT, F&HEI. (1)/1159 dated 08/08/2014 of C & AG of India, be and is hereby noted."

**SPECIAL BUSINESS**

4. To consider and if thought fit to pass the following resolution as an Ordinary Resolution -:

"RESOLVED THAT Shri Arvind Bhatnagar, be and is hereby appointed as Part-time non-executive director of the Company w. e. f. 01.10.2014 and shall be liable to retire by rotation."

5. To consider and if thought fit to pass the following resolution as an Ordinary Resolution -:

"RESOLVED THAT Shri M. P. Shorawala, be and is hereby appointed as non-executive independent director of the Company w. e. f. 09.03.2015"

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

"RESOLVED THAT the consent of the company be and is hereby accorded in terms of Section 197(7) and other applicable provision(s) of Companies Act, 2013, for payment of sitting fee to every Non-official part time (Independent) Director of Rs. 20,000/- (Rupees Twenty Thousand only) for each Board or any of its Committee meeting, except Rs. 10,000/- (Rupees 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. 22<sup>nd</sup> Oct., 2014.

By order of Board of  
Fresh & Healthy Enterprises Limited

(Suman Lata)  
Manager (Fin.) & Company Secretary  
Date : 30.07.2015

**NOTES :**

- (a) The relevant details in respect of item nos. 2, 4, 5 & 6 above, are annexed hereto.
- (b) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself and proxy need not be a Member.
- (c) The instrument appointing proxy should however be deposited at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
- (d) All the documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered office of the Company during office hours on all working days upto and inclusive of the date of Annual General Meeting.



**EXPLANATORY STATEMENT PUSUANT TO SECTION 102 OF COMPANIES ACT, 2013**

**Item No. 4**

1. CMD/CONCOR nominated Shri Arvind Bhatnagar, Director (Domestic)/CONCOR as Director on the Board of FHEL w.e.f. 01.10.2014 as per office order no. nil dated 01.10.2014.
2. Shri Arvind Bhatnagar, Director (Domestic Div.)/CONCOR has done BE(Hons.) Electrical & Electronics, BITS PILANI, MBA Marketing Operations Research, FMS Delhi University. He belongs to IRTS 1982 batch and joined CONCOR on deputation as Chief General Manager, Western Region and was absorbed as Executive Director. He took over as Director (Domestic Div) of CONCOR on 09.09.2013.
3. He has worked in various capacities during the last 30 years in handling Rail Freight and Passenger, Commercial working, Multi-modal Logistics involving Container Terminal Management of ICDs and Container Rail Operations, apart from this, having experience of nearly 5 years in heading the largest Container / Port Terminal in India.
4. Shri Arvind Bhatnagar, Director (Dom. Div)/CONCOR has given his consent to act as part-time non-executive director/FHEL and other declarations/disclosures as required under Companies Act, 2013.
5. In accordance with the provisions of section 152(2) of Companies Act, 2013, the above appointment is required to be approved in Annual General Meeting.

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

Board recommends passing of the Resolution.

**Item No. 5**

1. CONCOR (holding company) vide its office letter no. CON/CO/FA&CS/170 BOD/ dated 24<sup>th</sup> Feb., 2014 communicated that Shri M. P. Shorawala, independent director of CONCOR, has been nominated as Director on the Board of M/s Fresh & Healthy Enterprises Ltd. (FHEL) and his tenure as director in FHEL will be co-terminus with his term as Director/CONCOR or unless otherwise decided by Board of Directors later.

2. Shri M. P. Shorawala, is an expert in Industrial, Banking, Taxation & Property Laws. Shri Shorawala is an Advocate-on-Record of Hon'ble Supreme Court of India since 1985. He has done M. A. (Eng. Litreture), M. COM. And LL.B from Agra University. He has worked for Union of India at Supreme Court of India and as their panel lawyer assisted Attorney General, Solicitor General and other Senior Advocates for Union of India. Further, he has vast experience of dealing with legal matters related to Contact & Agreement drafting, Patents, Trademarks, Cyber Laws, Customs, Corporate affairs, Company Law Board, Joint Ventures management, property cases, Income Tax Tribunal, Industrial and Labour Disputes resolutions etc.
3. Shri M. P. Shorawala has given his consent to act as non-executive independent director/FHEL and other declarations/disclosures as required under Companies Act, 2013. Further, in the opinion of the Board of FHEL, he fulfills the conditions specified in the Act for his appointment as non-executive independent director/FHEL.
4. In accordance with the provisions of section 152(2) of Companies Act, 2013, the above appointment is required to be approved in Annual General Meeting.

None of the Directors except Shri M. P. Shorawala, Key managerial personnel or their relative is concerned or interested in the resolution.

Board recommends passing of the Resolution.

#### **Item No. 6**

1. FHEL had been paying Sitting fee of Rs. 20,000/- to part-time Non-executive (Independent) directors for each meeting of Board or any of its committee meeting.
2. Keeping in view the financial position of the Company, Board of Directors of FHEL in their meeting held on 22.10.2014 decided that Non-official part-time (Independent) Directors, be paid sitting fee of Rs. 20,000/- (Rupees 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, subject to such approvals as may be required including members of the Company.

3. In accordance with relevant provisions of Section 197(7) under Companies Act, 2013, independent directors may receive remuneration by way of fees provided u/s 197(5), reimbursement of expenses for participation in the Board and other meetings and profit related commission as may be approved by the members.

None of the Directors except Shri Sudhir Mathur and Shri M. P. Shorawala, independent directors, Key managerial personnel or their relative is concerned or interested in the resolution.

Board recommends passing of the Resolution.

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

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directors hip Held	Details of Other Committ ee Members hip
Shri YashVardhan	24.08.1956	06.01.2010	M. Sc. M. Phil	Railway operation Commercial, Safety and Planning, Setting up & Management of Container Terminals	Six@	Three#
Shri M. P. Shorawala	14.11.1947	09.03 2015	M.A. (Eng. Litreture), M. COM., LL.B	Industrial, Banking, Taxation & Property Laws	Four@@	Three ##
Shri Arvind Bhatnagar	17.06.1956	01.10.2014	BE (Hons.) Electrical & Electronics , BITS PILANI, MBA Marketing Operations Research, FMS Delhi University	Handling Rail Freight and Passenger. Commercial working, Multi-modal logistics involving Container terminal management of ICDs and Container Rail Operations, heading largest Container/Port Terminal in India	Five^	One^^

@ 1. M/s. Container Corporation of India Ltd., 2. M/s. CONCOR Air Limited 3. M/s. Gateway Terminals India Pvt. Ltd. 4. Container Gateway Ltd. 5. India Gateway Terminals Pvt. Ltd. 6. Hind CONCOR Terminals (Dadri) Pvt. Ltd.

# Member of Shareholder Grievance Committee in Container Corporation of India Ltd.

Member of Audit Committee in 1. Gateway Terminals India Pvt. Ltd. 2. India Gateway Terminals Pvt. Ltd

@@ 1. M/s. Container Corporation of India Ltd., 2.M/s: CONCOR Air Limited 3. M/s. Vishwa Lakshmi Export (P) Ltd. 4. Central Bank of India.

## Member of Committees on (1) High Value Frauds (2) Risk Management (3) Customer Care, in Central Bank of India, Mumbai.

^ 1. Container Corporation of India Ltd. 2. TCI - CONCOR Multi-Modal Solution Pvt. Ltd. 3. Punjab Logistics infrastructure Ltd. 4. Star Track Terminals Pvt. Ltd. 5. Gateway Terminals India Pvt. Ltd

^^ Member of Appointment committee in TCI-CONCOR Multi-Modal Solutions Pvt. Ltd.

By order of Board of  
Fresh & Healthy Enterprises Limited

(Suman Lata)  
Manager (Fin.) & Company Secretary  
Date : 30.07.2015

## **FRESH & HEALTHY ENTERPRISES LIMITED (FHEL)**

(A wholly owned subsidiary of CONCOR)

### **Directors' Report**

#### ***To the shareholders***

Your Directors are pleased to present their report on the business and operations of the Company together with the Audited Accounts for the financial year ending 31<sup>st</sup> March, 2015.

#### **Operations Review**

There was no opening stock of fruit as on 1<sup>st</sup> April, 2014. During the financial year 2014-15, Company procured 8169 MT of Apples and 375 MT of other fruits (i. e. 86 MT of Kinnows, 263 MT of Mangoes and 26 MT of Grapes). Apples were primarily procured from Kinnaur & Shimla districts of Himachal Pradesh. The Company sold 4550 MT of apples and other fruits at Delhi, Mumbai, Chennai, Ahmedabad, Vijaywada, Guwahati, Kolkata and other fruit wholesale terminal markets in India during the F/Y 2014-15. As on 31.03.2015, FHEL had Closing stock of 3825 MT of Apples stored at its CA store, Rai, Sonapat.

During F/Y 2014-15, following strategic measures have been implemented by FHEL -:

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

With such strategic measures, procurement & sale of fruit was done at competitive prices, reducing dependence on Delhi Market, increasing the customer base across India and almost full capacity utilization of the CA facility at Rai, during the season.

During Diwali FHEL sold Kinnaur Apples at a rate of Rs. 130/- per kg. appx. of Supreme quality as Gift packs/boxes in packing formats of 6, 12 & 20/25 apples. The Diwali gift packs were well received in the market in competition to the imported apples. During this year, FHEL has given Chambers on hire for storage of apples & flower bulbs.

