

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

**Directors' Report**

**To the shareholders**

Your Directors are pleased to present their report on the working of the Company together with the Audited Accounts for the period 1st April, 2006 to 31st March, 2007.

**OPERATIONAL REVIEW**

In its maiden year, FHEL started operations by procuring Apples from Shimla & Kinnaur districts of Himachal Pradesh. These apples were transported in the specially developed cartons through ordinary trucks/reefers. Out of 52,838 apple boxes procured during the season, 52,835 boxes were sold and there was normal wastage of three boxes.

**FINANCIAL REVIEW**

During the financial year ended on 31st March, 2007, your Company registered an operating turnover of Rs. 475.54 lacs with other income of Rs. 15.21 lacs and incurred total expenditure of Rs. 501.17 lacs. After providing for Depreciation & tax of Rs. 1.37 lacs & Rs. 1.46 lacs, respectively and writing off of Preliminary expenses amounting to Rs. 5.53 lacs, Company suffered a loss of Rs. 18.78 lacs for the financial year 2006-07.

**CAPITAL STRUCTURE**

There is no change in the Authorized Share Capital of Rs. 35 Crore, with Container Corporation of India Ltd. (CONCOR) continuing to hold 100% of the Equity Share Capital of FHEL.

**SECURED LOANS**

The Company has tied up Secured Term Loan and Working Capital Loan of Rs. 65 Crore & Rs. 8 Crore, respectively with UTI Bank for the purpose of setting up the Cold Chain Project and meeting the working Capital Requirement. Out of sanctioned Term Loan of Rs. 65 Crore, FHEL has drawn Rs. 30.34 Crore, till 31.03.2007, to meet its Capital expenditure.

**CONTROLLED ATMOSPHERE (CA) STORE**

In order to increase the shelf life of fruits and vegetables produced in the Country, Company is setting up Controlled Atmosphere (CA) Store consisting of 3 units of 4000 MT capacity each at Rai, Sonapat.

**PARTICULARS OF EMPLOYEES**

There being no employee in the Company with remuneration over the specified amount, the particulars prescribed under Sec. 217(2A) of Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not applicable.

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

The particulars in respect of Conservation of energy, technology absorption and foreign exchange earnings and outgo are not applicable at this stage.

**AUDITORS**

M/s. Khanna Gulati & Associates, Chartered Accountants, New Delhi were appointed as Company's Statutory Auditors for the year 2006-07. The Board of Directors' of the Company fixed a remuneration of Statutory Auditors' of Rs. 50,000/-, subject to approval of Shareholders.

**BOARD OF DIRECTORS**

During the financial year 2006-07, six meetings of Board of Directors of the Company were held for transacting the business of the Company.

Shri P. G. Thyagarajan, Director ceased to hold the office on 11th Dec., 2006. Your Directors would like to place on record valuable contribution made by him during his tenure with the Company.



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The following Directors held the office till the date of the Report :-

- (1) Shri Rakesh Mehrotra, Chairman;
- (2) Shri Suresh Kumar, Director;
- (3) Shri Anil Kumar Gupta, Director;
- (4) Shri Harpreet Singh, Director.

**RETIREMENT OF DIRECTORS BY ROTATION**

In terms of provisions of the Companies Act, 1956, Shri Rakesh Mehrotra, Chairman and Shri Suresh Kumar, Director are liable to retire by rotation and being eligible, offer themselves for re-appointment.

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (i) That in the preparation of the annual accounts for the financial year ended 31st March, 2007, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the directors have selected such accounting policies and applied them consistently and made judgements and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit or loss of the Company for the year under review;
- (iii) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the directors have prepared the accounts for the financial year ended 31st March, 2007 on a 'going concern' basis.

**AUDIT COMMITTEE**

The Company is conscious of the concept and the principles underlying the Corporate Governance. As a part of good governance, the Company has been taking steps to implement such concepts. The Board of Directors' has constituted an Audit Committee on 24.07.2006, comprising of -:

Shri Suresh Kumar	- Chairman;
Shri Anil Kumar Gupta	- Director;
Shri Harpreet Singh	- Director.

