

21st
Annual Report
2012-2013



Freshtr**o**p 



FRESHTROP FRUITS LIMITED



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License No.:10013022001414



GLOBALG.A.P.





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Important Communication to Members

Important Communication to Members. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

**ANNUAL REPORT
2012 - 2013****BOARD OF DIRECTORS**

Mr. Ashok V. Motiani	<i>Chairman & Managing Director</i>
Mrs. Nanita A. Motiani	<i>Executive Director</i>
Mr. Ramchandra G. Joshi	<i>Non-Executive/Independent Director</i>
Mr. Mayur J. Shah	<i>Non-Executive/Independent Director</i>
Mr. Dinesh Oza	<i>Non-Executive/Independent Director</i>

AUDITORS

M/S. Mayank Shah & Associates
Chartered Accountants,
706/708A, Mahakant, Opp. V. S. Hospital,
Ellisbridge, Ahmedabad - 380 006.

COMPANY SECRETARY

Mr. Jignesh J. Gandhi

BANKERS

Axis Bank Limited
Citibank, N.A.

REGISTERED OFFICE

A-603, Shapath IV,
Opp. Karnavati Club,
S.G. Road, Ahmedabad - 380 015.

PLANT - I

Gat No. 171, Village Jaulke,
Bombay Agra Road,
Tal. : Dindori,
Dist.:Nasik-422 207
Maharashtra, INDIA.

PLANT - II

Survey No. 1366, Savlej-Wayfale Road,
Post Siddhewadi,
Tal. :Tasgaon, Dist.:Sangli-416311,
Maharashtra, INDIA.

PLANT - III

Gat No. 2425/26/30/31
Malharpet-Pandharpur Road,
TaL. :Khatav,
Dist.:Satara-415312,
Maharashtra, INDIA.

PLANT - IV

Gat No. 598/1
Village Janori.
TaL. : Dindori,
Dist.:Nasik-422 206,
Maharashtra, INDIA.

NOTICE

NOTICE is hereby given that 21st Annual General Meeting of the Members of Freshrop Fruits Limited will be held on Friday, the 27th day of September, 2013 at 11.00 a.m. at Karnavati Club, S. G. Road, Ahmedabad – 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2013 and statement of profit and loss for the year ended on that date together with the Director's Report and Auditor's Report thereon.
2. To declare dividend on Equity Shares of the Company for the year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Dinesh Oza, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint M/s Mayank Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration Number – 106109W), as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be approved by the Board of Directors of the Company. In this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s Mayank Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration Number – 106109W) be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

SPECIAL BUSINESS:

5. **Appointment of Shri Anil Sharma as an Independent Director.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Anil Sharma who was appointed as an Additional Director by the Board of Directors under Section 260 of the Companies Act, 1956 and Article 114(1) of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Act from a member signifying his intention to propose Shri Anil Sharma as a candidate for the office of the Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

6. **Issue of Securities under Employee Stock Option Scheme**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (the "Act") including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the "SEBI Guidelines"), the Listing Agreement(s) entered into by the Company with the stock exchanges where equity shares of the Company are listed, any rules, guidelines and regulations issued by the Reserve Bank of India and any other applicable laws for the time being in force and subject to such approvals, consents, permissions and sanctions, as may be required, and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the ESOS Compensation Committee constituted by the Board to exercise its powers conferred by this Resolution) consent of the Company be and is hereby accorded to introduce and implement the "Freshrop Fruits Limited Employee Stock Option Scheme – 2013" (hereinafter referred to as "the Scheme" or "ESOS-2013"), the salient features of which are furnished in the explanatory statement to the Notice and consent be and is hereby accorded to the Board to create, grant, offer, issue and allot at any time, in one or more tranches, to or for the benefit of such person(s) who are in the permanent employment of the Company, whether working in India or outside India, including any Managing or Whole-time Director(s) of the Company (hereinafter referred to collectively as "employees") as may be decided by the Board under the Scheme, such number of Stock Options (comprising of options and / or restricted stock units) exercisable into not

more than 2,00,000 equity shares of ₹ 10/- each, at such price, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the SEBI Guidelines or other provisions of law as may be prevailing at that time.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division or other reorganisation of capital structure of the Company, as applicable from time to time, if any additional equity shares are issued by the Company for the purpose of making a fair and reasonable adjustment to the Stock Options granted earlier, the above ceiling of 2,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of equity shares to be issued and allotted on exercise of Stock Options granted under the Scheme and the exercise price of Stock Options granted under the Scheme shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 10/- per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the employees who have been granted Stock Options under the Scheme.

RESOLVED FURTHER THAT without prejudice to the generality of the above but subject to the terms as may be approved by the Members of the Company, the Board is authorised to formulate, evolve, decide upon and implement the Scheme and determine the detailed terms and conditions of the aforementioned Scheme and including but not limited to the quantum of the Stock Options to be granted per employee, the number of Stock Options to be granted in each tranche, the terms or combination of terms subject to which the said Stock Options are to be granted, the exercise period, the vesting period, the vesting conditions, instances where such Stock Options shall lapse and to grant such number of Stock Options, to such employees of the Company, at par or at such other price, at such time and on such terms and conditions as set out in the Scheme and as the Board may in its absolute discretion think fit.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of Stock Options from time to time in the manner aforesaid and such equity shares shall rank pari passu in all respects, including dividend, with the then existing equity shares of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the equity shares allotted under the Scheme on the stock exchanges where the securities of the Company are listed in accordance with the provisions of the listing agreement with the concerned stock exchanges, SEBI guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT the Board be and is hereby authorised to make any modifications, changes, variations, alterations or revisions in the Scheme, as it may deem fit, from time to time or to suspend, withdraw or revive the Scheme from time to time in conformity with the provisions of the Act, the SEBI Guidelines and other applicable laws unless such variation, amendment, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the Scheme.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to formulation and implementation of the Scheme at any stage including at the time of listing of the equity shares issued herein without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

Date : 13.08.2013

Registered Office
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING PROXIES SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVES TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING.
 2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business is annexed hereto.
 3. The Register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 17th September, 2013 to Friday, 27th September, 2013 (both days inclusive).
 4. The Annual Report of the Company for the year 2012-13, is also uploaded on the Company's website www.freshtrop.com in the 'Investor Relations' Section.
 5. The dividend as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear:
 - (a) As Beneficial Owners as at the end of business hours on 16th September, 2013 as per lists to be furnished by National Securities Depositories Ltd. (NSDL) and Central Depositories Services (India) Limited (CDSL) in respect of the shares held in electronic form.
 - (b) As Member in the Register of Members of the Company after giving effect to all valid share transfers in physical form which are lodged with the Company or its Registrar and Share Transfer Agent (RTA) on or before 16th September, 2013
 6. Members who hold shares in the physical form and desirous of availing Electronic Clearance Scheme (ECS) facility for direct credit of dividend to their bank account, may submit their requisite request to the Company's Registrars and Share Transfer Agents (RTA). Members are requested to utilize the ECS for receiving dividends. Any query related to dividend should be directed to the RTA of the Company. In respect of members holding shares in electronic form, the bank details as furnished by the respective depositories to the Company will be used for the purpose of distribution of dividend through ECS. The Company/ RTA will not act on any direct request from members holding shares in dematerialized form for change/deletion of such bank details.
 7. Members holding shares in electronic form are requested to intimate any change in their address, E-mail ID and signature to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to intimate such changes to the Registrar and Share Transfer Agents of the Company.
 8. As per Circular No. MRD/DoP/Cir-05/2009 dated May 20, 2009 issued by Securities and Exchange Board of India (SEBI), it is mandatory to quote Permanent Account Number (PAN) for participating in the securities market. Therefore, Members holding shares in dematerialised form are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Registrar and Share Transfer Agents of the Company.
 9. Statutory Registers and documents referred to in the Notice and Explanatory Statement including certificate from the Statutory Auditors of the Company under Clause 14 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are open for inspection at the Registered Office of the Company on all working days (Monday to Friday) between 11:00 a.m. to 1:00 p.m. upto the date of the Annual General Meeting and will also be available for inspection at the meeting.
 10. Members/Proxy holders are requested to bring duly filled attendance slip sent herewith, alongwith the copy of the Annual Report at the meeting.
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11. The Ministry of Corporate Affairs, (MCA) Government of India, through its Circular Nos.17/2011 dated 21st April, 2011 and 18/2011 dated 29th April, 2011, respectively, has allowed companies to send documents viz. Notices of meetings, Annual Reports and other shareholder communication to their shareholders electronically as part of its Green Initiative in corporate governance. A recent amendment to the Listing Agreement with Stock Exchanges also permits sending the aforesaid documents through electronic mode to Members. The Company supports the measures in the Green Initiative. Members are also requested to join the Company in this initiative by registering their Email ID with the Company or its RTA.
12. In terms of the provisions of Section 205A of the Companies Act, 1956, the amount of dividend not encashed or claimed and is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government within 7 (seven) years from the dates of its transfer is given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
2005-06	29.09.2006	04.11.2013	04.12.2013
2006-07	28.10.2007	03.12.2014	02.01.2015

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Company's Registrar and Transfer Agents at their address immediately, quoting their folio number/DP ID and Client ID. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the IEPF after the said transfer.