#### **FINANCIAL REVIEW**

During the year under review, Operating turnover of your Company registered a decline of 62.24% appx. i. e. from Rs. 85.13 Cr. in F/Y 2013-14 to Rs. 32.14 Cr. in F/Y 2014-15. Cost of Sales reduced by 71% appx., from Rs. 105.81 Cr. in F/Y 2013-14 to Rs. 30.70 Cr. in F/Y 2014-15. Further, Employee Benefits Expenses, Finance costs and other expenses for F/Y 2014-15 are Rs. 1.91 Cr., Rs. 6.63 Cr. and Rs. 2.74 Cr., respectively. After providing for depreciation & amortization expenses amounting to Rs. 5.36 Cr., the Company suffered Net Loss of Rs. 14.47 Cr. during F/Y 2014-15 as against Net Loss of Rs. 39.16 Cr. of previous year. The Company has earned operating profit of Rs. 1.47 Cr. during F/Y 2014-15 as against operating loss of Rs. 20.68 Cr of last year. As on 31.03.2015, accumulated losses of the company stood at Rs. 114.36 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 increased from Rs. 76.43 Cr. to Rs. 145.67 Cr., on account of conversion of outstanding loan of Rs. 70 Cr. due to CONCOR into Equity share capital by issue of 6,92,38,378 Equity shares of Rs. 10/- each at premium of Re. 0.11/- per share as per valuation done by M/s. Dharam Raj & Co., Chartered Accountant. CONCOR continues to hold 100% of the Paid up Equity Share Capital of FHEL, during the financial year 2014-15.

## **SECURED LOANS**

Your Company has not taken any Secured loan during F/Y 2014-15.

## **UNSECURED LOAN**

In order to meet working capital requirement for F/Y 2014-15, your Company entered into an arrangement with CONCOR (holding company) for sanction of unsecured working capital loan of Rs. 73 Cr. at an interest rate of 9.74% p. a. Out of sanctioned working capital loan of Rs. 73 Cr., your Company had drawn a sum of Rs. 53 Cr. during F/Y 2014-15. After repayment of Rs. 19.43 Cr. to CONCOR, working capital loan (2014-15) stood at Rs. 33.57 Cr. on 31<sup>st</sup> March, 2015.

As on 31.03.2015, total outstanding loan (unsecured) due to holding Company (CONCOR) stood at Rs. 42.89 Cr. (inclusive of Rs. 9.32 Cr. for 2013-14 and Rs. 33.57 Cr. for F/Y 2014-15). Apart from this, Company has interest accrued & due of Rs. 9.91 Cr. on 31.03.2015 in respect of outstanding loan due to CONCOR of Rs. 43.14 Cr. (i.e Rs. 16.64 Cr. for F/Y.2008-09, Rs. 11.50 Cr. for F/Y 2009-10 and Rs. 15 Cr. for F/Y 2011-12) converted into Equity during F/Y 2014-15.

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

The details of contracts or arrangements or transactions with Related parties 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. The facility has been operating successfully during the F/Y 2014-15.

## **PARTICULARS OF EMPLOYEES**

None of the employee was drawing remuneration in excess of the limits prescribed by the Companies Act, 2013 and Rules made thereunder which needs to be disclosed in the directors report.

## **HUMAN RESOURCE MANAGEMENT**

Human resource is the key asset of FHEL. As on 31.03.2015, the total employee strength of company remained 32 (which includes Regular-23, Deputationists-04, and Contractual-05) employees. All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

## **INDUSTRIAL RELATIONS**

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

## **RESERVATION POLICY**

FHEL has been following the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2015, there were 05-OBC, 02-SC and 01-ST employees.

## **RESEARCH & DEVELOPMENT**

In terms of MOU target for 2014-15, signed between CONCOR & FHEL, your Company has achieved the Excellent Target in respect of following parameters under R & D -:

(i) Innovation in operations – Experiments were conducted in the CA cabinets of the laboratory on the shelf life of extension of tomatoes, carrots & oranges i.e. 3 types of fruits.

(ii) Quality of Storage in the facility – CA storage readings of chambers are maintained within set range after the chambers attained the steady state temperatures and CA values. Further, during the F/Y 2014-15, 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, to more than 1500 beneficiaries. 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.



FHEL has developed approx. five acres of unused land in the premises during the year after removing all the debris, bushes and has planted green grass in the area, thus making it a lush green area.

In respect of Energy conservation, it may be mentioned that units consumed per MT in 2014-15 was 50.85 KWH as compared to 52.55 KWH in 2013-14.

### **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 2014-15.

### **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. Shiv & Associates, Chartered Accountants, Delhi as Company's Statutory Auditors for the F/Y 2014-15. Statutory Auditor is paid remuneration of Rs 1,08,000/- plus Service Tax, as fixed by Board of Directors'. Self-explanatory Report of Statutory Auditor is being attached.

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 2014-15. Self-explanatory Report of Secretarial Auditor is being attached.

Further, M/s. Dharam Raj & Co., Chartered Accountants were appointed as Internal Auditors of FHEL, who conducted Internal Audit for the F/Y 2014-15.

### **BOARD OF DIRECTORS**

The Board met 4 (four) times for transacting business of the Company during the financial year 2014-15.

Shri Sudhir Mathur and Shri Deepak Gupta joined FHEL as independent directors w. e. f. 28.07.2014. Shri Arvind Bhatnagar, Director (Domestic Div.)/CONCOR and Shri M. P. Shorawala, independent director/CONCOR, were appointed as Director and Independent director w. e. f. 01.10.2014 and 09.03.2015, respectively.

The tenure of Lt. Gen. (Retd.) Arvind Mahajan and Dr. A. K. Bandyopadhyay, Independent directors expired on 12.05.2014. Shri Harpreet Singh, director and Shri Deepak Gupta, independent director resigned from directorship on 26.09.2014 and 22.11.2014, respectively. The Board placed on record appreciation for valuable services rendered by them during their term of directorship in FHEL.

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

- (1) Shri Anil Kumar Gupta, CMD, CONCOR & Chairman/FHEL;
- (2) Shri Yash Vardhan, Director (IM & O)/CONCOR & Director/FHEL;
- (3) Dr. P. Alli Rani, Director (Finance)/CONCOR & Director/FHEL.
- (4) Shri Arvind Bhatnagar, Director (Dom. Div.)/CONCOR and Director/FHEL;
- (5) Shri Sudhir Mathur, Independent Director and
- (6) Shri M. P. Shorawala, Independent Director.

### **RETIREMENT OF DIRECTORS BY ROTATION**

In terms of provisions of the Companies Act, 2013, Shri YashVardhan, Director, 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 27.03.2015, which 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 the quality, quantity, timelines of flow of information etc.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss of the Company for the year under review;

- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the directors had prepared the accounts for the financial year ended 31<sup>st</sup> March, 2015 on a 'going concern' basis;
- (v) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- (vi) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **CODE OF CONDUCT**

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

Based on the affirmation received from Board Members and Senior Management/Key Managerial Personnel, it is hereby declared that all the members of the Board and Senior Management / Key Managerial Personnel have affirmed compliance of Code of Conduct for the financial year ended on March 31<sup>st</sup>, 2015.

### **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 2015 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

  
(Anil Kumar Gupta)  
CHAIRMAN

Place : *New Delhi*  
Date : *11/03/2015*

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**Addendum to the Director Report  
Statutory Auditor Report- Emphasis of Matter and under Report on other Legal and Regulatory Requirements  
for the financial year 2014-15**

<b>Statutory Auditor Remarks</b>	<b>Reply of Management</b>
<p><b>Statutory Auditor Report- Emphasis of Matter</b> (a) Note-13 (Sl. No 13 of note 15) of the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the company by M/s. Global Agri System Pvt. Ltd.</p>	<p>The claim case is subjudice at Hon'ble High Court Delhi.</p>
<p><b>Statutory Auditor Report- Emphasis of Matter</b> (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 current liabilities exceeded its current assets as at 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, a NAVRATANA Company. It was incorporated in February 2006 with Rs.35 Crores as equity from CONCOR, and come under operational in the year 2008 (as on 31.03.2015, 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. These are the initial years of the company working and FHEL is convinced of long term value in this segment.</p> <p>The company has booked Operating profit in all the year from its inception except 2007-08 and 2013-14 and also the company booked the net profit in the year 2010-11. The company is having positive net worth as on 31.03.2015. Company is already evaluating various options about further business prospects for FHEL.</p>
<p><b>Our opinion is not modified in respect of these matters.</b></p> <p><b>Report on other Legal and Regulatory Requirements</b> (f) The going concern matter described in sub-paragraph (b) under Emphasis of Matters paragraph above, in our opinion, may have adverse effect on the functioning of the company.</p>	<p align="center">-Same as above-</p>

**Addendum to the Director's Report on Comptroller and Auditor General of India comments for the financial year 2014-15.**

	Management's Reply
<p><b>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 and Healthy Enterprises Limited for the Year ended 31<sup>st</sup> March, 2015.</b></p> <p>The preparation of financial statements of Fresh and Healthy Enterprises Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the 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 Revised Audit Report dated 11 June, 2015.</p>	
<p>In view of the Comptroller and auditor General of India, Have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of Fresh and Healthy Enterprises limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory Auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. Based on my supplementary audit, I would like to highlight the following significant matter under Section 143 (6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report:</p>	<p>Due compliance of Schedule II to the companies Act-2013 with regard to change in depreciation rates has been made by the company in the preparation of financial statements under reference.</p>
<p><b>Comments on Disclosure</b></p> <p>The Company has changed the Accounting Policy on depreciation of Fixed Assets and charged the depreciation in compliance to the Companies Act, 2013. However, impact of this change viz. increase in depreciation/ loss by Rs.173.74 lakh has not been disclosed in terms of para 22 of the Accounting Standard 1 on 'Disclosure of Accounting Policies'.</p>	<p>However, observation made by the audit has been noted &amp; will be taken care of in the preparation of financial statements of the company in future, whenever there is a change in an accounting policy.</p>

## **Annexure to the Directors' Report**

### **CORPORATE GOVERNANCE REPORT**

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

#### **COMPANY'S PHILOSOPHY**

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

#### **BOARD OF DIRECTORS**

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

As on 31<sup>st</sup> March, 2015 the Board of Directors of Company consists of Six Part-time Directors including a Chairman (Ex-officio) and two Independent Directors.