During the year, the Committee met on 24th January, 2007 with the presence of all the members.

The Committee reviews Company's broad based structure, financial Results before submission to the Board of Directors. Further, Committee has discussion with the Auditors, periodically.

**CONCLUSION**

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

For and on behalf of the Board of Directors

**(Rakesh Mehrotra)**  
Chairman

Place : New Delhi

Date : 14-06-2007



**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**Addendum to the Directors' Report**

**ADDENDUM TO THE DIRECTORS' REPORT 2006-07**

Reply to the comments/qualifications in the Auditors' Report for the financial year 2006-07

Points in the Auditors' Report	Auditors' Qualification	Reply of Management
Point no. ix (a)	According to records of the company, the company has been generally regular in depositing the undisputed statutory dues except tax deducted at source and work contract tax with the appropriate Authorities.	In one case there was some delay in depositing TDS & WCT with appropriate authorities because of certain interpretations of rules. The same has since been deposited in accordance with provisions of applicable law.

**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**Balance Sheet as at 31st March, 2007**

		(Amount in Rs.)	
SCHEDULE		AS AT 31.03.2007	AS AT 31.03.2006
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	1	350,000,000	350,000,000
<b>LOAN FUNDS</b>			
Secured Loan	2	304,715,345	-
Unsecured Loan		-	5,186,483
		<u>654,715,345</u>	<u>355,186,483</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	3	754,724	-
Less: Depreciation		<u>136,669</u>	-
Net Block		618,055	-
Capital Work In Progress (Including Advances)		<u>542,145,785</u>	-
		542,763,840	-
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	4	612,038	-
Cash and Bank Balances		149,740,897	150,005,000
Other Current Assets		542,898	-
Loans & Advances		<u>72,934,183</u>	201,195,200
		223,830,016	351,200,200
<b>LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
Current Liabilities	5	115,356,481	47,336
Provisions		<u>129,366</u>	-
		115,485,847	47,336
<b>NET CURRENT ASSETS</b>			
		108,344,169	351,152,864
<b>MISCELLANEOUS EXPENDITURE</b>			
(to the extent not written off or adjusted)			
Preliminary Expenses	6	1,729,120	1,932,160
Pre-Operative Expenses		-	2,101,459
<b>PROFIT AND LOSS ACCOUNT</b>			
Significant Accounting Policies	11	1,878,216	-
Notes on Accounts	12		
		<u>654,715,345</u>	<u>355,186,483</u>
Schedules 1 to 12 form an integral part of the accounts		-	-

As per our report of even date  
 for Khanna Gulati & Associates  
 Chartered Accountants

Rakesh Mehrotra  
 Chairman

Suresh Kumar  
 Director

Suman Lata  
 Company Secretary

Rohit Khanna  
 Partner  
 M.No: 084878

Place: New Delhi  
 Date: 14-06-2007



**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**Profit & Loss for the Period Ended 31st March, 2007**

(Amount in Rs.)			
	SCHEDULE	YEAR ENDED 31.03.2007	YEAR ENDED 31.03.2006
<b>INCOME</b>			
Sales		47,554,427	-
Other Income	7	1,520,991	-
<b>TOTAL</b>		<b>49,075,418</b>	<b>-</b>
<b>EXPENDITURE</b>			
Cost of Sales	8	42,889,698	-
Employees Remuneration & Benefits	9	3,762,241	-
Administrative & Other Expenses	10	3,465,584	-
Depreciation		136,669	-
Preliminary Expenses Written Off		553,040	-
<b>TOTAL</b>		<b>50,807,232</b>	<b>-</b>
<b>Profit/(Loss) before Tax</b>		<b>(1,731,814)</b>	<b>-</b>
Less: Provision for Taxation			
Fringe Benefit Tax		146,402	-
<b>Profit/(Loss) after Tax</b>		<b>(1,878,216)</b>	<b>-</b>
<b>Balance brought forward</b>		<b>-</b>	<b>-</b>
<b>Balance Carried to Balance Sheet</b>		<b>(1,878,216)</b>	<b>-</b>
<b>Basic and Diluted earning/(Loss) per share of Rs.10/- each (in Rs.)</b>		<b>(0.05)</b>	<b>-</b>
(Note No:5 of Schedule 12)			

Schedules 1 to 12 form an integral part of the accounts.