13. Any query relating to Accounts must be sent to the Company's registered office at A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380 015 at least 10 days before the date of the meeting.
14. Additional details in terms of Clause 49 of Listing Agreement in respect of Directors being re-appointed are given in the Corporate Governance Report.

Date : 13.08.2013

Registered Office
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No. 5

Mr. Anil Sharma was appointed as an Additional Director of the Company w.e.f. 13th August, 2013. In terms of Section 260 of the Companies Act, 1956, he holds office as a Director upto the ensuing Annual General Meeting. As required under Section 257 of the Act, the Company has received a notice from the member of the Company signifying his intention to propose his appointment as a Director of the Company. He is having 38 years of vast experience in fruits and vegetables, processing and post harvest management across the country. Looking to his professional experience, it would be in best interest of the Company to appoint him as Director of the Company liable to retire by rotation. His valuable guidance and services will benefit immensely in the growth of Freshtrop Fruits Limited.

The Board of Directors of the Company recommends the said resolution as set out in Item No. 5 of the notice for your approval.

None of the Directors except Mr. Anil Sharma is interested in the resolution.

Item nos. 6

Stock options in the hands of employees have long been recognised as an effective instrument to align the interests of the employees with that of the Company, providing an opportunity to the employees to share

in the growth of the Company. Accordingly, the Company intends to reward, attract, motivate and retain employees and Directors of the Company, for their high levels of individual performance, their efforts to improve the financial performance of the Company and their loyalty to the Company, by offering them equity shares by way of an employee stock options scheme.

The Board of Directors ("the Board") of the Company has vide its resolution dated 13th August, 2013 resolved to introduce the "Freshtrop Fruits Limited Employee Stock Option Scheme – 2013" (hereinafter referred to as "the Scheme" or "ESOS-2013") subject to the approval of the Members and the provision of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time (the "SEBI Guidelines") and authorised the ESOS Compensation Committee to formulate the detailed terms and conditions of the Scheme and once formulated to administer and implement the Scheme in accordance with the SEBI guidelines.

The Members are informed that the Company intends to offer not more than 2,00,000 equity shares of ₹ 10/- each under the Scheme by way of grant of Stock Options.

Your approval is being sought for issue of Stock Options to eligible employees of the Company, including its Managing or Whole-time Director(s) and that of its holding and / or subsidiary companies by introduction of the Scheme.

The Scheme is being formulated in accordance with the SEBI Guidelines. The salient features of the Scheme are as under:

(a) Total number of Stock Options to be granted:

The total number of Stock Options that may in the aggregate be granted shall be such number that will entitle the grantees to acquire, in one or more tranches, such equity shares of the Company not exceeding 2,00,000 equity shares of ₹ 10/- each. One Stock Option entitles the grantees to one equity share (i.e. one Option will entitle the grantee to one equity share). In case of any corporate action(s) such as rights issue, bonus issue, merger and sale of division, split or consolidation among others, a fair and reasonable adjustment needs to be made to the Stock Options granted. Accordingly, if any additional equity shares are issued by the Company to the grantees for making such fair and reasonable adjustment, the ceiling of 2,00,000 equity shares shall be deemed to be increased to the extent of such additional equity shares issued. Stock Options not vested due to non-fulfillment of the vesting conditions, vested Stock Options which the grantees expressly refuse to exercise, Stock Options (vested and not exercised and unvested) which have been surrendered and any Stock Options granted but not vested or exercised within the stipulated time due to any reasons, shall lapse and these Stock Options or the underlying equity shares will be available for grant under the present Scheme or under a new scheme, subject to compliance with the provisions of the Applicable Law.

(b) Identification of classes of employees entitled to participate in the Scheme:

Persons who are permanent employees of the Company in the management cadre, working in or out of India, including Managing or Whole-time Director(s) of the Company, and that of the holding and / or subsidiary companies, as may be decided by the Board and / or the ESOS Compensation Committee, shall be eligible to be granted Stock Options under the Scheme.

The following category of employees / Directors shall not be eligible to participate in the Scheme:

- (i) a promoter or belonging to the promoter group;
- (ii) an Independent Director and Non-Executive Director(s);
- (iii) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company

(c) Requirements of vesting and period of vesting:

The Board and / or the ESOS Compensation Committee may, at its discretion, lay down certain criteria including but not limited to performance metrics on the achievement of which the granted Stock Options would vest. The detailed terms and conditions relating to such criteria for vesting, the period over which and the proportion in which the Stock Options granted would vest would be subject to the minimum and maximum vesting period as specified below.

Vesting schedule for Options:

The Options would vest not earlier than one year and not later than five years from the date of grant of Options or such other period as may be determined by the Board and / or the ESOS Compensation Committee. The vesting schedule (i.e. exact proportion in which and the exact period over which the Options would vest) would be determined by the Board and / or the ESOS Compensation Committee, subject to the minimum vesting period of one year from the date of grant of Options. The Options granted under the Scheme shall vest in one or more tranches.

(d) Exercise price or pricing formula:

The Options may be issued at such price that the Board and / or the ESOS Compensation Committee may determine on the date of the grant of Stock Options under the Scheme and specified in the relevant grant documents.

(e) Exercise period or process of exercise:

The exercise period would commence from the date of vesting and will expire on completion of five years from the date of vesting of Stock Options or such other period as may be determined by the Board and / or the ESOS Compensation Committee.

The Stock Options will be exercisable by the employees by a written application to the Company accompanied by payment of the Exercise Price in such manner and on execution of such documents, as may be prescribed by the Board and / or the ESOS Compensation Committee from time to time. The Stock Options will lapse if not exercised within the specified exercise period

(f) The appraisal process for determining the eligibility of employees:

The appraisal process for determining the eligibility of the employees will be specified by the Board and / or the ESOS Compensation Committee, and will be based on criteria, such as role / criticality of the employee, length of service with the Company, work performance, technical knowledge, managerial level, future potential and such other criteria that may be determined by the Board and / or the ESOS Compensation Committee at its sole discretion.

The Board and / or the ESOS Compensation Committee may decide to extend the benefits of the Scheme to new entrants or to existing employees on such basis as it may deem fit.

(g) Disclosure and accounting policies:

The Company shall comply with such applicable disclosure and accounting policies as prescribed by the SEBI (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 and prescribed by the concerned authorities from time to time.

(h) Maximum number of Stock Options to be issued per employee and in aggregate:

The maximum number of Stock Options to be granted to any employee shall be decided by the Board and / or the ESOS Compensation Committee. However, the number of Stock Options that may be granted to a single employee under the Scheme shall not exceed 1% of the paid up equity share capital at the time of grant of Stock Options (which shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time).

The aggregate of all such Stock Options shall not result into more than 2,00,000 equity shares of the Company which shall be adjusted in lieu of adjustments/ re-organisation of capital structure of the Company from time to time.