The Board met four times for transacting business during the financial year 2014-15 on the following dates :-

<u>Board Meeting No.</u>	<u>Board Meeting Dates</u>
50	8 <sup>th</sup> May, 2014
51	28 <sup>th</sup> July, 2014
52	22 <sup>nd</sup> Oct., 2014
53	22 <sup>nd</sup> Jan., 2015

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

Based on the affirmation received from Board Members and Senior Management/Key Managerial Personnel, it is hereby declared that all the members of the Board and Senior Management/Key Managerial Personnel have affirmed compliance of Code of Conduct for the financial year ended March 31<sup>st</sup> 2015.

11. Composition of Directors, attendance at the Board Meetings during the year 2014-15 and the last Annual General Meeting, the number of other directorships, chairmanship and committee memberships (as provided) are given below.

S/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 <sup>1</sup> / Chairmanship
/I/	Part-time Executive Chairman	Sh. Anil Kumar Gupta	Three	Yes	One	Three
	Chairman & Managing Director, CONCOR	Sh. Harpreet Singh *	Two	Yes	One	Three
	Part-time /Non-Executive Directors	Sh. Yash Vardhan	Four	No	Three	Six
	Part-time /Non-Executive Directors	Dr. P. Alli Rani	Four	Yes	Six	Five
	Part-time /Non-Executive Directors	Shri. Arvind Bhatnagar	Two	Yes	One	Five
/II/	Part-time /Non-Executive Directors (Independent)	Dr. A. K. Bandyopadhyay**	One	N.A.	Two	Three
	Part-time /Non-Executive Directors (Independent)	Shri. Sudhir Mathur @	Three	Yes	Two	Two
	Part-time /Non-Executive Directors (Independent)	Shri. Deepak Gupta @@@	One	Yes	Two	Three
	Part-time /Non-Executive Directors (Independent)	Shri. M. P. Shrivastava §	N.A.	N.A.	Five	Four

\* Resigned from directorship on 26.09.2014. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per disclosures made last year.

\*\* Director disclosures made last year.

@ Directorship expired on 12.05.2014. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per disclosures made last year.

@@ Appointed w. e. f. 28.07.2014.

@@@ Appointed w. e. f. 28.07.2014 and resigned on 22.11.2014. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per disclosures made last year.

§ Appointed w. e. f. 09.03.2015.

§ Resigned from directorship on 26.09.2014. Details of other Directorship/Chairmanship, Other Committee Membership/Chairmanship are as per disclosures made last year.

## **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 (w. e. f. 25.09.2014);  
Shri Umesh Behl, Chief Finance Officer (w. e. f. 10.01.2015);  
Ms. Suman Lata, Manager (Fin) & Company Secretary.

Shri Sunil Khurana held the office of CFO/FHEL till 31.08.2014.

## **AUDIT COMMITTEE**

At the beginning of the financial year 2014-15, Audit & Remuneration Committee comprised of the following members -:

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

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

In accordance with Provisions of Companies Act, 2013 and DPE guidelines, Audit & Remuneration Committee was re-designated as Audit Committee and a separate 'Nomination & Remuneration Committee' was constituted w. e. f. 08.05.2014.

Due to expiry of term of Lt. Gen. (Retd.) Arvind Mahajan and Dr. A. K. Bandyopadhyay, independent directors on 12.05.2014, Shri Sudhir Mathur & Shri Deepak Gupta, independent directors were nominated as members of the Audit Committee.

On account of resignation of Shri Harpreet Singh, Director, Shri Arvind Bhatnagar, Director joined the Audit committee from 01.10.2014 to 08.03.2015. Further, Ms. P. Alli Rani, Director and Shri M. P. Shorawala, Independent Director, were nominated as members of Committee w. e. f. 02.01.2015 and 09.03.2015, respectively.

As on 31.03.2015, Audit Committee comprised of the following members -:

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

The Committee met 4 (Four) times during the financial Year 2014-2015 on 08.05.14, 28.07.14, 22.10.14, & 22.01.15.



The details of the attendance of the members in the Committee meetings held during F/Y 2014-15 are as under :-

S. No.	Name of Members	No. of Committee Meetings Attended
1.	Lt. Gen. (Retd.) Arvind Mahajan	One
2.	Dr. A. K. Bandyopadhyay	One
3.	Shri Sudhir Mathur	Three
4.	Shri Deepak Gupta	One
5.	Shri Harpreet Singh	Two
6.	Shri Arvind Bhatnagar	Two
7.	Dr. P. Alli Rani	One
8.	Shri M. P. Shorawala	N.A.

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**

Your Company has constituted a Separate Committee of the Board viz. 'Nomination and Remuneration Committee' on 8<sup>th</sup> May, 2014 with the membership of Lt. Gen. (Retd.) Arvind Mahajan, Dr. A. K. Bandyopadhyay, Independent Directors and Shri Harpreet Singh, Director.

However, the term of Lt. Gen. Arvind Mahajan and Dr. A. K. Bandyopadhyay, independent directors expired on 12.05.2014.

Thereafter, Shri Sudhir Mathur and Shri Deepak Gupta, independent directors were nominated as members of the Committee w.e.f. 28.07.2014. Further, on account of resignation of Shri Harpreet Singh, Director w.e.f. 26.09.2014, Shri Arvind Bhatnagar, Director was nominated as member of the Committee w. e. f. 01.10.2014. Later, Shri Deepak Gupta, independent director resigned from directorship/membership on 22.11.2014 and Shri M. P. Shorawala, independent director was nominated as member of the Committee w. e. f. 09.03.2015.

As on 31.03.2015, Nomination and Remuneration Committee comprised of the following members -:

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

During the year 2014-15, two meetings of 'Nomination & Remuneration Committee were held on 22.10.2014 and 22.01.2015. Details of attendance at the meetings are as under -:

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

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 the 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 2014-15 to Part-time non-executive (Independent) Directors, for attending meetings of Board of Directors and Committee thereof, are given below -:

S. No.	Name of Directors	Rs. in Lakhs@
1.	Lt. Gen. (Retd.) Arvind Mahajan	0.40
2.	Dr. A. K. Bandyopadhyay	0.40
3.	Shri Sudhir Mathur	1.60
4.	Shri Deepak Gupta	0.50
5.	Shri M. P. Shorawala	0.20

@ excluding service tax.

## MEETING OF INDEPENDENT DIRECTORS

In accordance with the provisions of Companies Act, 2013, a separate meeting of Independent Directors was held on 27.03.2015, which 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 the quality, quantity, timelines of flow of information etc.

### 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>
02.09.14	Conference Hall, Container Corporation of India Ltd. CONCOR Bhawan, C-3, Mathura Road, New Delhi - 110076.	10:30 Hrs
18.07.13	-----Do-----	15:00 Hrs
28.08.12	-----Do-----	12:00 Hrs.

In the last AGM held on 02.09.2014, following Special Resolutions were passed -:

1. To accord consent to Board of Directors' for borrowing money in excess of paid up Share Capital and free reserves, provided that the total amount which may be borrowed and outstanding at any time shall not exceed Rs. 150 Cr. and also to mortgage and or / charge the properties aggregating to a value not exceeding Rs. 150 Cr. at any time.
2. To accord consent to Board of Directors for issue and allotment of 6,92,38,378 Equity Shares of Rs. 10/- each at premium of Rs. 0.10/- per share to CONCOR towards conversion of outstanding loan of Rs. 70 Cr. into Equity Share Capital

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## **AGM of Current Year**

Date : 31.08.2015  
Time : 11 A.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 (except a minor penalty of Rs. 2,000/- by H. P. VAT during F/Y 2011-12) due to non compliance on any matter related to any guidelines issued by Government during the last three years.
- (iii) In terms of Corporate Governance Guidelines & to adopt best practices therein, the Company has '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. &amp; Office Exp.</u> <u>(Rs. in Lakhs)</u>	<u>Total Expenses</u> <u>(Rs. in Lakhs)</u>	<u>Percentage of Admn.</u> <u>&amp; Office Expenses</u> <u>Vis-à-vis Total</u> <u>Expenses</u>
2014-15	263.99	4733.78	5.58%
2013-14	526.59	12471.97	4.22%

- (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 AT THE FORTHCOMING ANNUAL GENERAL MEETING**

Name	Date of Birth	Date of appointment	Qualifications	Expertise in specific functional areas	List of Other Companies in which Directors hip Held	Details of Other Committee Membership
Shri YashVardhan	24.08.1956	06.01.2010	M. Sc., M Phil	Railway Operations Commercial, Safety and Planning, Setting up & Management of Container Terminals	Six@	Three#

@ 1. M/s. Container Corporation of India Ltd., 2 M/s. CONCOR Air Limited 3. M/s. Gateway Terminals India Pvt. Ltd. 4. Container Gateway Ltd. 5. India Gateway Terminals Pvt. Ltd. 6 Hind CONCOR Terminals (Dadri) Pvt. Ltd.

# Member of Shareholder Grievance Committee in Container Corporation of India Ltd.

Member of Audit Committee in 1. Gateway Terminals India Pvt Ltd 2 India Gateway Terminals Pvt. Ltd

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. Industry Structure & Developments :

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

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

FHEL is one of the first companies who have invested in specialized CA Store for storage of apples. Over the last 8 years many more facilities have come up in the country.

There was no opening stock of fruit as on 1<sup>st</sup> April, 2014. During the financial year 2014-15, Company procured 8169 MT of Apples and 375 MT of other fruits (i. e. 86 MT of Kinnows, 263 MT of Mangoes and 26 MT of Grapes). Apples were primarily procured from Kinnaur & Shimla districts of Himachal Pradesh. The Company sold 4550 MT of apples and other fruits at Delhi, Mumbai, Chennai, Ahmedabad, Vijaywada, Guwahati, Kolkata and other fruit wholesale terminal markets in India during the F/Y 2014-15. As on 31.03.2015, FHEL had Closing stock of 3825 MT of Apples stored at its CA store, Rai, Sonapat.