As per our report of even date

for **Khanna Gulati & Associates**  
 Chartered Accountants

**Rakesh Mehrotra**  
 Chairman

**Suresh Kumar**  
 Director

**Suman Lata**  
 Company Secretary

**Rohit Khanna**  
 Partner  
 M.No: 084878

Place: New Delhi  
 Date: 14-06-2007



**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**Schedules forming part of the accounts**

**SCHEDULE 1 : SHARE CAPITAL**

(Amount in Rs.)		
	AS AT 31.03.2007	AS AT 31.03.2006
<b>AUTHORIZED</b>	<b>350,000,000</b>	350,000,000
3,50,00,000 (Previous year 3,50,00,000) Equity Shares of Rs.10/- each		
<b>ISSUED, SUBSCRIBED &amp; PAIDUP</b>	<b>350,000,000</b>	350,000,000
3,50,00,000 Equity Shares of Rs.10/- each fully paid-up (Previous year 3,50,00,000)		
<b>TOTAL</b>	<b>350,000,000</b>	350,000,000

**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**SCHEDULE 2 : SECURED & UNSECURED LOANS**

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
<b>SECURED LOAN</b>		
Loans and Advances from Bank (Includes Interest accrued and due of Rs.13,15,345/-) (Previous Year Nil) (Secured against first charge on the present and future fixed assets (movable and immovable) of the Company and second charge on the present and future current assets of the Company.)	<b>304,715,345</b>	-
<b>UNSECURED LOAN</b>	-	5,186,483
Loans and Advances from Corporate (Holding Company, Container Corporation of India Ltd.)		
<b>TOTAL</b>	<b>304,715,345</b>	<b>5,186,483</b>

**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**SCHEDULE 3 : FIXED ASSETS**

(Amount in Rs.)

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2006	Additions during the Year	Sale/ Adjustment	As at 31.03.2007	As at 01.04.2006	For the Year	Sale/ Adjustment	Up to 31.03.2007	As at 31.03.2007	As at 31.03.2006
<b>Tangible Assets</b>										
Office Equipments	-	177,591	-	177,591	-	33,039	-	33,039	144,552	-
Computer	-	461,310	-	461,310	-	16,676	-	16,676	444,634	-
Furniture & Fittings	-	115,823	-	115,823	-	86,954	-	86,954	28,869	-
<b>Total</b>	-	<b>754,724</b>	-	<b>754,724</b>	-	<b>136,669</b>	-	<b>136,669</b>	<b>618,055</b>	-
<b>CAPITAL WORK IN PROGRESS *</b> (Including Capital Advances of Rs.28,466,134/- (Previous Year - Nil))									<b>542,145,785</b>	-
<b>Grand Total</b>	-	<b>754,724</b>	-	<b>754,724</b>	-	<b>136,669</b>	-	<b>136,669</b>	<b>542,763,840</b>	-
Previous Year	-	-	-	-	-	-	-	-	-	-

\* Refer Note No. 2 of Schedule 12



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**SCHEDULE 4 : CURRENT ASSETS, LOANS AND ADVANCES**

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
<b>INVENTORIES</b>		
(As taken, valued & certified by the Management)		
Packing Materials	612,038	-
<b>TOTAL</b>	<b>612,038</b>	<b>-</b>
<b>CASH AND BANK BALANCES</b>		
Cheques in Hand	3,671	-
Balance with Scheduled Banks		
- Current Accounts	29,037,226	150,005,000
- Deposit Accounts*	120,700,000	-
<b>TOTAL</b>	<b>149,740,897</b>	<b>150,005,000</b>
* Pledged with Sales Tax Authorities of Rs.2,00,000 (Previous Year - Rs. NIL)		
<b>OTHER CURRENT ASSETS</b>		
Interest accrued on deposits, loans and advances	542,898	-
<b>TOTAL</b>	<b>542,898</b>	<b>-</b>
<b>LOANS AND ADVANCES</b>		
(Unsecured and considered good)		
Advances recover-able in cash or in kind or for value to be received	403,826	200,000,000
Fixed Deposits with Corporate	67,500,000	-
Security Deposits with		
- Govt Authorities	4,375,450	1,195,200
- Others	319,770	-
Tax Deducted at Source	335,137	-
<b>TOTAL</b>	<b>72,934,183</b>	<b>201,195,200</b>