(i) Method of Stock Option valuation:

To calculate the employee compensation cost, the Company shall use the Intrinsic Value method for valuation of the Stock Options. The difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the Stock Options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on Earnings Per Share of the Company shall also be disclosed in the Directors' Report.

(j) Transferability of Stock Options:

The Stock Options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the

death of a Stock Option holder while in employment, the right to exercise all the Stock Options granted to him till such date shall be transferred to his legal heirs or nominees.

(k) Adjustment in case of Corporate Actions

SEBI guidelines require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division, stock split/consolidation and others, a fair and reasonable adjustment needs to be made to the options granted. Accordingly, if any additional equity shares are issued by the company, equity shares shall be deemed to be increased proportionately to the extent of such additional equity shares issued.

(l) Other Terms:

The Board and / or the ESOS Compensation Committee shall have the absolute authority to vary or modify the terms of the Scheme in accordance with the regulations and guidelines prescribed by Securities and Exchange Board of India or regulations that may be issued by any appropriate authority, from time to time, unless such variation, modification or alteration is detrimental to the interest of the employees who have been granted Stock Options under the Scheme.

As the Scheme would entail issue of further shares to persons other than the existing shareholders, consent of Members is being sought, in terms of Section 81(1A) of the Companies Act, 1956. The Board accordingly commends the resolutions as set out in Item Nos. 6 of the Notice for your approval.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the Stock Options that may be offered to them under the Scheme. The Stock Options to be granted under the Scheme shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

Date : 13.08.2013

Registered Office
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

Information on directors seeking appointment/re-appointment at the forthcoming annual general meeting (pursuant to clause 49 of the listing agreement) as on the date of notice

Name of the Directors	Mr. Dinesh Oza	Mr. Anil Sharma
Date of Birth	04.07.1953	02.08.1954
Qualifications	BSC (Tech), Food Technologist from Bombay University	Food Technologist, having 38 years of experience in Fruits and vegetables, Processing and Post harvest Management
Shareholding in Freshtrop Fruits Limited	Nil	Nil
Directorship held in other public limited companies in India	Nil	Nil
Membership / Chairmanship of committees in public limited companies in India	Nil	Nil

DIRECTORS' REPORT

Dear Members,

The Board of Directors have pleasure in presenting 21st Annual Report and the Audited financial Statement of the Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

The working results of the Company for the period ended 31st March, 2013 are as follows:

	Amount in ₹	
	2012-13	2011-12
Total Income	935,028,676	618,775,514
Profit before Depreciation and Taxation	76,677,010	30,680,028
Less: Depreciation	23,731,319	23,109,919
Net Profit before Taxation	52,945,691	7,570,109
Less: Current Tax	9,806,700	660,000
MAT Credit Entitlement	(9,806,700)	(660,000)
Deferred Tax	17,540,433	2,178,734
Tax in respect of earlier years	32,171	-
Profit after taxation	35,373,087	5,391,375
Less: Proposed Dividends	11,945,000	-
Distribution Tax on Proposed Dividends	1,937,778	-
Add/Less : Balance of (Loss) of Previous years	127,430,437	122,039,062
Balance of Profit/(Loss) carried to Balance Sheet	148,920,746	127,430,437

OPERATIONS:

The year under report shows a growth in the total income from ₹ 619 million to ₹ 935 million an increase of 51%, while the profit after tax has grown from ₹ 5.4 million to ₹ 35.37 million. The increase in the Income has come from growth in both our business segments, fresh fruits exports and processed food business. We feel both these segments have a large potential and will continue to grow and contribute to the profits of your company in the coming years.

FRESH FRUITS SEGMENT:

Demand for Indian grapes continues to grow in the EU markets. Our exports of grapes to EU increased from 3,286MT in 2012 season to 3,851MT in 2013 season an increase of 17%. We have been working on expanding this business in non EU markets, our exports to these markets have increased from 532MT in 2012 to 1,476MT in 2013 an increase of 177%.

The domestic fresh fruit and vegetables distribution industry is yet to move from unorganized wasteful system to organized well controlled and hygienic distribution system. We would like to wait some more time before moving into this business.

FOOD PROCESSING SEGMENT:

During the year under report our Income from this segment grew from ₹ 154.44 million in 2011-12 to ₹ 218.70 in 2012-13 a growth of 41.65%. We expect to continue this growth rate for the coming few years.

The domestic industry is yet to change its preference in favour of processed foods. Consumption of value added fruits and vegetables are low compared to the primary processed foods, and fresh fruits and vegetables. The inclination towards processed foods is presently visible only in urban centers but it is bound to spread and increase rapidly in the near future.

Growing urbanization, increasing disposable income, emergence of organised food retail, changing lifestyles and food consumption patterns are the key factors driving growth for processed foods in India. These are post-liberalisation trends that have given an impetus to the sector.

DIVIDEND:

Considering the performance during the year 2012-13, your Directors have recommended a Dividend of ₹ 1/- per share (10 per cent) for the year ended 31st March 2013. The dividend payout, if approved, will result in outflow of ₹ 13,882,778 inclusive of ₹ 1,937,778 on account of Dividend Distribution Tax.

EMPLOYEE STOCK OPTION SCHEME

Your Company values its employees and is committed to adopt the best HR practices for rewarding them suitably.

A certificate from M/s. Mayank Shah & Associates, Statutory Auditors, with respect to the implementation of the Company's Employees Stock Option Scheme, would be placed before the shareholders at the ensuing Annual General Meeting and a copy of the same will also be available for inspection at the registered office of the Company.

Further, the Board of Directors of your Company has vide resolution dated August 13, 2013 approved formulation of a new Employee Stock Option Scheme viz. "Freshtrop Fruits Limited

Employee Stock Option Scheme – 2013" ("ESOS-2013") in terms of the SEBI guidelines. The Board has mandated the ESOS Compensation Committee to implement and administer the ESOS-2013. Items seeking your approval for introduction and implementation of ESOS-2013 and granting such number of Stock Options exercisable into not more than 2,00,000 equity shares of ₹ 10/- each to permanent employees, including any Managing or Whole-time Director(s) of your Company and its holding and / or subsidiary companies are included in the Notice

DIRECTORS:

Mr. Dinesh Oza, who retires by rotation as Director of the Company but being eligible offers himself for re-appointment.

AUDIT COMMITTEE:

The Audit Committee consisting of Independent Directors Mr. Ramchandra G. Joshi, Mr. Mayur J. Shah and Executive Director Mrs. Nanita A. Motiani, satisfy the requirements of section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchange.

INSURANCE:

The assets of the Company are adequately insured against the loss of fire and other risks which are considered necessary by the management.

FIXED DEPOSIT:

The Company has not accepted any deposit under the provision of Section 58-A of the Companies Act, 1956 as applicable.

CERTIFICATION:

During the year under review, the Company has obtained the following certifications pertaining to the Highest International Standard of Food Safety and Hygiene:

1. **ISO 22000:2005** - This certifies the presence of highest food safety management system covering all organisation in the food chain from "farm to fork".
2. **SGF International E.V.** - This certifies participation of the Company in Voluntary Control System for safeguarding the perfect quality of its products and enhancing customer and consumer safety.
3. **Halal Certificate** - This certificate is recognition that the products are permissible in Islamic Law and we acquired this certificate to export our products in Islamic Countries.
4. **Kosher Certificate** - This certificate helps in increasing the salability of the product in the international supermarkets. There is clear evidence that a kosher symbol boosts market share that a kosher product can win more favorable shelf space, and that positioned next to a competing non-kosher brand. Kosher is an therefore an important investment our Company makes in order to increase market reach and share.
5. **BRC certificate** for Nasik (Unit I) Pack house and Sangli (Unit II) Pack house.
6. **FDA, USA** to supply products in US Market.