During F/Y 2014-15, following strategic measures have been implemented by FHEL -:

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

With such strategic measures, procurement & sale of fruit was done at competitive prices, reducing dependence on Delhi Market, increasing the customer base across India and almost full capacity utilization of the CA facility at Rai, during the season.

2. **Strength & Weakness :**

**Strengths -:**

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

**Weaknesses -:**

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

3. **Opportunity & Threats :**

**Opportunities -:**

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

**Threats -:**

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

**4. Segment-wise or Product-wise Performance**

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

**5. 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 2014-15.



## 7. UNSECURED LOAN

In order to meet working capital requirement for F/Y 2014-15, your Company entered into an arrangement with CONCOR (holding company) for sanction of unsecured working capital loan of Rs. 73 Cr. at an interest rate of 9.74% p. a. Out of sanctioned working capital loan of Rs. 73 Cr., your Company had drawn a sum of Rs. 53 Cr. during F/Y 2014-15. After repayment of Rs. 19.43 Cr. to CONCOR, working capital loan (2014-15) stood at Rs. 33.57 Cr. on 31<sup>st</sup> March, 2015.

As on 31.03.2015, total outstanding loan (unsecured) due to holding Company (CONCOR) stood at Rs. 42.89 Cr. (inclusive of Rs. 9.32 Cr. for 2013-14 and Rs. 33.57 Cr. for F/Y 2014-15). Apart from this, Company has interest accrued & due of Rs. 9.91 Cr. on 31.03.2015 in respect of outstanding loan due to CONCOR of Rs. 43.14 Cr. (i.e Rs. 16.64 Cr. for F/Y 2008-09, Rs. 11.50 Cr. for F/Y 2009-10 and Rs. 15 Cr. for F/Y 2011-12) converted into Equity during F/Y 2014-15 .

## 8. Fixed Assets

	(Rs. in Cr.)		
<u>Year Ended March 31</u>	<u>2015</u>	<u>2014</u>	<u>%age Incr. (Decr.)</u>
Original Cost of Assets	81.68	81.35	0.41
Less : Accumulated Dep.	29.25	23.89	22.44
<b>Net Fixed Assets</b>	<b>52.43</b>	<b>57.46</b>	<b>(8.75)</b>

## 9. Inventory

	Item	Opening	Purchased	Sold	Consumed*	Closing
Fruits*	Qty (Kgs.) C/Y	NIL	85,44,296	45,49,672	1,69,889	38,24,735
	Qty (Kgs.) P/Y	45,73,675	1,12,39,281	1,50,62,312	7,50,644	NIL
	Amount (in Rs.) C/Y	NIL	46,78,23,017	28,59,00,975	-	30,03,48,388
	Amount (in Rs.) P/Y	40,40,75,462	44,32,16,051	80,59,91,246	-	NIL
Packing Material**	Qty (No.) C/Y	8,80,848	***27,70,506	6,10,473	16,23,596	14,17,285
	Qty (No.) P/Y	19,05,259	23,75,689	5,33,643	28,66,457	8,80,848
	Amount (in Rs.) C/Y	1,57,16,448	75,05,631	80,71,732		1,16,67,652
	Amount (in Rs.) P/Y	2,12,21,188	3,70,15,114	1,44,68,007		1,57,16,448

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

\*\* Consumption includes recycled and used for packing.

\*\*\* Purchase includes received with apple procured.

**10. Trade Receivables**

Trade receivables are 13.18% 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 62.25% over F/Y 2013-14.

**13. Cost of Sales**

Cost of Sales has decreased by 71% appx. over F/Y 2013-14.

**14. Other Expenses**

Other expenses have decreased by 49.12% over F/Y 2013-14.

**15. Employee Remuneration**

The Employee Cost has increased by 0.03% in comparison to last year.

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

Human resource is the key asset of FHEL. As on 31.03.2015, the total employee strength of company remained 32 (which includes Regular-23, Deputationists-04, and Contractual-05) employees. All the employees have high level of motivation to achieve the objectives. The company also gives training to employees whenever considered necessary.

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

FHEL has been following the Presidential Directives and Guidelines issued by the Government of India from time to time regarding reservation for SCs, STs, OBCs, Physically Handicapped and Ex-servicemen in letter and spirit. As on 31.03.2015, there were 05-OBC, 02-SC and 01-ST employees.

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

**Environmental protection and conservation, Technological conservation:**

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

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

Measures taken for environmental protection and conservation:

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

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

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

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

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

**Foreign Exchange Conservation :**

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

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

**18. Outlook :**

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

**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) Dependence of business on weather conditions, particularly rainfall. It can be adversely impacted with hail storm during pre-harvest period.
- (ii) Un-organized nature of trade.
- (iii) Un-economical small farm holdings
- (iv) Competition from cheaper imports
- (v) Lack of trained manpower
- (vi) Local Competition
- (vii) Imports

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

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**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, to more than 1500 beneficiaries. 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.

## Annexure to Directors' Report

### A. CONSERVATION OF ENERGY

During the year 2014-15, regular in-house Audits in areas of Refrigeration and Air Conditioning, Compressed Air, Lube Oil Systems, Lighting, Water Balancing, Cooling Water System, were carried out at Controlled Atmosphere (CA) Store, Rai.

- (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 light illumination and lighting voltage optimization. During the year special care was taken to ensure that lights operated only in areas where it was required. Area identified and implemented were External lighting, utility area, corridors, sorting hall, packing hall, machine room, and office building.

**3. Heat energy :**

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

**4. Fuel oil :**

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

**5. Water for cooling towers and processing :**

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

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

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

**Impact of measures taken for Energy Conservation**

Unit consumed per MT in 2014-15 is 50.85 KWH as compared to 52.55 KWH in 2013-14.

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

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

B. Technology absorption

(i)	Efforts made towards technology absorption.	As of now our focus has been in doing as many trials as possible to store different fruits and vegetables with this new technology, so that utilization of the Store is maximized. Thus many trials as mentioned above have been done and these have been quite successful. Due to the same the utilization has increased substantially.
(ii)	The Benefits derived like product improvement, cost reduction, product development, and import substitution.	All fruits and vegetables storage is helping the company in offering these commodities for sale in off season. This is increasing consumer satisfaction import substitution and more remuneration prices for produce to farmers.
(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><b>Expenditure incurred on R &amp; D</b></p> <p>(i) Capital</p> <p>(ii) Recurring</p> <p>(iii) Total</p> <p>(iv) Total R &amp; D expenditure as a percentage of turnover</p>	<p>Nil</p> <p>Nil</p> <p>Nil</p> <p>Nil</p>



**FORM NO. AOC-2**

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

Form for disclosure of particulars of contracts/arrangements entered into by the company with 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.							As on 31-03-2015
(a) Name of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts/arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Justification for entering into such contracts or arrangements or transactions (e)	(f) Date(s) of approval by Board	(g) Amount paid as advances, if any	(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188
N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2. Details of material contracts or arrangement of transactions at arm's length basis.				As on 31-03-2015	
(a) Name of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts/arrangements/transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Date(s) of approval by Board	(f) Amount paid as advances, if any
State Bank of India	Unsecured Working Capital loan taken	270 days from the date of sanction of loan	Amount of ₹73/- Crore with an Interest @9.74% p.a. Out of ₹73/- crore an amount of Rs.53 crore has been withdrawn. An amount of ₹19,42,90,000/- refunded during the financial year.	08-05-2014 in FHEL's BOD & 27-05-2014 in CONCOR's BOD	N/A
State Bank of India	Unsecured Working capital loan refund				N/A

1. Container Corporation of India Ltd.	Holding company	Interest on loan	-	-	-	N/A
2. Container Corporation of India Ltd.	Holding company	Interest paid	-	-	-	N/A
3. Container Corporation of India Ltd.	Holding company	TDS deducted on Interest on loan	-	-	-	N/A
4. Container Corporation of India Ltd.	Holding company	Lease rent of Plastic bins	-	-	-	N/A
5. Container Corporation of India Ltd.	Holding company	Lease rent of Plastic bins paid	-	-	-	N/A
6. Container Corporation of India Ltd.	Holding company	TDS deducted on lease rent of plastic bins	-	-	-	N/A
7. Container Corporation of India Ltd.	Holding company	Balance of Unsecured loan at the end of FY 2014-15	-	-	-	N/A
8. Container Corporation of India Ltd.	Holding company	Interest Accrued & Due at the End of FY 2014-15	-	-	-	N/A

For and on Behalf of Board of Directors

(Anil Kumar Gupta)  
Chairman

37  
New Delhi

12/05/15

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2015

**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	U51909DL2006PLC145734
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.
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 shall be stated)**

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Procurement of fruits mainly Apples from Shimla & Kinnaur areas of Himachal Pradesh and Sale thereof during off season after storage in Controlled Atmosphere (CA) store at Rai, Sonapat.	10309, 52101	86%

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

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

**(IV) SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****(i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2014]				No. of Shares held at the end of the year[As on 31-March-2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-								
c) State Govt(s)									
d) Bodies Corp.									
e) Banks / FI									
f) Any other Government Company - Container Corporation of India Ltd.	-	7,64,29,343	7,64,29,343	100	-	14,56,67,721	14,56,67,721	100	Nil
<b>Sub-total (A) (1)</b>	-	7,64,29,343	7,64,29,343	100	-	14,56,67,721	14,56,67,721	100	Nil
<b>(2) Foreign</b>									
a) NRIs- Individuals									
b) Other individuals									
c) Bodies Corporate									
d) Banks/FI									
e) Any other									

<b>Sub-total (A) (2)</b>									
<b>Total</b>		7,64,29,343	7,64,29,343	100		14,56,67,721	14,56,67,721	100	Nil
<b>shareholding of Promoter (A)= A(1) + A(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Suh-total (B)(1):-</b>									
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									