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**SCHEDULE 5 : CURRENT LIABILITIES AND PROVISIONS**

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
<b>CURRENT LIABILITIES</b>		
Sundry Creditors		
- Small Scale Industrial Undertaking	-	-
- Others*	105,324,775	-
Other Liabilities	10,031,706	47,336
<b>TOTAL</b>	<b>115,356,481</b>	<b>47,336</b>
* Includes Sundry Creditors for Capital Expenditure of Rs.1,05,283,797 (Previous Year - Rs. NIL)		
<b>PROVISIONS</b>		
Retirement Benefit	112,078	-
Fringe benefit tax	17,288	-
(Net of Advance Fringe Benefit Tax of Rs.1,29,114)		
(Previous Year - Rs. NIL)		
<b>TOTAL</b>	<b>129,366</b>	<b>-</b>



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**SCHEDULE 6 : MISCELLANEOUS EXPENDITURE**

	(Amount in Rs.)	
	AS AT 31.03.2007	AS AT 31.03.2006
Preliminary Expenses		
Opening Balance	1,932,160	-
Add: Incurred during the year	350,000	2,415,200
Less: Written Off during the year (1/5th)	553,040	483,040
<b>TOTAL</b>	<b>1,729,120</b>	<b>1,932,160</b>
Pre - Operative Expenses		
Opening Balance	2,101,459	2,101,459
Less: transferred to Capital work in progress	2,101,459	-
<b>TOTAL</b>	<b>-</b>	<b>2,101,459</b>

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**SCHEDULE 7 : OTHER INCOME**

	(Amount in Rs.)	
	AS AT 31.03.2007	AS AT 31.03.2006
<b>Interest earned on :</b>		
- Short Term Deposits with Scheduled Banks (TDS Rs.2,23,485/-)	1,097,660	-
- Short Term Deposit with Financial Institutions (TDS Rs.94,524/-)	421,233	-
Miscellaneous Income	2,098	-
<b>TOTAL</b>	<b>1,520,991</b>	<b>-</b>



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**SCHEDULE 8 : COST OF SALES**

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
<b>Cost of Sales</b>		
<b>Opening Stock (A)</b>		
Fresh Fruits	-	-
Packing Material	-	-
	-	-
<b>Add: Purchases (B)</b>		
Fresh Fruits	35,536,830	-
Packing Material	1,047,110	-
	36,583,940	-
<b>Less: Closing Stock (C)</b>		
Fresh Fruits	-	-
Packing Material	612,038	-
	612,038	-
<b>Net (A+B-C)</b>	35,971,902	-
Freight Expenses	3,149,747	-
Supervision Expenses	805,285	-
APMC Fees	335,690	-
Marketing Expenses	1,839,523	-
Storage Expenses	560,378	-
Handling/Labour Charges	227,173	-
<b>TOTAL</b>	<b>42,889,698</b>	-

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**SCHEDULE 9 : EMPLOYEES REMUNERATION AND BENEFITS**

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
Salary, Allowances & Other Employee Benefits	3,078,060	-
Contribution to PF & FPF	239,283	-
Rent for Leased Accommodation (Net)	247,973	-
Employees Welfare & Medical	117,055	-
Gratuity	77,820	-
Training Expenses	2,050	-
<b>TOTAL</b>	<b>3,762,241</b>	-



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**SCHEDULE 10 : ADMINISTRATIVE & OTHER EXPENSES**

(Amount in Rs.)