7. **APEDA Recognition** for Nasik (Unit I), Sangli (Unit II) and Satara (Unit III) Pack houses.
8. **Global GAP**
9. **FSSAI**
10. **Business Social Compliance Initiative (BSCI)**

FINANCE:

During the year under review, the Company has renewed its Working Capital Facilities of ₹ 1500.00 Lacs for the peak season and ₹ 900.00 Lacs for off season from Axis Bank Limited for the Fresh Fruits and Food Processing activities of the Company. During the year under review, Axis bank has also sanctioned total fresh term loan of ₹ 487.50 Lacs out of which ₹ 75 lacs for up-gradation of Unit-1, ₹ 112.50 for expansion at Unit-4 and ₹ 300 lacs for working capital requirement of the Company.

ENERGY CONSUMPTION:

Total energy consumption and energy consumption per unit of production are as under:

		2012-13	2011-12
1. Electricity			
a) Purchased			
Units	KWH	1,863,625	1,791,469
Total amount	₹	12,129,924	10,297,827
Rate / Unit	₹	6.51	5.75
b) Own Generation through Diesel Generator Set			
Units			
Diesel			
Quantity	Ltrs	26,595	25,605
Total Amount	₹	1,317,202	11,14,133
Rate / Unit	₹	49.53	43.51
c) Coal and other Fuels			
Units	Kgs	763,098	848,955
Total Amount	₹	4,313,828	4,961,327
Rate / Unit	₹	5.65	5.84

TECHNOLOGY ABSORPTION AND ENERGY CONSERVATION:

The Company has a continuous focus on energy conservation. Regular studies are conducted to analyze quantitative energy conservation patterns and variances are rigorously scrutinized. The Company regularly benchmarks its energy conservation levels and consistently works towards improving efficiencies.

FOREIGN EXCHANGE EARNING AND OUTGO:

Foreign Exchange earnings during the year amounts to ₹ 690,486,703 (Previous Year ₹ 456,875,079) and Foreign Exchange outgo during the year was ₹ 172,288,874 (Pr. Yr. ₹ 112,700,089).

CORPORATE GOVERNANCE:

The Company has adopted Corporate Governance practices and has complied with all the mandatory requirements as specified under clause 49 of the Listing Agreement. As required under the listing agreement, a separate Report on Corporate Governance forms part of this Annual Report. The certificate from statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is annexed.

The Board of Directors support the basic principles of good corporate governance. In addition to this, the Board lays strong emphasis on transparency, accountability and integrity.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required by Clause 49 of the Listing Agreement with Stock Exchanges, a management discussion and analysis report is appended to the Annual Report.

FORMATION OF VARIOUS COMMITTEES:

Details of various committees constituted by the Board of Directors are given in the Corporate Governance Report annexed which is a part of this report.

SECRETARIAL AUDIT REPORT:

As a good Corporate Governance practice, the Board of Directors of the Company appointed M/s. R.S. Sharma & Associates, Ahmedabad, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit report for the year ended on 31st March, 2013 is provided in the Annual Report.

AUDITORS' & AUDITORS' REPORT:

M/s. Mayank Shah & Associates, Chartered Accountants, Statutory Auditor of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a confirmation from M/s. Mayank Shah & Associates to the effect that their appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

APPRECIATION:

The Board places on record the appreciation of the sincere and devoted services rendered by all the employees and the continued support and confidence of the customers. The Board expresses special thanks to progressive farmers of Maharashtra who have worked hard to achieve International Standards in the quality of their produce. The Board also expresses its sincere thanks to Axis Bank Ltd., The Royal Bank of Scotland N.V. (formerly known as ABN Amro Bank B.V.) and their officers, Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Food Processing Industry (MFPI) and all other well wishers, for their timely support.

Date : 13.08.2013

Registered Office
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report as required under the listing agreements with the stock exchanges is enclosed as Annexure 'A' Certain statements in the 'Management Discussion and Analysis Report' section may be forward looking and are stated as required by applicable laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

1. **INDUSTRY STRUCTURE AND DEVELOPMENT :**

- Food and Food processing industry in India is a "sunrise sector" that has gained prominence in the recent years. Availability of raw materials, changing lifestyles and appropriate fiscal policies has given a considerable push to the industry's growth. This sector serves as a vital link between the agriculture and industrial segments of the economy. Strengthening this link is of critical importance to reduce waste of agricultural raw materials, improve the value of agricultural produce by increasing shelf-life as well as by fortifying the nutritive capacity of the food products; ensure remunerative prices to farmers as well as affordable prices to consumers. Adequate focus on this sector could greatly alleviate our concerns on food security and food inflation. India already is a leading exporter of several food products.
- By serving as a bridge between agriculture and manufacturing and by dealing with the basic needs of all Indian citizens – the assured supply of healthy and affordable food at all location in the country, this sector has the potential to be a major driver in India's growth in the coming years.
- Indian food and food processing industry has seen significant growth and changes over the past few years, driven by changing trend in markets, consumer segment and regulation. These trends, such as changing demographics, growing populations and rapid urbanization are expected to continue in the future and therefore will shape the demand for value added products and thus for food processing industry in India. The food processing sector in India is clearly an attractive sector for investment and offers significant growth potential to investors.
- The Indian beverage industry is on a high growth path. Fast urbanisation, growing affluent consumers, changing lifestyles and health considerations are main driving factors behind this growth. The industry is likely to continue its healthy growth trajectory and rise at double digit rate during the current year. The non-alcoholic ready-to-drink beverage market has been recording a compounded annual growth of 13% since 2009 and is one segment that has successfully defied the recessionary trends witnessed almost all across the world and almost all segments.

2. **OPPORTUNITIES AND THREATS:**

OPPORTUNITIES

- Demand growth for processed food has been rising with growing disposable income, urbanisation, young population and nuclear families.
- Household consumption is set to double by 2020.
- India benefits from a large agriculture sector, abundant livestock, and cost competitiveness
- Investment opportunities will arise in agriculture, food infrastructure, and contract farming
- Untapped market with strong growth potential - The government plans to raise value addition to 35 per cent by 2015 (from 20 per cent in 2005, Strong demand growth - household consumption set to double by 2020).
- Potential global outsourcing hub - Global supermarket majors are looking at India as a major outsourcing hub, India enjoys favorable supply-side fundamentals (abundant raw materials supply, cost advantages, The government is helping by supporting investments in AEZs, mega food parks and easier credit.
- The food processing industry has the ability to convert raw agricultural produces into products with much longer shelf life resulting in reduction of wastages. This also reduces the threat of the temporary "problem of plenty" at harvest time for farmers thus giving them confidence to increase production

THREATS

Challenges for Food Processing Sector

- Lack of product development innovation
- Inadequate focus on quality and safety standard
- Inadequate link between production and processing (lack of processable varieties)
- Seasonability of operations and low capacity utilization
- Supply Chain Infra Gaps (Lack of primary processing, storage and distribution facilities)
- About 35% of agricultural produce is wasted due to poor cold chain linkages during storage and transportation.

3. SEGMENT WISE PERFORMANCE :

- The Company has identified following segments as reportable segments:
- 1) Fresh Fruits
- 2) Food Processing
- Details of Segment wise performance are given at respective place of in this report.

4. RECENT TRENDS AND FUTURE OUTLOOK :

The food consumption in India is estimated to grow at a CAGR of 5.32% by 2013. The food safety net for each and every of the over a billion citizens in India - a number that is growing - requires enhanced agricultural production, in the form of a second green revolution. The choice before our nation, as of now is clear—to invest more in agriculture and allied sectors with the right strategies, policies, and interventions. This is also a ‘necessary’ condition for ‘inclusive growth’ and for ensuring that the benefits of growth reach a larger number of people.

The growth of food processing sector would need to be a significant component of this strategy, considering its possible role in achieving increased agricultural production by ensuring better remuneration for Farmers. The food processing sector makes it possible by not only ensuring better market access to farmers but also reducing high level of wastages. A developed food processing industry will reduce wastages, ensure value addition, generate additional employment opportunities as well as export earnings and thus lead to better socio-economic condition of millions of farm families

Indian food industry is expected to grow to 280 billion US\$ by 2015 and generate an additional employment for approximately 8.2 million people. It is expected that processed food output will grow at a strong CAGR of 7 % in terms of value from 55.6 billion US\$ in 2005 to 95.6 billion US\$ in 2013.