<b>Sub-total (B)(2):-</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	7,64,29,343	7,64,29,343	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)	7,64,29,343	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	7,64,29,343	100	7,64,29,343	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.):				
	22.10.2014 (Increase in Shareholding of CONCOR due to Conversion of loan into Equity)	6,92,38,378	100	14,56,67,721	100
	At the end of the year				

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	7,64,29,343	100	7,64,29,343	100
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase				

/decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
22.10.2014 (Increase in Shareholding of CONCOR due to Conversion of loan into Equity)	6,92,38,378	100	14,56,67,721	100
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

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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount		7932.67		7932.67
ii) Interest due but not paid		795.30		795.30
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		8727.97		8727.97
<b>Change in Indebtedness during the financial year</b>				
* Addition		5300.00		5300.00
* Reduction		8942.90		8942.90
<b>Net Change</b>		(3642.90)		(3642.90)
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount		4289.77		4289.77
ii) Interest due but not paid		990.62		990.62
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>		5280.39		5280.39



**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)
		Lt. Gen. (Retd.) Arvind Mahajan	Shri A. K. Band yopadhyay	Shri Sudhir Mathur	Shri Deepak Gupta	Shri M. P. Shora -wala	
1	Independent Directors						
	Fee for attending board /committee meetings	0.40	0.40	1.60	0.50	0.20	3.10
	Commission						
	Others, please specify						
	Total (1)	0.40	0.40	1.60	0.50	0.20	3.10
2	Other Non-Executive Directors	Nil	Nil	Nil	Nil	Nil	Nil
	Fee for attending board /committee meetings						
	Commission						
	Others, please specify						
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	0.40	0.40	1.60	0.50	0.20	3.10
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						

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	7,10,317	10,19,626	3,62,188	20,92,131
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,03,017	10,02,720	3,52,111	20,57,848
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,300	16,906	10,077	34,283
	(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	7,10,317	10,19,626	3,62,188	20,92,131

\* 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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

For and on behalf of Board of Directors

Date : 12.05.2015  
Place : New Delhi

(Anil Kumar Gupta)  
Chairman

**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 31<sup>st</sup> March, 2015 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.

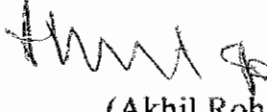
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression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

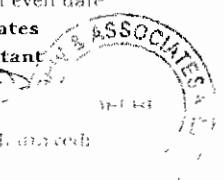
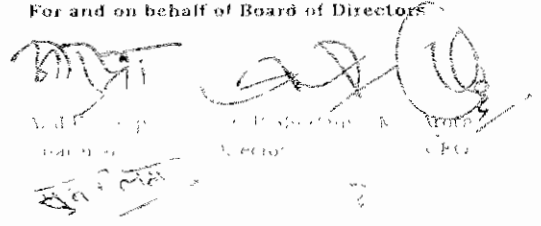
For Akhil Rohatgi & Co.

Place: New Delhi  
Date : 29.04.2015

  
(Akhil Rohatgi)  
Company Secretary in Practice  
F.C.S: 1600  
C.P. No. 2317



BALANCE SHEET AS AT 31st March, 2015

		(Rs. in Lakhs)	
Particulars	Note No.	As at 31.03.2015 Audited	As at 31.03.2014 Audited
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholder's Funds</b>			
a) Share Capital		14,569.77	7,642.93
b) Reserve and Surplus		(11,440.74)	(9,968.88)
c) Money Received against Share warrants			
		<u>3,226.05</u>	<u>(2,325.95)</u>
<b>2 Share application Money pending allotment</b>			
<b>3 Non-current Liabilities</b>			
a) Long Term Borrowings			
b) Deferred Tax Liabilities (Net)			
c) Other Long Term Liabilities			
d) Long Term Provisions		76.36	58.28
		<u>76.36</u>	<u>58.28</u>
<b>4 Current Liabilities</b>			
a) Short Term Borrowings		4,289.77	7,932.67
b) Trade Payables		60.27	115.52
c) Other Current Liabilities		1,354.95	973.02
d) Short Term Provisions		3.92	15.16
		<u>5,708.91</u>	<u>9,036.37</u>
	<b>Total</b>	<u><b>9,011.32</b></u>	<u><b>6,768.70</b></u>
<b>II Assets</b>			
<b>1 Non-Current Assets</b>			
a) Fixed Assets			
i) Tangible Assets		5,240.38	5,745.11
ii) Intangible Assets		2.45	
b) Non-Current Investments			
c) Deferred Tax Assets (Net)			
d) Long Term Loans and advances		99.62	69.74
e) Other non-current Assets		14.27	23.81
		<u>5,356.72</u>	<u>5,838.66</u>
<b>2 Current Assets</b>			
a) Current Investments			
b) Inventories		3,143.02	173.71
c) Trade Receivables		423.71	551.97
d) Cash and Cash equivalents		36.60	127.74
e) Short-term Loans and advances		32.84	31.21
f) Other Current Assets		18.43	45.41
		<u>3,654.60</u>	<u>930.04</u>
	<b>Total</b>	<u><b>9,011.32</b></u>	<u><b>6,768.70</b></u>
<b>Significant Accounting policies</b>		14	
<b>Other Notes</b>		15	
<b>Notes 1 to 15 form an integral part of the accounts</b>			
As per our report of even date			
<b>For Shiv &amp; Associates</b>			
<b>Chartered Accountant</b>			
			
CA Shiv Prakash C. I. (In-charge) P. No. 1 Id No. J85084 Place: New Delhi			
<b>For and on behalf of Board of Directors</b>			
			
Member Director CFO Officer Officer			

**FRESH & HEALTHY ENTERPRISES LIMITED**  
**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31.03.2015**

(Rs. in Lakhs)

Particulars	Note No.	31.03.2015 Audited	31.03.2014 Audited
I Revenue from Operations	9	3,213.76	8,512.99
II Other Income	10	72.71	42.90
<b>III Total Revenue (I+II)</b>		<b>3,286.47</b>	<b>8,555.89</b>
<b>IV Expenses:</b>			
Purchases of Traded Goods		4,899.25	5,053.76
Change in Inventories	11	(2,969.32)	4,101.43
Direct Expenses		1,139.92	1,425.77
Employee Benefits Expenses	12	190.63	190.57
Finance Costs		663.35	782.71
Depreciation and Amortization Expenses		535.96	379.19
Other Expenses	13	273.99	538.54
<b>Total Expenses</b>		<b>4,733.78</b>	<b>12,471.97</b>
<b>V Profit before exceptional and extraordinary items and Tax (III - IV)</b>		<b>(1,447.31)</b>	<b>(3,916.08)</b>
VI Exceptional Items			
<b>VII Profit Before extraordinary items and tax (V-VI)</b>		<b>(1,447.31)</b>	<b>(3,916.08)</b>
VIII Extraordinary Items			
<b>IX Profit before Tax (VII - VIII)</b>		<b>(1,447.31)</b>	<b>(3,916.08)</b>
<b>X Tax Expense:</b>			
(1) Current Tax			
(2) Deferred Tax			
(3) Tax Adjustment for Prior Periods			
<b>XI Profit / (Loss) for the period from continuing operations (IX-X)</b>		<b>(1,447.31)</b>	<b>(3,916.08)</b>
XII Profit/ (Loss) from discontinuing operations			
XIII Tax Expense of discontinuing operations			
<b>XIV Profit/ (Loss) from discontinuing operations (XII + XIII)</b>			
<b>XV Profit/(Loss) for the period (XI + XIV)</b>		<b>(1,447.31)</b>	<b>(3,916.08)</b>
<b>XVI Earning per Equity Share(Rs.)</b>			
(1) Basic		(1.35)	(5.13)
(2) Diluted		(1.35)	(5.13)

Significant Accounting policies 14

Other Notes 15

Notes 1 to 15 form an integral part of the accounts

For Shiv & Associates  
Chartered Accountant

CA Shiv Prakash Chaturvedi  
Partner  
M No. 083084  
Date: 21-06-2015  
Place: New Delhi



For and on behalf of Board of Directors

Anil K. Gupta Director  
Dr. P. Anil Kumar Director  
M. D. Arora CEO

Signature of Anil K. Gupta

Signature of M. D. Arora  
Signature of Dr. P. Anil Kumar  
Signature of Anil K. Gupta

**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs in Lakhs)

Particulars	31 03 2015 Audited	31 03 2014 Audited
-------------	-----------------------	-----------------------

**NOTE 1 : SHARE CAPITAL**

**Authorized share capital**

(15,00,00,000 equity shares of Rs.10/ each)	15,000.00	15,000.00
	<b>15,000.00</b>	<b>15,000.00</b>

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

(CY 14,56,67,721 Equity Shares (PY 7,64,29,343) of Rs 10/ each fully paid up)	14,566.77	7,642.93
	<b>14,566.77</b>	<b>7,642.93</b>

(\*) 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.)	145,667,721	76,429,343
Percentage of shares held	(100%)	(100%)

3. CONCOR's BOD has approved the following:

(i) Container Corporation of India Limited (CONCOR) vide its office letter no CON/CO/FA&CS/166 BOD/dated June 9th, 2014 informed that CONCOR's Board of Directors in its 166th meeting held on 27th May 2014 approved the proposal of conversion of an amount of Rs.70/ crores, out of loan outstanding to CONCOR into equity Share Capital of FHEL. Further, it is mentioned that the conversion of loan into Equity share capital has to be done at a price to be determined through valuation of shares of FHEL by independent valuer

(ii) For the purpose of giving effect to above FHEL's Shareholders in their Annual General Meeting held on 02.09.2014, have accorded their approval for issue of 6,92,38,378 Equity Shares of Rs. 10/- each at premium of Rs. 0.11/- per share, as per valuation done by M/s Dharam Raj & Co Chartered Accountant (Independent Agency appointed by FHEL), towards conversion of outstanding working capital loan taken from CONCOR by Fresh & Healthy Enterprises Ltd. Thereafter, 6,92,38,378 nos of equity shares allotted to CONCOR on 22.10.2014