	AS AT 31.03.2007	AS AT 31.03.2006
<b>Auditors Remuneration</b>		
- Audit Fee	39,284	-
- Tax Audit Fee	16,836	-
Advertisement	58,312	-
Bank Charges	45,572	-
Books & Periodicals	15,883	-
Electricity	21,930	-
Insurance	63,043	-
Legal & Professional Fee	415,984	-
Miscellaneous Expenses	172,070	-
Office Expenses	103,564	-
Communication	197,614	-
Printing & Stationery	104,797	-
Rent	751,739	-
Repair & Maintenance - Building	153,656	-
Traveling & Conveyance	727,533	-
Vehicle Running & Maintenance	577,767	-
<b>TOTAL</b>	<b>3,465,584</b>	<b>-</b>



**FRESH & HEALTHY ENTERPRISES LIMITED**  
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**SCHEDULE 11 : SIGNIFICANT ACCOUNTING POLICIES**

**1. Accounting Convention & Concepts**

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

**2. Fixed Assets & Capital Work in Progress**

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.

Capital work in progress includes the cost of fixed assets that are not yet ready for their intended use, advances paid to acquire/ construction of fixed assets, direct costs, related incidental expenses (including cost of borrowed funds for acquisition/construction) incurred during construction of the assets till the assets are capitalized.

**3. 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 assets is one that necessarily takes substantial period of time to get ready for intended use.

**4. Inventories**

Inventories are valued at cost or realizable value which ever is lower.

**5. Depreciation**

Depreciation is provided on the 'Straight-Line Method' at the rate and in the manner provided in Schedule XIV of The Companies Act, 1956.

**6. 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.

**7. 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.

Contribution to defined contribution schemes such as Provident Fund and Family Pension are charged to the Profit and Loss Account as and when accrued.

**8. 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.

Other Income

Revenue is recognized on accrual basis.





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**9. Taxes on Income**

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

**10. 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.

**11. Preliminary Expenses**

Preliminary expenses are amortized over a period of five years.

**12. Leases**

Lease rentals are expensed with reference to lease terms.

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**SCHEDULE 12 : NOTES ON ACCOUNTS**

1. a) Estimated amount of Contracts remaining to be executed on Capital Account and not provided for (Net of Advances).

	(Amount in Rs.)	
	2006-07	2005-06
Cold Chain Plant at Rai	12,18,12,726	Nil
1. b) Contingent Liabilities not provided for in respect of Bank Guarantee	2,00,000	Nil
2. Pending capitalization and allocation amount spent on account of construction/acquisition of assets for Controlled Atmosphere Unit (CA Unit) at Rai has been shown under Capital work In Progress (including advances). The break up is as under:		
	2006-07	2005-06
Capital Expenditure	50,74,27,968	Nil
Interest on Borrowed Funds	18,01,889	Nil
Expenses Incurred during Construction including Pre-operative Expenses	44,49,794	Nil
Advance Payments	2,84,66,134	Nil
<b>Total</b>	<b>54,21,45,785</b>	<b>Nil</b>

3. Sales have been accounted for based on the consignment note and the invoice received from the marketing associates.

**4. Related party Disclosure**

Related party disclosure as required under accounting standard 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**

Rakesh Mehrotra	Chairman
Suresh Kumar	Director
Anil Kumar Gupta	Director
Harpreet Singh	Director

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

	(Amount in Rs.) 31/03/2007	(Amount in Rs.) 31/03/2006
i) <b>Parties Whose Control exists (Holding Company)</b>		
Investment in Equity	-	35,00,00,000
Expenses to be reimbursed	-	51,86,483
ii) <b>Key Management Personnel</b>	NIL	NIL
<b>Balances at the end of the year</b>		
Parties whose Control exists (Holding Company)	NIL	NIL
Expenses to be reimbursed	NIL	NIL

Note: Technical and Managerial Support has been provided for and paid by the Holding Company.