5. RISKS AND CONCERN :

The most crucial challenge that the Indian food and food processing industry is facing as of today, is the lack of suitable infrastructure in the shape of cold chain, packaging centres, value added centres, etc.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has adequate Internal control systems commensurate with its size and operations to ensure orderly and efficient conduct of business while safeguarding the assets, quality, safety, procurements, finance and accounts and reducing and detecting error.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE :

The financial performance of the Company is described in the Director’s Report under the head “Financial Results” and “Review of Operations”.

8. MATERIAL DEVELOPMENT IN HUMAN RESOURCES AND INDUSTRIAL RELATIONS FRONT :

The Company routinely undertakes employee development activities keeping in mind the professional requirements of the employees as well as the growth of the Company.

The Company has embarked on the path to formalize its CSR commitments – and is perhaps the only company in India in the fresh produce export sector to move in this direction. This is not only going to result in better integration within the supply chain but also offer a significant competitive edge in marketing our products in the developed markets across the world.

The Industrial Relations were cordial throughout the year with no incidence of strike or lockouts.

REPORT ON CORPORATE GOVERNANCE (Pursuant to Clause 49 of Listing Agreement)

1. Company's Philosophy on Corporate Governance:

- 1.1. As a policy Freshtrop Fruits Limited (FFL) gives utmost importance to achieving high standards of Corporate Governance and is committed to achieve the highest level of Corporate Governance in order to enhance long-term shareholder value.
- 1.2. The Company gives equal importance for maintaining as well as improving the quality of its products and to achieve this, the Company carries out continuous product developments and stringent quality controls similar to international standards.
- 1.3. The Company gives utmost importance for developing a team of competitive professional managers. Overall, policy is set by the Board of Directors and implemented by a team of professional managers in their respective field. The Company gives fair amount of freedom to the employees to get their best contribution to the Company and rewards and incentives are given in recognition thereof.

2. Board of Directors:

2.1. Composition & size of the Board

The Board of Directors of your Company as on 31st March, 2013 comprises of five Directors. The Board of Directors of the Company comprises of optimum mix of both, Executive and Non-executive Directors with independent Directors. The Board of Directors provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The Board members consist of persons with professional expertise and experience in various fields such of Finance, Accounts, and Management etc.

Classification of Directors	No. of Directors
Executive Directors	Two Promoter Directors
Non-Executive Directors – Independent Directors	Three-Non Promoter Directors

In the judgment of the Board of Directors of the Company, following Directors are independent Non-Executive Directors:

- (1) Mr. Ramchandra G. Joshi
- (2) Mr. Mayur J. Shah
- (3) Mr. Dinesh Oza

2.2. Board Procedure

Board met Four times during the year under review as mentioned below and the criteria of maximum time gap between any two consecutive meetings shall not exceed four months has been followed by the Company.

- 1) 15th May, 2012 2) 13th August, 2012 3) 09th November, 2012 4) 13th February, 2013

The information as required under Annexure IA to clause 49 of the Listing Agreement is made available to the Board. The agenda and the papers for consideration at the Board Meeting are circulated to the Directors in advance. Adequate information is circulated as part of the Board papers and is also made available at the Board Meeting to enable the Board to take decisions. As required under clause 49 of Listing Agreement, the Board periodically reviews compliances of various laws applicable to the Company.

The names and categories of the members of the Board, their attendance at Board Meetings held during the year and the numbers of Directorship and Committee Chairperson / Membership held by them in other companies is given below. Other Directorship does not include alternate directorship, directorships of private limited companies and of the companies incorporated outside India. Chairmanship / Membership of Board Committee include only audit and shareholders / investors grievance committee.

Name of Director	Category of Directorship	Board Meetings		Attendance at the last AGM	No. of Specified Committees (Other than (FFL) in which chairman/member	
		Held	Attended			
Mr. Ashok V. Motiani (Chairman & Managing Director)	Promoter & Executive Director	4	2	Yes	None	None
Mrs. Nanita A. Motiani	Promoter & Executive Director	4	3	Yes	None	None
Mr. Ramchandra G. Joshi	Independent & Non Executive Director	4	4	Yes	None	None
Mr. Mayur J. Shah	Independent & Non Executive Director	4	4	Yes	None	None
Mr. Dinesh Oza	Independent & Non Executive Director	4	4	Yes	None	None

Details of Directors seeking re-appointment at the ensuing Annual General Meeting

As per the statute, two-third of the Directors should be retiring Directors, One-Third of these retiring Directors are required to retire every year and if eligible, these Directors qualify for re-appointment.

Accordingly, Mr. Dinesh Oza retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

A brief resume of the Directors eligible for re-appointment is as follows.

Mr. Dinesh Oza

Mr. Dinesh Oza Aged 60 years is BSC (Tech), Foods Technologist from Bombay University he has vast experience in Food Industry which helps the Company.

3. Audit Committee:

As measure of good corporate governance and to provide assistance to the Board of Directors in fulfilling the Board's oversight responsibilities, an Audit Committee had been constituted by the Board. The constitution of Audit Committee also meets the requirements of section 292A of the Companies Act, 1956. The terms of reference of the Audit Committee are as contained under clause 49 of the Listing Agreement.

The Audit Committee of the Company comprises of following two Non-Executive Directors and one Executive Director, out of which two directors are Independent Directors:

Name	Category	No. of Meetings during the year	
		Held	Attended
Mr. Ramchandra G. Joshi	Non-Executive & Independent Director	4	4
Mr. Mayur J. Shah	Non-Executive & Independent Director	4	4
Mrs. Nanita Motiani	Executive Director	4	3

The Terms of the reference of the Audit Committee include approving and implementing the audit procedures and techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with the regulatory guidelines. The Audit Committee met prior to the finalization of Accounts for the year ended 31st March 2013.

4. Subsidiary Companies:

The Company does not have any subsidiary.

5. Remuneration Committee:

The Remuneration Committee is responsible for determining and reviewing all matters in respect of managerial remuneration. The terms of reference of the remuneration committee are for determining and reviewing all matters in respect of managerial remuneration. The Composition of the Remuneration Committee is given below:

Name of the Members	Designation
Mr. Ramchandra G. Joshi	Non-Executive & Independent Director
Mr. Mayur J. Shah	Non-Executive & Independent Director
Mrs. Nanita A. Motiani	Executive Director

During the year, the Remuneration Committee met two times in which all the four members were present.

5.1 Details of Remuneration to the Board members

The Company pays remuneration to its Chairman and Managing Director, whole time director and sitting fees paid to Non-Executive Directors is as under:

Name of Director	Designation	Remuneration (Including Perquisites) Paid (₹)	Sitting Fees paid (₹)	Total Remuneration (₹)
Mr. Ashok V. Motiani	Chairman & Managing Director	60,62,199	-	60,62,199
Mrs. Nanita A. Motiani	Executive Director	15,00,000	-	15,00,000
Mr. Ramchandra G. Joshi	Non-Executive & Independent Director	-	25,000	25,000
Mr. Mayur J. Shah	Non-Executive & Independent Director	-	25,000	25,000
Mr. Dinesh Oza	Non-Executive & Independent Director	-	25,000	25,000
Total		75,62,199	75,000	76,37,199

5.2 Details of shares of the Company held by Directors as on 31st March, 2013 are as under:

Name	No. of Shares held
Mr. Ashok V. Motiani	11,61,472
Mrs. Nanita A. Motiani	7,72,246
Mr. Ramchandra G. Joshi	4,000
Mr. Mayur J. Shah	4,000
Mr. Dinesh Oza	0

6. Shareholders/Investors' Grievance Committee:

The Company constituted a Shareholders/Investors' Grievance Committee to ensure timely services to the Member/Investors and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the Investors. To look into redressal of shareholders and investors complaints like transfer of shares, non-receipt of Annual Report, revalidation of dividend warrant etc. The Committee meets at the regular interval to ensure that the shareholders queries/grievances have been attended and resolved to the satisfaction of the shareholders.

The Constitution and details of the attendance of the meeting of the Committee members is given in the following table. The Committee met four (4) times during the period 2012-2013.