**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

Particulars	01.04.2014 Audited	Addition/ deduction/ appropriation	(Rs. in Lakhs)
			As at 31.03.2015 Audited
<b>NOTE 2 : RESERVES AND SURPLUS</b>			
<b>Securities Premium Reserve</b>	19.07	76.16	95.23
<b>Surplus (Profit and Loss Account)</b>			
Opening Balance	(9,987.95)		
Less: Adjstment of Assets Reserve prev Years		(0.69)	
Profit/(Loss) after Tax for the period		(1,447.31)	
Closing Balance			(11,435.95)
<b>Total</b>	<b>(9,968.88)</b>	<b>(1,371.84)</b>	<b>(11,340.72)</b>





**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars	31.03.2015 Audited	31.03.2014 Audited
<b>NOTE 3 : NON-CURRENT LIABILITIES</b>		
<b>Long Term Borrowings</b>		
<b>Long Term Provisions</b>		
Provision for Employee Benefits	76.36	58.28
<b>Total</b>	<b>76.36</b>	<b>58.28</b>



**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

<b>Particulars</b>	<b>31.03.2015 Audited</b>	<b>31.03.2014 Audited</b>
<b>NOTE 4: CURRENT LIABILITIES</b>		
<b>Short Term Borrowings</b>		
<u>Loans and Advances from Related Party</u>		
Container Corporation of India Ltd (Holding Co.; Unsecured)	4,289.77	7,932.67
<b>Trade Payables</b>		
- Others	60.27	115.52
<b>Other Current Liabilities</b>		
Interest Accrued & Due on Borrowings	990.62	795.30
Advance/Deposits from parties	104.70	102.11
Others	259.63	75.61
<b>Short Term Provisions</b>		
Provision for Employee Benefits	3.92	15.16
<b>Total</b>	<b>5,708.91</b>	<b>9,036.37</b>



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

Description	Gross Block				Depreciation*			Net Block		
	As at 01.04.14	Additions during the period	Sale/adjustment	As at 31.03.2015	For the period	Adjustment for PY	Sale / adjustment	Up to 31.03.2015	As at 31.03.2015	As at 31.03.14
Intangible Asset:										
Land	1,013.91	6.02		1,922.53	58.37			471.67	1,450.86	1,502.5
Patent	1,554.58	16.51	0.05	4,571.02	349.02			1,803.59	2,767.43	3,099.06
Software	25.86	8.28	0.66	33.48	3.67	0.69		16.99	16.49	13.76
Other Intangible Assets	17.30	0.25		17.55	2.32			10.18	7.37	11.43
Total Intangible Assets	1,620.86			1,620.86	122.08			622.63	998.23	1,120.21
Sub Total-1	8,134.51	31.66	0.73	8,165.44	535.46	0.69		2,925.06	5,240.38	5,745.11
Intangible Assets										
Software		2.65		2.65	0.50			0.50	2.45	
Sub Total-2		2.95		2.95	0.50			0.50	2.45	
Grand Total	8,134.51	34.61	0.73	8,168.39	535.96	0.69		2,925.56	5,242.83	5,745.11
Previous Year	8,180.73	19.51	65.73	8,134.51	379.19			2,389.40	5,745.11	6,151.91

\* Depreciation on intangible assets related to cash/land is provided in line with the accounting policy of the company irrespective of the land lease period, as the leases are likely to be renewed / extended. Depreciation has been provided as per the provisions of Companies Act, 2013.



**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars	31.03.2015 Audited	31.03.2014 Audited
<b>NOTE 6 : LONG TERM LOANS AND ADVANCES</b>		
<b>Security Deposits</b>		
- Govt. Authorities (Unsecured, Considered Good)	81.56	52.61
- Others		
<b>Other Loans and Advances</b>		
Loans to Employees (Secured, Considered Good)	18.06	17.13
<b>Total</b>	<b>99.62</b>	<b>69.74</b>
<b>NOTE 7 : OTHER NON-CURRENT ASSETS</b>		
Interest accrued on deposits, loans and advances (Staff) (Secured, Considered Good)	4.27	3.81
Preliminary/Miscellaneous Expenses.	10.00	20.00
	<b>14.27</b>	<b>23.81</b>



**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs in Lakhs)

Particulars	31 03 2015 Audited	31 03 2014 Audited
<b>NOTE 8: CURRENT ASSETS</b>		
<b>Inventories</b>		
(As taken, valued & certified by Management)		
Stock-in-Trade	3,003.48	
Stores and Spares	139.54	173.71
	<b>3,143.02</b>	<b>173.71</b>
<b>Trade Receivables (Unsecured considered Good)</b>		
Outstanding for period exceeding six Months	160.77	85.73
Outstanding for period less than six Months	262.94	466.24
	<b>423.71</b>	<b>551.97</b>
<b>CASH AND BANK BALANCES</b>		
<b>(I) Cash and Cash equivalents</b>		
Cash (Including Imprest)	0.00	0.22
<b>Bank Balances</b>		
In current Accounts	25.31	84.04
<b>(II) Other Bank Balances</b>		
Bank Deposits		
With original maturity of more than 3 months and up to 12 months	7.77	40.23
Earmarked Bank Balances		
- Bank Balances held as margin money or security against Guarantees**	3.52	3.25
	<b>36.60</b>	<b>127.74</b>
<b>Short-term Loans and advances</b>		
<u>Loans to Others</u>		
Loans to Employees (Secured, Considered Good)	6.79	4.15
Advances (Unsecured, Considered Good)	1.44	0.81
<u>Deposits (Unsecured, Considered Good)</u>		
Govt Authorities	2.63	5.87
Others	0.28	0.42
Advance Income Tax/TDS (Net of Provisions)	21.70	19.96
	<b>32.84</b>	<b>31.21</b>
<b>Other Current Assets</b>		
Preliminary / Miscellaneous Expenses	10.00	10.00
Others	8.43	35.11
	<b>18.43</b>	<b>45.11</b>
<b>Total</b>	<b>3,654.60</b>	<b>930.04</b>

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

**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs. in Lakhs)

Particulars	31.03.2015 Audited	31.03.2014 Audited
<b>NOTE 9 : REVENUE FROM OPERATIONS</b>		
Sale of Fresh Fruits	2,859.01	8,059.91
Sale of Farm Inputs	137.98	248.07
Sale of Cartons	20.43	144.68
Sale of Scrap	60.86	11.41
Cooling Charges	135.48	48.92
<b>Total</b>	<b>3,213.76</b>	<b>8,512.99</b>

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

Fruit	31.03.2015	31.03.2014
Apples	2,751.51	7,809.95
Kinnow	14.47	174.91
Mango	77.12	12.77
Green Almond	-	1.03
Orange and Others	-	33.29
Grapes	15.91	15.34
Pomegranate	-	12.62
<b>Total</b>	<b>2,859.01</b>	<b>8,059.91</b>



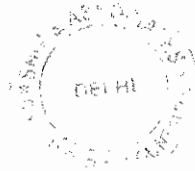
**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

27

(Rs. in Lakhs)

Particulars	31.03.2015 Audited	31.03.2014 Audited
<b>NOTE 10 : OTHER INCOME</b>		
Interest earned on Short Term Bank Deposits	14.18	16.83
Interest on TDS Refund	0.24	
Interest earned on Loans to employees	0.46	0.68
Interest earned others	4.59	0.57
Excess Provision written Back	5.78	
Prior Period Income	22.45	
Other non-operating Income	25.01	24.82
<b>Total</b>	<b>72.71</b>	<b>42.90</b>

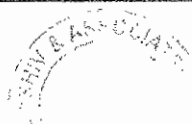


**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs in Lakhs)

Particulars	31.03.2015 Audited	31.03.2014 Audited
<b>NOTE 11</b>		
<b>Purchases of Traded Goods</b>		
Stock-in-Trade	4,810.57	4,672.38
Stores and Spares	88.68	381.38
	<b>4,899.25</b>	<b>5,053.76</b>
<b>Change in Inventories</b>		
<u>Opening Stock</u>		
Stock-in-Trade		4,040.75
Stores and Spares	173.71	234.39
	<b>173.71</b>	<b>4,275.14</b>
<u>Closing Stock</u>		
Stock-in-Trade	3,003.49	
Stores and Spares	139.54	173.71
	<b>3,143.03</b>	<b>173.71</b>
Increase/(Decrease) in Inventory	<b>(2,969.32)</b>	<b>4,101.43</b>
<b>Direct Expenses</b>		
CA store maintenance	141.60	133.48
Freight Exp	378.11	544.60
Handling Expenses (Mandi)	1.95	13.70
Handling Expenses (Rai)	104.58	192.48
Power & Fuel	268.22	293.99
Testing Exps./ Charges /Consumable Goods	0.10	0.13
Procurement Supervision Consultants	73.65	77.93
Water Spray at Control Room		2.11
APMC Fees	45.80	42.32
Lease Rent - Plastic Bins	113.40	118.43
Performance Award	11.98	0.07
Godown Rent (Shimla)	0.53	1.23
Hiring Charges Equipment		5.30
	<b>1,139.92</b>	<b>1,425.77</b>
Total Cost	<b>3,069.85</b>	<b>10,580.96</b>





**FRESH & HEALTHY ENTERPRISES LIMITED**

**NOTES TO ACCOUNTS**

(Rs in Lakhs)

Particulars	31 03.2015 Audited	31 03.2014 Audited
<b>NOTE 12: EMPLOYEES BENEFITS EXPENSES</b>		
Salary, Allowances & Other Employee Benefits	155.69	162.19
Contribution to CPF & FPF	12.60	13.18
Rent for Leased Accommodation	1.10	0.99
Employees Welfare & Medical	13.78	13.05
Gratuity	7.28	1.12
Training Expenses	0.18	0.04
<b>Total</b>	<b>190.63</b>	<b>190.57</b>