**FRESH & HEALTHY ENTERPRISES LIMITED**  
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5. **Earning Per Share**

	31/03/2007	31/03/2006
Profit / (Loss) after Taxation as per Profit & Loss Account	Rs.(18,78,216)	NIL
Weighted Average No. of Equity Share outstanding	3,50,00,000	3,50,00,000
Basic and Diluted Earning/(Loss) Per Share	Rs.(0.05)	NIL

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

	2006-07	2005-06
Expenditure in foreign currency Traveling	Rs.50,761	Nil

8. Additional information required as per part II of Schedule VI of the Company Act, 1956 regarding purchase, sale and stock.

Class of Goods	Opening Stock		Purchase		Sales		Closing Stock	
	Qty	Value	Qty	Value	Qty	Value	Qty	Value
Fruits (In Boxes)	NIL	NIL	52838	35536830	52835	47072340	NIL	NIL
CFB Cartons (In Numbers)	NIL	NIL	41580	1047110	16181	482087	24799	612038

Note: Difference in quantities is due to normal wastage and internal consumption.

9. As per AS-19 amount charged to Profit & Loss Account in respect of Operating lease for office and staff is Rs.9,99,712 which is net of recovery of Rs.8386.
10. Since the company has started its operation in the current financial year, previous year figures have been indicated, where ever applicable. The figures have been rounded off to the nearest rupees.
11. The company is trading in 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.
12. During the year, the Company had no employee drawing remuneration equal to or more than the limits prescribed under the Companies (Particulars of Employees) Rules, 1975.
13. During the year, provision for current tax is not made as the company is under tax holiday as per Section 80-IB of the Income Tax Act, 1961.
14. During the year under review, no treatment for deferred tax assets (net of deferred tax liability) under prudence policy has been given in the books of accounts.

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

15. Balance Sheet Abstract and Company's General Profile

(IN TERMS OF AMENDMENT TO SCHEDULE VI PART IV)

I. **Registration Details**

Registration No	U51909DL2006PLC145734		
STATE CODE:	55		
Balance Sheet Date	31	03	2007
	Date	Month	Year

II. **Capital Raised during the year (Rs. in Lacs)**

Public Issue	Right Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	NIL

III. **Position of Mobilization and Deployment of Funds**

	(Rs. in Lacs)
<b>Total Liabilities</b>	<b>Total Assets</b>
7702.01	7702.01
<b>Sources of Funds</b>	
Paid up Capital	Reserves & Surplus
3500.00	Nil
Secured Loan	Unsecured Loan
3047.15	Nil
Current Liabilities	Deferred Tax Liabilities
1154.86	Nil
<b>Application of Funds</b>	
Net Fixed Assets	Investments
5427.64	Nil
Current Assets	Misc. Expenditure
2238.30	17.29
Accumulated Loss	
18.78	

IV. **Performance of the Company**

	(Rs. in Lacs)
Turnover (Including Other Income)	Total Expenditure
490.75	508.07
Profit/(Loss) Before Tax	Profit/(Loss) after Tax
(17.32)	(18.78)

V. **Generic Names of Principal Product (As per monetary terms)**

Product Description Apples

"SIGNATURES TO SCHEDULE 1 TO 12"

As per our separate report attached for **Khanna Gulati & Associates** Chartered Accountants

**Rakesh Mehrotra**  
 Chairman  
 Place: New Delhi  
 Date : 14-06-2007

**Suresh Kumar**  
 Director

**Suman Lata**  
 Company Secretary

**Rohit Khanna**  
 Partner



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

**Auditors' Report**

To the Members of

**Fresh and Healthy Enterprises Limited**

1. We have audited the attached Balance Sheet of **Fresh and Healthy Enterprises Limited** as at 31st March 2007, the Profit & Loss Account and also the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order 2003, issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said order.
4. Further, we report that:
  - a. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of 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;
  - c. The Balance Sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - d. In our opinion, the Balance Sheet, profit and loss account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e. In terms of Department of Company Affairs GSR 829(E) dated 21st October 2003, Government Companies are exempt from applicability of Provisions of Section 274(1) (g) of the Companies Act, 1956.
  - f. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :
    - i) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2007; and
    - ii) In case of the Profit and Loss Account, of the Loss for the year ended on that date; and
    - iii) In case of the cash flow statement, of the cash flows for the year ended on that date.