Name of the Members	Designation	No. of Meetings during the year	
		Held	Attended
Mr. Ashok V. Motiani	Executive Director	4	4
Mrs. Nanita A. Motiani	Executive Director	4	4
Mr. Mayur J. Shah	Non-Executive & Independent Director	4	4

Mrs. Nanita A. Motiani, who is an Executive Director, is Chairperson of the Committee and Mr. Jignesh Gandhi, Company Secretary, provides secretarial support to the Committee and is also the designated Compliance Officer for such matters.

The following table summarizes the status of investor complaints received during the year. All the complaints/ queries are promptly attended and resolved to the satisfaction of shareholders. All shares received for transfer were registered and dispatched within the stipulated time, wherever documents were correct and valid in all respects.

Opening Balance	During the year		Pending Complaints
	Received	Resolved	
0	0	0	0

7. Finance Committee:

During the year under review Board of Directors of the Company has constituted Financial Committee with an object to oversee all the matters relating to finance from time to time and perform all such other functions as may be assigned to it by the Board of Directors of the Company

The Constitution and details of the attendance of the meeting of the Committee members is given in the following table. The Committee met Four times during the period 2012-2013.

Name of the Members	Designation	No. of Meetings during the year	
		Held	Attended
Mr. Ramchandra G. Joshi	Non-Executive & Independent Director	4	4
Mr. Mayur J. Shah	Non-Executive & Independent Director	4	4
Mrs. Nanita A. Motiani	Executive Director	4	4

8. ESOS Compensation Committee:

A Compensation Committee known as "ESOS Compensation Committee" has been constituted in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, for formulating and implementing an Employee Stock Option Scheme of the Company.

The Committee oversees the formulation of ESOP plans, the implementation of the Scheme, its administration, supervision, and formulating detailed terms and conditions in accordance with the SEBI Guidelines.

The Compensation Committee comprises of three Non- Executive & Independent Directors, and one whole time director. During the Financial Year 2012-13, two meetings of the Committee were held on July 23, 2012, and March 22, 2013 which were attended by all the members.

9. Risk Management:

The Company manages risks as an integral part of its decision making process and has a structured framework for risk management and minimization procedures.

10. CEO / CFO Certification:

In terms of the requirement of Clause 49 (V) of the Listing Agreement the CEO has submitted necessary certificate to the Board at its meeting held on 13th August, 2013 stating the particulars specified under the said clause.

11. General Body Meetings:

A. Annual General Meeting:

The date, time and location of the Annual General Meetings held during the preceding 3 years and special resolution passed thereat is as follows.

Financial Year	Date & Time	Venue	No. of Special Resolutions passed
2009-10	27.09.2010 11.00 a.m.	Karnavati Club, S. G. Road, Ahmedabad – 380015	2
2010-11	27.09.2011 11.00 a.m.	Karnavati Club, S. G. Road, Ahmedabad – 380015	2
2011-12	12.09.2012 11.00 a.m.	Karnavati Club, S. G. Road, Ahmedabad – 380015	1

No Special Resolution was passed through Postal Ballot during the financial year 2012-13. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

12. Disclosure:

- a. There were no transactions of material nature between the Company and its Directors or Management and their relatives or Promoters that may have potential conflict with the interest of the Company. The details of the related party transactions are disclosed in the financial section of this Annual Report.
- b. In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.
- c. Management Discussion and Analysis Report is set out in a separate Section included in this Annual Report and forms part of this Report.
- d. The Company has complied with all the mandatory requirements of the Listing Agreement with the Stock Exchange as well as regulations and guidelines of the SEBI. Further, no penalties, strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the year under review.
- e. No treatment different from Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of financial statements.
- f. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.

13. Secretarial Audit:

A qualified practicing Company secretary carried out quarterly secretarial audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depositories Services Limited (CDSL) and the total issued and listed capital. The audits confirmed the total issued / paid-up capital is in agreement with the aggregate of total numbers of shares in physical form and the total number of de-materialized shares held with NSDL and CDSL.

14. Means of Communication with shareholders:

The Quarterly, half-yearly and annual results were taken on record by the Board of Directors and submitted to the Stock Exchanges in terms of the requirements of clause 41 of the Listing Agreement and published in widely circulating national and local dailies such as "Business Standard" in English and "Jansatta" in Gujarati and also put on the website of the Company.

Website : www.freshtrop.com
 Compliance Officer : Mr. Jignesh J Gandhi
 Address : A-603, Shapath IV, Opp. Karnavati Club, S.G.
 Road, Ahmedabad – 380 015
 E-mail : investor@freshtrop.com
 Tel. No. : 079 – 40307050-57

15. General Shareholders Information:**a) Date, time and venue of the 21st Annual General Meeting:**

Friday, the 27th day of September, 2013 at 11.00 a.m. at Karnavati Club, S. G. Road, Ahmedabad-380015

b) Financial Year:

Financial year is from 1st April to 31st March of the year and financial results will be declared as per the following schedule.

Particulars	:	Tentative Schedule
<u>Financial Calendar for 2013-14 (Tentative)</u>		
Financial reporting for the Quarter ending June 30, 2013	:	August, 2013 (Second Week)
Financial reporting for the Quarter ending on September 30, 2013	:	November, 2013(Second Week)
Financial reporting for the Quarter ending on December 31, 2013	:	February, 2014 (Second Week)
Financial reporting for the Year ending March 31, 2014	:	May, 2014
Annual General Meeting	:	September, 2014

c) Book Closure Date

17th September, 2013 to 27th September, 2013 (both days inclusive)

d) Dividend

₹ 1/- per share of ₹ 10/- each (i.e. 10%)

e) Dividend Payment Date

On or after 27th September 2013

f) Listing on Stock Exchange:

The Company's shares are listed on the following stock exchanges:

Name of Stock Exchange	Address	Code
Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400001	530077

The Listing fee for the year 2013-14 has already been paid to BSE. The custodial fees payable to depositories namely NSDL & CDSL has also been remitted by the Company.

g) Market Price Data

High and low prices of Equity Shares during the 12 months period ended 31st March 2013 were as follows:

Month	Bombay Stock Exchange Ltd	
	High (₹)	Low (₹)
April, 2012	17.85	12.11
May, 2012	16.00	11.51
June, 2012	14.69	10.32
July, 2012	14.90	11.90
August, 2012	18.20	13.00
September, 2012	21.85	13.05
October, 2012	20.40	16.40
November, 2012	21.50	15.00
December, 2012	19.40	16.15
January, 2013	19.00	16.55
February, 2013	18.85	16.00
March, 2013	19.00	16.15

h) Registrar & Transfer Agents:

Name & Address : BIGSHARE SERVICES PRIVATE LIMITED
E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka,
Andheri (E), Mumbai – 400 072
Tel. : 022 – 2847 0652 / 40430200
Fax. : 022 – 2847 5207
Email : ujata@bigshareonline.com
Contact Person : Ms. Ujata P
Website : www.bigshareonline.com

i) Share Transfer Procedure:

The Company has hired the services of SEBI registered Registrar and Transfer Agent for physical transfer as well as electronic connectivity. All the transfers are processed by the Registrar and Share Transfer Agents and are approved by the Transfer Committee.

j) Shareholding as on March 31, 2013:

(a) Distribution of Shareholding as on 31st March, 2013:

No. of Shares	Shareholders		Shares	
	Nos.	% of total	Nos.	% of total
1 - 500	3,331	77.41	6,42,674	5.52
501 – 1000	414	9.62	3,46,779	2.98
1001 – 2000	211	4.90	3,33,930	2.87
2001 – 3000	94	2.18	2,42,657	2.08
3001 – 4000	45	1.05	1,64,150	1.41
4001 – 5000	41	0.95	1,96,822	1.69
5001 – 10000	80	1.86	5,89,985	5.07
10001 - above	87	2.02	91,28,003	78.38
Total	4,303	100.00	1,16,45,000	100.00

(b) Shareholding pattern as on 31st March, 2013

Category	No. of Shareholders	Total No. of Shares held	% to Capital
Promoter's and Relatives	6	61,14,005	52.50
Resident Individuals (incl.HUF)	4,115	45,82,728	39.35
Foreign Institutional Investors (FII'S)	0	0	0
Non Resident Individuals	44	4,40,699	3.78
Bodies Corporate	126	5,05,318	4.34
Clearing Members	5	2,250	0.02
Total	4,296	1,16,45,000	100.00

(I) Dematerialization of Shares and Liquidity:

The Company has already established connectivity with National Securities Depository Ltd and Central Securities Depository Ltd through Bigshare Service Private Limited, Registrar & Share Transfer Agent, so as to facilitate the dematerialization of its shares.