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

(Rs. in Lakhs)

Particulars	31.03.2015	31.03.2014
	Audited	Audited
<b>NOTE 13 : OTHER EXPENSES</b>		
Printing & Stationery Exp	2.62	3.14
Travelling & Conveyance	6.56	10.60
Travelling & Conveyance -Dir.	0.54	0.51
Rent Office Space/ Rai Land and License Fee*	25.11	22.97
Research & Development Exps.	0.03	0.03
Office/ CA Store Up keeping Exps	15.17	20.97
Electricity Expenses	0.99	0.73
Repairs & Maintenance		
- Building		13.16
Plant & Machinery	31.26	17.78
Security Expenses	13.19	10.70
Office Vehicle/ Car Hire Charges	23.18	19.41
Business Development	0.09	0.36
Postage , Telephone & Internet	6.83	6.63
Books & Periodicals	0.13	0.09
Bank Charges	0.08	0.22
Stamp Duty Charges	14.66	
Filing Fees	0.19	
Legal & Professional Charges	22.02	12.06
Agency Charges-Commission	3.70	125.97
Insurance Premium	5.91	9.49
Subscription & Membership Fee	0.13	
Exhibition Exps.	0.57	2.12
Discount	58.53	207.18
Advertisement	9.66	14.00
Auditors Remuneration		
- Statutory Audit Fee	0.85	0.85
- Tax Audit Fee	0.36	0.36
Service Tax Exp	3.20	2.48
Software exp		5.76
Miscellaneous Expenses	4.35	19.02
Prior Period Expenses	14.08	
Preliminary Expenses w/off	10.00	11.95
<b>Total</b>	<b>273.99</b>	<b>538.54</b>

\* 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.



**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. Retirement Benefits**

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

Liability for leave travel concession, leave salary, 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.

Contributor to defined contribution schemes such as Provident fund & Family Pension etc. are charged to Profit and Loss account as and when incurred.

## **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.



**NOTE: 15. OTHER NOTES:**

**1. Contingent Liabilities:**

	2014-15	2013-14
i) Bank Guarantees not provided for (Rs.)	200,000/	200,000/
ii) An amount of Rs 80,44,961/ awarded in favour of M/s GAPL has not been provided for as the Appeal against the order has been filed with Hon'ble High Court and is pending		
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		

**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 :**

	2014-15	(Amounts in Rs.) 2013-14
<b>i) Parties whose control exists (Holding Company)</b>		
Unsecured Loan Taken	Rs 53,00,00,000	Rs 66,86,00,000
Unsecured Loan Refunded	Rs 19,42,90,000	Rs 30,67,65,367
Unsecured Loan Converted into Equity	Rs 70,00,00,000	Rs NIL
Intl. Free Unsecured Loan Refunded	Rs NIL	Rs NIL
Interest on Loan	Rs 6,63,35,029	Rs 6,81,43,131
Interest Paid	Rs 4,01,70,033	Rs 3,04,13,857
TDS Deducted on Interest on Loan	Rs 66,33,507	Rs 68,14,323
Lease Rental of Plastic Bins	Rs 1,13,40,002	Rs 1,18,30,840
Lease Rental of Plastic Bins Paid	Rs 1,11,13,201	Rs 2,59,74,875
TDS Deducted on Lease Rental	Rs 2,26,801	Rs 2,36,617
<b>c) Balances at the end of the Year</b>		
<b>i) Parties Whose Control Exists (Holding Company)</b>		
Unsecured Loan	Rs 12,89,77,383	Rs 79,32,67,383
Interest Accrued and Due	Rs 9,90,61,704	Rs 7,95,30,215
Lease Rental of Plastic Bins	Rs NIL	Rs NIL
<b>ii) Key management personnel:</b>	NIL	NIL

**3. Earning Per Share**

	31.03.2015	31.03.2014
Profit/loss after taxation as per Profit and Loss account (Rs.)	(14,47,31,062)	(39,16,08,124)
Weighted Average number of Equity Shares outstanding (Nos.)	10,69,00,107	7,63,98,204
Basic and diluted Earning/loss Per Share (Rs.)	(1.35)	(5.13)

4. Pending issuance of Notification u/s 111A 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.)

	<u>2014-15</u>	<u>2013-14</u>
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	NIL	85,44,296	45,49,672	1,69,889	38,24,735
	Qty (Kgs.) P/Y	45,73,675	1,12,39,281	1,50,62,312	7,50,644	NIL
	Amount (in Rs.) C/Y	NIL	46,78,23,017	28,59,00,975		30,03,48,388
	Amount (in Rs.) P/Y	40,40,75,462	44,32,16,051	80,59,91,246		NIL
Packing Material**	Qty (No.) C/Y	8,80,848	***27,70,506	6,10,473	16,23,596	14,17,285
	Qty (No.) P/Y	19,05,259	23,75,689	5,33,643	28,66,457	8,80,848
	Amount (in Rs.) C/Y	1,57,16,448	75,05,631	80,71,732		1,16,67,652
	Amount (in Rs.) P/Y	2,12,21,188	3,70,15,114	1,44,68,007		1,57,16,448

\* 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.26,21,543/ (Previous Year Rs.23,95,541/-) against of which recovery of Rs.71,970/ has been made (Previous Year Rs.59,514/-). 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 1<sup>st</sup> 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.9.65 Lakh (p/y: Rs.11.17 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:

Particulars	(Amount in Rs.)							
	Leave Travel Concession (Non Funded)		Gratuity (Non Funded)		Leave Encashment including Sick Leave (Non Funded)		Medical (Non Funded)	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Expenses Recognized in Profit & Loss Account	1,16,772	1,54,403	7,27,928	1,12,022	16,58,453	10,32,083	1,95,337	
Amount Recognized in the Balance Sheet:								
Present Value of obligations as at 31 <sup>st</sup> March (i)	2,37,695	2,28,030	21,59,085	17,42,728	54,51,018	50,50,554	1,80,829	1,29,665
Fair Value of Plan Assets (ii)								
Difference (iii) (i)	(2,37,695)	(2,28,030)	(21,59,085)	(17,42,728)	(54,51,018)	(50,50,554)	(1,80,829)	(1,29,665)
Net Asset/(Liabilities) recognised in the Balance Sheet	(2,37,695)	(2,28,030)	(21,59,085)	(17,42,728)	(54,51,018)	(50,50,554)	(1,80,829)	(1,29,665)

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

	2014-15	2013-14
i) Method Used	Projected Unit Credit Method	Projected Unit Credit Method
ii) Discount Rate	8.00%	8.50%
iii) Future Salary Increases	5.50%	5.50%

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

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 127.72 crore upto A/Y 2014-15 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. An amount of Rs 85,72,895/- towards trade receivables awarded in favour of FHEL is due from Global Agri System P. Ltd. The case is pending with Hon'ble high court which is outstanding for more than six months; (P/Y Rs 85,72,895/-).

14. As at 31 March 2015, 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 2015 are as follows:

Particulars	As at 31 <sup>st</sup> March 2015
<b>Deferred tax liability</b>	
Excess depreciation as per Income tax Act, 1961, over depreciation as per books (a)	8,37,68,578
<b>Total</b>	<b>8,37,68,578</b>
<b>Deferred tax assets</b>	
Excess depreciation as per books, over depreciation as per Income tax Act, 1961	
Provision for gratuity	1,28,654
Provision for LTC	2,987
Provision for Leave Encashment	77,345
Provision for Sick Leave	46,398
Brought forward losses and unabsorbed depreciation	44,15,48,981
<b>Total</b>	<b>44,18,04,365</b>
<b>Recognition of deferred tax assets to the extent of Deferred tax liability (b)^</b>	<b>8,37,68,578</b>
<b>Net deferred tax assets/(liability) [(a)-(b)]</b>	<b>Nil</b>

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

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

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

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

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

Particulars	(Amount in Rs.)	
	2014-15	2013-14
<b>Opening Balance</b>	<b>67,93,282/-</b>	<b>67,30,688/-</b>
Addition during the year	23,86,381/-	14,02,957/-
Amount used/incurred	15,69,560/-	13,40,363/-
<b>Closing Balance</b>	<b>76,10,103/-</b>	<b>67,93,282/-</b>

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 Shiv & Associates  
Chartered Accountants

CA Shiv Prakash Chaturvedi  
Partner  
M.No. 085084  
Date: 29.04.2015  
Place: New Delhi.



For and on behalf of Board of Directors

Anil Kumar Gupta  
Chairman

Dr. P. Ali Rani  
Director

M. L. Arora  
CEO

Suman Lata  
Mgr.(F) & C.S

Umesh K Behl  
Chief Finance Officer



## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2015

(Rs. in Lakhs)

Particulars	For the Period Ended 31.03.2015 (Audited)	For the Year ended 31.03.2014 (Audited)
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax and extraordinary items	(1,447.31)	(3,916.08)
<b>Adjustments for :</b>		
Depreciation	535.96	379.19
Preliminary Expenses	10.00	11.95
Interest Debited	663.35	782.71
Interest Earned	(19.24)	(18.08)
<b>Operating Profit before Working Capital changes</b>	<b>(257.24)</b>	<b>(2,760.31)</b>
<b>Adjustments for :</b>		
Trade & other receivables	128.26	(277.21)
Inventories	(2,969.31)	4,101.44
Advances & other Current Assets ( Decrease)	(5.00)	(59.70)
Trade & other Payable	138.22	(218.36)
<b>Cash Flow from operating Activities</b>	<b>(2,965.07)</b>	<b>785.86</b>
Less: Taxes paid		
<b>Net Cash Flow from operating activities</b>	<b>(2,965.07)</b>	<b>785.86</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
(Increase) in Fixed Assets	(34.60)	(19.51)
Decrease in Fixed Assets	0.23	47.12
Interest Received	19.24	18.08
<b>Net Cash from / (Used) in Investing Activities</b>	<b>(15.13)</b>	<b>45.69</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital at premium/Application Money		10.00
Increase in Working Capital Limit		(3,846.10)
Proceeds from Borrowings	5,300.00	6,686.00
Repayment of Borrowings	(1,942.90)	(3,067.65)
interest paid	(468.04)	(500.62)
<b>Net cash from/(Used) in financing Activities</b>	<b>2,889.06</b>	<b>(718.37)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(91.14)</b>	<b>113.18</b>
Opening cash and Cash Equivalents	127.74	14.56
Closing Cash and Cash Equivalents	36.60	127.74
<b>Net Increase/(Decrease) as per Books</b>	<b>(91.14)</b>	<b>113.18</b>

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

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

- Cash (Including Imprest)

0.00

0.22

**Bank Balances**

- In current Accounts

25.31

84.04

- In Deposits with original maturity upto 3 months

**(II) Other Bank Balances**

- Bank Deposits

- With original maturity of more than 3 months and upto 12 months

7.77

40.23

- Earmarked Bank Balances

- Bank Balances held as margin money or security against

- Guarantees\*\*

3.52

3.25

36.60

127.74

As per our report of even date:

For Shiv &amp; Associates

Chartered Accountants

CA Shiv Prakash Chaturvedi

Partner

M.No. 165064

Date: 31.03.2015

Place: ...