for **Khanna Gulati & Associates**  
Chartered Accountants

**(Rohit Khanna)**  
Partner  
M. No. 84878

Place : New Delhi  
Dated : 14-06-2007



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

**Annexure**

**Re: Fresh & Healthy Enterprises Limited**

**Referred to in paragraph 3 of our Report of even date.**

- i) a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.  
b) The 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 inventory have been noticed. In our opinion, the frequency of verification is reasonable.  
c) In our opinion and according to the information and explanations given to us, a substantial part of Fixed Assets has not been disposed of by the Company during the year.
- ii) a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.  
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii) a) As informed, the Company has not granted any loan to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 and as such clause 4(iii) (a) to 4 (ii) (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.  
b) The Company has taken an unsecured loan from one Company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs.51.86 Lakhs and the year-ended balance of loan taken from such party was Rs.NIL.  
c) In our opinion, the rate of interest and other terms and conditions on which loan has been taken from company listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima Facie, prejudicial to the interest of the company.  
d) The Company is regular in repaying the principal amounts as stipulated and has been regular in payment of interest.
- iv) In our opinion and according to the information and explanation given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal control system of the Company.
- v) a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained in section 301 of the Act have been so entered.  
b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs.5 Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly paragraph 4(vi) of the order is not applicable.
- vii) In our opinion, the company has an internal audit system commensurate with its size and nature of its business.
- viii) To the best of our knowledge and according to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for the Company.
- ix) a) According to the records of the Company, the Company has been generally regular in depositing the undisputed statutory dues except tax deducted at source and work contract tax with the appropriate authorities.

Further, since the Central Government has till date not prescribed the amount of Cess payable under section 441A of the Companies Act, 1956, we are not in a position to comment upon the regularity or otherwise of the Company in depositing the same.



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

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, and excise duty were in arrears, as at 31st March 2007 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us, there are no dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty, which have not been deposited on account of any dispute.
- x) In our opinion, the accumulated losses of the Company are not more than 50% of its net worth. Further the company has incurred cash losses during the financial year covered by our audit and no such loss was incurred in the immediately preceding financial year.
- xi) According to the records of the Company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other Securities.
- xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv) In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by its associates or subsidiaries from bank or financial institutions.
- xvi) In our opinion, the term loans have been applied for the purpose for which they are raised.
- xvii) According to the information and explanations given to us, the Company and on overall examination of the Balance Sheet of the company, we report that the no funds raised on a short-term basis which have been used for long-term investment.
- xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of clause 4(xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xix) According to the information and explanations given to us, during the period covered by our audit report, the Company has not issued any debentures.
- xx) During the period covered by our Audit Report, the Company has not raised any money by public issues. Therefore, the provisions of clause (xx) of the Companies (Auditor's Report) Order 2003 are not applicable to the Company.
- xxi) Based upon the audit procedure performed for the purpose of reporting the true and fair view of the financial statements and as per the informations and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