Status of Dematerialization (As on 31st March, 2013)

Particulars	No. of Equity Shares	% of Share Capital
NSDL	33,66,991	28.91
CDSL	71,58,705	61.47
Physical	11,19,304	9.62
Total	1,16,45,000	100.00

The Demat security code (ISIN) for the equity shares is INE795D01011 (For both NSDL & CDSL)

(J) Address for Correspondence:

1. Share Transfer in Physical Form and other communication in that regard including share certificate, dividend and change of address etc., may be addressed to our Registrar & Share Transfer Agents at the address mentioned above.
2. Shareholders may also contact the Compliance Officer, Freshrop Fruit Limited, A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380 015.
Phone : 079-40307050-57, Fax : 079-66527069
E-mail : investor@freshrop.com
3. Shareholders holding shares in electric mode should address all their correspondence to their respective depository participants.

The above report has been placed before the Board at its meeting held on 13th August, 2013 and the same was approved.

Date : 13.08.2013

Regd. Office:
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015.

By order of the Board
For, Freshrop Fruits Ltd.,

Ashok V Motiani
Chairman & Managing Director

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

To,
The Board of Directors,
Freshtrop Fruits Limited

I, Ashok V. Motiani, Managing Director, of the Company do hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) There is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) There is no instance of significant fraud that involve therein management or an employee having significant role in the Company's internal control system over financial reporting.

Date : 13.08.2013

Place : Ahmedabad

ASHOK V. MOTIANI
MANAGING DIRECTOR

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
FRESHTROP FRUITS LIMITED

We have examined the compliance of conditions of Corporate Governance by **FRESHTROP FRUITS LIMITED** for the year ended March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The Compliances of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the condition of the certificate of Corporate Governance as stipulated in the said Clause. 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 information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We further state that such compliances in neither an assurance as to the future viability of the Company not of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR MAYANK SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS
(FIRM REGN. NO. 106109W)

Date : 13.08.2013

Place: Ahmedabad

(M.S.SHAH)
PARTNER
M.NO. 44093

SECRETARIAL AUDIT REPORT
For the Financial Year Ended on 31st March, 2013.

To,
The Members,
Freshrop Fruits Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my Opinion thereon.

Based on my verification of Freshrop Fruits Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provide by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2013 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Freshrop Fruits Limited ("the Company") for the financial year ended on 31st March, 2013 according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye- Laws framed there under;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997;
 - (b) The Securities and exchange Board of India (Prohibition of Insider Trading) Regulations 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee stock- Purchase Scheme) Guidelines, 1999;

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;
1. Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the management of the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, Accounting Standards and Memorandum and Articles of Association of the Company, with regard to:
- (a) Maintenance of statutory registers and records and necessary entries are therein;
 - (b) Closure of Register of Members;
 - (c) Submission of forms, returns, documents and resolutions required to be filed with the Registrar of Companies;
 - (d) Service of documents by the Company on its Members, and Registrar of Companies;
 - (e) Notice of Board meetings and Committee meetings of Directors;
 - (f) Notice of the General Meetings and Extra Ordinary General Meetings of the Company;
 - (g) Minutes of proceedings of General Meetings and of Board and other meetings;
 - (h) Approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
 - (i) Constitution of the Board of Directors and appointment, retirement and re- appointment of Directors;
 - (j) Remuneration of Directors including the Managing Director and Whole-time Directors;
 - (k) Appointment and remuneration of Auditors;
 - (l) Transfers and transmissions of the Company's shares and issue and delivery of original and duplicate share certificates;

- (m) Form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (n) Borrowings and registration, modification and satisfaction of charges;
- (o) Investment of the Company's funds;
- (p) Contracts, affixing of common seal, registered office and publication of name of the Company;
- (q) All other applicable provisions of the Act and the Rules / regulation made thereunder; and
- (r) The Company has issued and allotted the securities to the persons-entitled thereto and has also issued letters, coupons, warrants and certificate thereof as applicable to the concerned persons and converted warrants into equity shares in compliance with the provisions of the Companies Act, 1956 and other relevant statutes.

2. I further report that:

- (a) The Directors of the Company have obtained Director Identification Number as per Section 266A of the Act.
- (b) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities.
- (c) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel.
- (d) The Company has obtained all necessary approvals of the Central Government and / or other authorities, under the Act.
- (e) There was no prosecution initiated against, or show cause notice received by, the Company and no fines or penalties were imposed on the Company under the Companies Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against the Company, its Directors and Officers.

3. I further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Regulations and the Byelaws framed thereunder with regard to dematerialisation / rematerialisation of securities and reconciliation of records of dematerialised securities with all securities issued by the Company.

4. I further report that, the Company has complied with:

- (a) The requirements under the Equity Listing Agreements entered into with Bombay Stock Exchange Limited.
- (b) The provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 with regard to the disclosures and maintenance of records required under the Regulations.
- (c) The provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 with regard to disclosures and maintenance of records required under the Regulations.

5. I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 1956

Adequate notice is given to all directors to schedule the Board Meeting Agenda and detailed notes on agenda are sent at least seven days in advance, 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.

6. 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.

For, R.S.SHARMA & ASSOCIATES

(R. S. Sharma)

CP No: 2118

M No: 3126

Date : 13.08.2013

Place : Ahmedabad

Independent Auditor's Report

To the Members of Freshrop Fruits Limited.

Report on the Financial Statements

We have audited the accompanying financial statements of Freshrop Fruits Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and 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 Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- 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.

Report on Other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2003', as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by these report comply with the Accounting Standards referred to in subsection(3C) of section 211 of the Act;
- e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none ofthe directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

**FOR, MAYANK SHAH & ASSOCIATES
(FIRM REGN. NO. 106109W)
CHARTERED ACCOUNTANTS**

**Place : Ahmedabad
Date : 30.05.2013**

**(M.S. SHAH)
PARTNER
Mem.No. 44093**

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" section of our report of even date)

1. In respect of the Company's fixed assets :
 - (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us, no fixed asset has been disposed during the year and therefore, in our opinion, not affected the going concern status of the Company.
2. In respect of the Company's inventories :
 - (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanation given to us, the Company has maintained proper records of its inventories and no material discrepancy were noticed on physical verification.
3. In respect of the loans, secured or unsecured, granted or taken by the Company to / from companies, firms or other parties covered under Section 301 of the Companies Act, 1956 :
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the provisions of clauses iii (b), and iii(c) of paragraph 4 of the Order are not applicable to the Company.
 - (b) According to the information and explanations given to us, the company had taken unsecured loan from 4 (Four) parties listed in the register under section 301 of the Companies Act, 1956. The maximum amount involved during the year was ₹ 130.65 Lacs and year-end balance was ₹ 18.57 Lacs.
 - (c) In our opinion, the rate of interest and other terms and conditions on which loan have been taken from the parties covered 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 amount as stipulated and has been regular in the payment of interest.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of our audit, we have not observed any major weakness in such internal control system.
5. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Act, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements [excluding items reported under paragraph 3 above] that needed to be entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956.
6. According to the information and explanation given to us, the Company has not accepted any deposits from the public. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We have been informed that the Central Government has not prescribed maintenance of Cost records under Section 209(1)(d) of the Companies Act 1956.

9. According to the information and explanations given to us, in respect of statutory dues:
- (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. As explained to us, no undisputed amounts payable were in arrears as at 31st March, 2013 for a period of more than six months from the date they become payable:
- (b) According to the information and explanations given to us, the company had the following dues of Income Tax And Service Tax which has not been deposited on account of dispute.