For and on behalf of Board of Directors

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

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## REVISED INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF M/S FRESH & HEALTHY ENTERPRISES LTD.

### Report on the Financial Statements

We have audited the accompanying financial statements of **FRESH & HEALTHY ENTERPRISES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

In the light of directions issued under section 143(5) of Companies Act 2013 applicable from the year 2014-15 and onwards by the office of Comptroller Auditor General of India the report has been revised to include the comments on aforesaid directions in the report. This report replace, our earlier report of dt.29.04.2015 issued to the members of M/s Fresh & Healthy enterprises Ltd.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these 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

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 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements

### Opinion

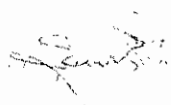
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profit/Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

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

- a) Note 13 to the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company by M/s Global Agri Systems P.Ltd.



uj) 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.

Our opinion is not modified in respect of these matters

### Report on other Legal and Regulatory Requirements

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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches **NIL** not visited by us)

c) [The reports on the accounts of the branch offices **NIL** of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report]

d) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches **NIL** not visited by us]

e) 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.

f) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

g) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.

h) With respect to the other matters included in the Auditor's Report and to our best of information and according to the explanations given to us

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 13 to the financial statements

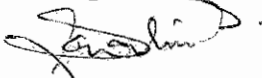


- ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

**Compliance of Directions under section 143(5) of Companies Act, 2013 issued by the office of 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-2 of this report.

FOR SHIV & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 009989N



(S.P.CHATURVEDI)  
PARTNER

Membership No. 85084  
Place: Delhi  
Dated: 11.06.2015



S. NO.	Directions	Observation
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 Reserves) 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, interests. if yes, the reasons there for and the amount involved.	There is no such case of waiver/write off of debts/loans, interests 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	<p>There are two legal cases in the company.</p> <ul style="list-style-type: none"> <li>a. An amount of Rs.80,44,961/- awarded in favour of M/s Global Agri System P. Ltd. has not been provided for as the Appeal against the order has been filed at Hon' ble High Court and is subjudice at Hon' ble High Court.</li> <li>b. An amount of Rs 85,72,895/- towards trade receivables awarded in favour of FHEL is due from M/s Global Agri System P Ltd. The case is subjudice at Hon'ble high court</li> <li>c. A Claim. of Rs.53,46,837/- against FHEL has been filed by the Growers of Shimla area which is under arbitration proceeding. A counter claim of Rs.1,68,98,043/- has also been filed by the Company against above Growers.</li> </ul>



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF M/S FRESH & HEALTHY ENTERPRISES LTD.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **FRESH & HEALTHY ENTERPRISES LIMITED** ("the company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these 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.

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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 technical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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 financial statements.

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

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

- a) Note 13 to the financial statements which, describes the uncertainty related to the outcome of the lawsuit filed against the Company by M/s Global Agri Systems P.Ltd.
- 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.

Our opinion is not modified in respect of these matters.

### **Report on other Legal and Regulatory Requirements**

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 appears from our examination of those books (and proper returns adequate for the purposes of our audit have been received from the branches NIL not visited by us)
- c) [The reports on the accounts of the branch offices NIL of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt by us in preparing this report]
- d) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.[and the returns received from the branches NIL not visited by us]
- e) 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.
- f) The going concern matter described in sub-paragraph (b) under the Emphasis of Matters paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- g) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- h) With respect to the other matters included in the Auditor's Report and to our best of information and according to the explanations given to us
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 13 to the financial statements
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



SHIV & ASSOCIATES  
Chartered Accountants  
Firm Reg. No. 009989N



(S.P.CHATURVEDI)

PARTNER

Membership No. 85084

Place: Delhi

Dated: 29.04.2015

## Annexure to Auditors' Report

Further, as required by the Companies (Auditor's Report) Order, 2015, issued by the Government under Section 143 of the Companies Act, 2013, based on information and explanations given, the records produced before us for examination and on the basis of such checks and verifications performed as per the generally accepted audit procedures as were considered appropriate, we report that :-

(I)

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets
- (b) Majority of Fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical verification have been noticed. In our opinion, the frequency of physical verification is reasonable having regard to the size of the company

(II)

- (a) As informed to us the inventory has been physically verified by the company as at 31<sup>st</sup> March 2015.
- (b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business

(c)

- a. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory.
- b. As explained to us, the discrepancies noticed on verification between the physical stocks and book records which were not material, have been properly dealt with in the books of accounts

(III)

As informed, company has not granted any loan to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013

ASSOCIATES

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

- V) The company has not accepted any deposits from the public with the meaning of section 73 to 76 of the Companies Act, 2013.
- VI) In our opinion, the company is not required to maintain cost records under section 148(1) of the companies Act, 2013.
- VII)
- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other undisputed were outstanding at the year end, for a period of more than six months from the date they became payable.
  - (b) According to the information and explanation given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.
  - (c) There was no amount which was due for transfer to IEPF by the Company.
- VIII) Accumulated losses of the company at the end of the financial year are higher than fifty percent of its net worth. The company has incurred cash losses during the year. The company had incurred cash loss in the immediately preceding financial year.
- (i) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as at the balance sheet date.
- (ii) According to the information and explanations given to us and based on the documents and records produced before us, the company has not given any guaranty for loans taken by other from bank or financial institutions the term and conditions whereof are prejudicial to the interest of Company.
- IX) In our opinion, the term loans have been opted for the purpose for all of them, are raised

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

SHIV & ASSOCIATES

CHARTERED ACCOUNTANTS

FRN- 9989N



A handwritten signature in black ink, appearing to read "S.P. Chaturvedi".

(CA S.P CHATURVEDI)

PARTNER

1.NO: 085084



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 31/03/2015 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 31/03/2015 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client- Not Applicable
  - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- Not Applicable and
  - f. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not Applicable
  - g. The Company has complied with the requirements under the Equity Listing Agreements entered into with BSE Limited, National Stock Exchange of India Limited- Not Applicable
  - h. The Memorandum and Articles of Association
- vi. Compliance of guidelines issued by Department of Public Enterprises (DPE)

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- vii. The Agricultural Produce Marketing Act, Food Safety and Standard Act, The Legal Metrology Act, Shops and Establishment Act, Pollution laws as applicable, Warehouse Development & Regulation Act, Labour Laws as applicable, TDS and VAT.

During the period under review the company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above except to the extent as mentioned below:

- i. Registration under Food Safety and Standard Act is under process.
- ii. Vacancy caused by resignation of Mr. Deepak Gupta on 22/11/2014 from the office of Independent director was filled on 09/03/2015 by appointment of Mr. Mahipal Shorawala.

I further report that the Board of Directors of the Company is duly constituted with proper balance of four non-executive directors and two 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.

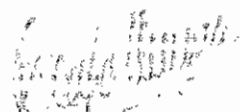
Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation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

I/we further report that during the audit period the company has:

- i. On 22/10/2014 company has allotted 6,92,38,378 equity shares to Container Corporation of India Ltd. at Rs. 10.11 per share against conversion of unsecured loan into equity share capital.







- ii. On 02/09/2014 Members of the Company authorised Board of Directors for borrowing money from time to time exceeding paid up share capital and free reserves but not exceeding Rs. 150 Cr.
- iii. On 02/09/2014 Members of the Company authorised authorised board of directors to mortgage and/or charge the properties aggregating to a value not exceeding Rs. 150 Cr. at any time.

Date: 29/04/2015

Place: New Delhi

For Kumar Tripathi & Associates  
Company Secretaries,

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

*(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.)*



Annexure A

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: 29/04/2015

Place: New Delhi

For Kumar Tripathi & Associates  
Company Secretaries

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

**FORM NO. MGT-11 : Proxy Form**

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

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

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

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Tenth Annual General Meeting of the company, to be held on the 31<sup>st</sup> day of August, 2015 at 11 A.M at Conference Hall, CONCOR Bhawan, C-3, Mathura Road, New Delhi 110076 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

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

Signed this...day of.....2015

Affix Revenue Stamp

Signature of shareholder  
Signature of Proxy holder(s)

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

FRESH & HEALTHY ENTERPRISES LTD.  
(A Wholly Owned Subsidiary of CONCOR)  
Regd. Office : CONCOR Bhawan, C - 3,  
Mathura Road,  
Opposite Apollo Hospital,  
New Delhi - 110076.  
Ph. No 011-41673093, 94, 95, & 96  
Fax : 011-41673112  
Website [www.fhel.co.in](http://www.fhel.co.in)

OFFICES

**CA STORE CUM OFFICE**

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

**SHIMLA OFFICE**

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