for **Khanna Gulati & Associates**  
 Chartered Accountants

**(Rohit Khanna)**  
 Partner  
 M. No. 84878

Place : New Delhi  
 Dated : 14-06-2007



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

**Cash Flow Statement for the Year Ended 31st March, 2007**

	(Amount in Rs.)	
	For the year ended 31.03.2007	For the year ended 31.03.2006
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit/(Loss) before tax and extraordinary items	(1,731,814)	-
<b>Adjustments for :</b>		
Depreciation	136,669	-
Interest earned	(1,518,893)	-
Preliminary Expenses Written off	553,040	-
<b>Operating profit before Working Capital changes</b>	<u>(2,560,998)</u>	<u>-</u>
<b>Adjustments for :</b>		
Trade & other receivables	127,718,119	(201,195,200)
Inventories	(612,038)	-
Trade Payables & Provisions	<u>115,421,223</u>	<u>47,336</u>
<b>Cash flow from operating activities</b>	<u>239,966,306</u>	<u>(201,147,864)</u>
Less : Fringe Benefit Tax Paid	129,114	-
<b>Net Cash flow from operating activities</b>	<u>239,837,192</u>	<u>(201,147,864)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Share Capital	-	350,000,000
Preliminary Expenses	(350,000)	(1,932,160)
Preoperative Expenses	2,101,459	(2,101,459)
Purchase of Fixed Assets	(754,724)	-
Interest Received	1,518,893	-
Capital Work in progress/Advances	<u>(542,145,785)</u>	<u>-</u>
<b>Net Cash from /(Used) in Investing Activities</b>	<u>(539,630,157)</u>	<u>345,966,381</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	299,528,862	5,186,483
<b>Net Cash from/(Used) in Financing Activities</b>	<u>299,528,862</u>	<u>5,186,483</u>
<b>Net Increase / (decrease) in Cash and Cash Equivalents</b>	<u>(264,103)</u>	<u>150,005,000</u>
Opening Cash and Cash Equivalents	150,005,000	-
Closing Cash and Cash Equivalents	<u>149,740,897</u>	<u>150,005,000</u>
Net increase / (decrease) as per Books	<u>(264,103)</u>	<u>150,005,000</u>

for **Khanna Gulati & Associates**  
 Chartered Accountants

**Rakesh Mehrotra**  
 Chairman

**Suresh Kumar**  
 Director

**Suman Lata**  
 Company Secretary

**Rohit Khanna**  
 Partner  
 M.No: 084878

Place: New Delhi  
 Date: 14-06-2007



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

**Comments**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619 (4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF FRESH AND HEALTHY ENTERPRISES LIMITED, NEW DELHI FOR THE YEAR ENDED 31 MARCH 2007.**

The preparation of financial statements of Fresh and Healthy Enterprises Limited for the year ended 31 March 2007 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor general of India under section 619 (2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their audit report dated 14.06.2007.

I on behalf of the comptroller and Auditor General of India have decided not to review the report of the statutory auditors' on the accounts of Fresh and Healthy Enterprises Limited for the year ended 31 March 2007 and as such have no comments to make under section 619 (4) of the Companies Act, 1956.

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

**(Meera Swarup)**

Principal Director of Commercial Audit and  
ex-officio Member Audit Board- III, New Delhi

Place: New Delhi  
Date: 22-06-2007



**CONSOLIDATED FINANCIAL STATEMENTS**

**Consolidated Balance Sheet as at 31st March, 2007**

			(Rs. in Crore)
SCHEDULE			AS AT
			31.03.2007
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	64.99	
Reserves & Surplus	2	<u>2,564.65</u>	2,629.64
<b>LOAN FUNDS</b>			
Secured Loan	3		30.47
Unsecured Loan			
<b>DEFERRED TAX LIABILITIES (NET OF ASSETS)</b>			<u>161.31</u>
<b>TOTAL</b>			<u>2,821.42</u>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	2,025.40	
Less: Depreciation/Amortisation		<u>473.82</u>	
Net Block		1,551.58	
Capital Works in progress (including advances)		<u>257.04</u>	1,808.62
<b>INVESTMENTS</b>			
5 <b>96.70</b>			
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
(A) Current Assets		1,113.36	
(B) Loans & Advances		<u>271.02</u>	1,384.38
<b>LESS : CURRENT LIABILITIES &amp; PROVISIONS</b>			
(A) Current Liabilities		377.96	
(B) Provisions		<u>90.49</u>	468.45
<b>NET CURRENT ASSETS</b>			915.93
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)			
Preliminary Expenses	11		0.17
Significant Accounting Policies			
Notes on Accounts			
<b>TOTAL</b>			<u>2,821.42</u>
Schedules 1 to 13 form an integral part of the accounts			

Ravi Khandelwal  
ED (Accounts) & Company Secretary

Suresh Kumar  
Director (Finance)

Rakesh Mehrotra  
Managing Director

As per our report of even date  
for **Hingorani M. & Co.**  
Chartered Accountants

Date: 25-07-07  
Place: New Delhi

Pardeep Kumar  
Partner