Statement of Disputed Dues				
Name of the Statute	Nature of the Dues	Amounts	Period to which amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	₹ 75,55,058/-	A.Y.2005-06	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	₹ 4,57,44,054/-	Various years from 2006-07 to 2011-12	In Process of filing of Appeals with Commissioner of Service Tax (Appeals)

10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
11. 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.
12. In our opinion and according to the information and explanations given 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.
13. As the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company, the provisions of Clause (xiii) of paragraph 4 of the Order is not applicable to the Company.
14. In our opinion and according to the information and explanations given to us, the Company is not dealing in shares, securities and debentures. Therefore, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from a bank or financial institution. Therefore, the provisions of clause 4(xv) of the Order are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the term loan has been applied by the Company during the year for the purpose for which it has been obtained.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have prima facie not been used during the year for long-term investment.
18. The Company has made preferential allotment of equity shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. In our opinion the price at which share have been issued is not prejudicial to the interest of the Company.
19. According to the information and explanations given to us, during the year covered by our report, the Company has not issued any secured debentures.
20. During the year covered by our report, the Company has not raised any money by way of public issue.
21. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

**FOR, MAYANK SHAH & ASSOCIATES
(FIRM REGN. NO. 106109W)
CHARTERED ACCOUNTANTS**

**Place : Ahmedabad
Date : 30.05.2013**

**(M.S. SHAH)
PARTNER
Mem.No. 44093**

BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note	As At 31.03.2013 in ₹	As At 31.03.2012 in ₹
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share Capital	3	116,450,000	110,450,000
(b) Optionally Convertible Warrants	4	1,750,000	-
(c) Reserves and Surplus	5	175,958,711	152,068,402
(d) Deferred Government Grant	6	72,597,226	77,062,977
2 Non-current liabilities			
(a) Long-Term Borrowings	7	39,620,743	21,013,623
(b) Deferred Tax Liabilities (Net)	8	42,965,130	25,424,697
3 Current liabilities			
(a) Short-Term Borrowings	9	170,937,644	188,764,487
(b) Trade Payables	10	269,290,805	178,065,322
(c) Other Current Liabilities	11	75,816,981	46,559,909
(d) Short-Term Provisions	12	19,275,214	1,838,722
TOTAL		984,662,454	801,248,138
II. ASSETS			
1 Non-current assets			
(a) Fixed Assets	13		
(i) Tangible Assets		414,404,411	411,605,357
(ii) Intangible Assets		111,134	158,782
(b) Non-Current Investments	14	250	250
(c) Long-Term Loans and Advances	15	28,624,582	21,146,629
2 Current assets			
(a) Inventories	16	331,868,920	235,825,269
(b) Trade Receivables	17	157,661,565	96,658,772
(c) Cash and Bank Balances	18	13,909,885	19,439,524
(d) Short-Term Loans and Advances	19	38,062,316	16,374,767
(e) Other Current Assets	20	19,392	38,788
TOTAL		984,662,454	801,248,138
Summary of significant accounting policies	2		
The notes are an integral part of the financial statements			

As per our report of even date attached
For, **MAYANK SHAH & ASSOCIATES**
Chartered Accountants
(Firm Reg. No. 106109W)

(M. S. Shah)
Partner
M. No. 44093

Place : Ahmedabad
Date : 30.05.2013

For and on behalf of the Board of Directors

Ashok V. Motiani *Managing Director*
Nanita A. Motiani *Executive Director*
Mayur J. Shah *Director*
Ramchandra Joshi *Director*
Dinesh Oza *Director*
Jignesh J. Gandhi *Company Secretary*

Place : Ahmedabad
Date : 30.05.2013

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON MARCH 31, 2013

Particulars	Note	Year Ended 31.03.2013 in ₹	Year Ended 31.03.2012 in ₹
I. Revenue from Operations	21	915,139,569	612,130,631
Less: Excise Duty		2,543,380	693,550
Revenue from Operations (net)		912,596,189	611,437,081
II. Other Income	22	22,432,488	7,338,433
III. Total Revenue (I + II)		935,028,676	618,775,514
IV. Expenses :			
Cost of Materials Consumed	23	662,347,007	401,775,014
Purchases of Stock-in-Trade	24	-	6,256,623
Changes in Inventories of Finished Goods	25	(93,435,274)	(43,945,591)
Employee Benefits Expenses	26	35,074,351	29,255,885
Finance Cost	27	23,662,239	26,412,923
Depreciation and Amortization Expenses	28	23,731,319	23,109,919
Other Expenses	29	230,703,344	168,340,632
Total Expenses (IV)		882,082,985	611,205,405
V. Profit before Tax (III- IV)		52,945,691	7,570,109
VI. Tax Expenses:			
(1) Current tax		9,806,700	660,000
Less: MAT Credit Entitlement		(9,806,700)	(660,000)
(2) Deferred tax		17,540,433	2,178,734
(3) Tax in respect of earlier years		32,171	-
VII Profit for the year (V-VI)		35,373,087	5,391,375
VIII Earnings per Equity Share of ₹ 10 each			
Basic Earning per Share		3.18	0.49
Diluted Earning per Share		3.15	0.49
Number of Shares outstanding for Basic EPS		11,122,260	11,045,000
Number of Shares outstanding for Diluted EPS		11,225,435	11,045,000
Summary of significant accounting policies	2		
The notes are an integral part of the financial statements			

As per our report of even date attached
For, **MAYANK SHAH & ASSOCIATES**
Chartered Accountants
(Firm Reg. No. 106109W)

(M. S. Shah)
Partner
M. No. 44093

Place : Ahmedabad
Date : 30.05.2013

For and on behalf of the Board of Directors

Ashok V. Motiani *Managing Director*
Nanita A. Motiani *Executive Director*
Mayur J. Shah *Director*
Ramchandra Joshi *Director*
Dinesh Oza *Director*
Jignesh J. Gandhi *Company Secretary*

Place : Ahmedabad
Date : 30.05.2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013

Particulars	For the Period ended 31.03.2013 (₹)	For the Period ended 31.03.2012 (₹)
A Cash Flow from Operating Activities :		
Net Profit before Tax and Extra Ordinary Items	52,945,691	7,570,109
Adjustments For :		
Depreciation	23,731,319	23,109,919
Government Grant	(4,292,306)	(4,303,080)
Write Offs	141,280	318,493
(Profit)/Loss on sale of Fixed Assets	60,877	73,492
	72,586,861	26,768,933
Income from Investment Activity		
Add: Interest Paid	23,662,239	26,412,923
Less: Interest/Dividend Received	476,144	225,247
Operating Profit / (Loss) before working capital changes	95,772,956	52,956,609
Adjustments For :		
Trade & Other Receivables	(81,918,749)	10,955,788
Inventories	(96,043,651)	(42,983,247)
Trade Payables	121,523,348	(1,348,085)
	(56,439,052)	(33,375,544)
Income Tax	(6,240,682)	(357,026)
Net Cash used in Operating Activities (A)	33,093,222	19,224,039

CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2013 (Contd...)

Particulars	For the Period ended 31.03.2013 (₹)	For the Period ended 31.03.2012 (₹)
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets including Capital WIP	(27,052,891)	(5,851,945)
Interest/Dividend Received	476,144	225,247
Sale / Deduction of Fixed Assets	335,844	335,000
Net Cash used in Investment Activities (B)	(26,240,903)	(5,291,698)
C Cash Flow from Financing Activities :		
Repayment of Long Term Borrowings	18,607,120	(23,096,544)
Increase (Decrease) in Short Term Borrowings	(17,826,843)	34,985,212
Increase in Share Capital including Share Premium	10,150,000	-
Interest Paid	(23,662,239)	(26,412,923)
Share Issue Expenses	(121,884)	-
Net Cash from Financing Activities (C)	(12,853,846)	(14,524,256)
Net Increase In Cash & Cash equivalents (A+B+C)	(6,001,526)	(591,914)
Cash and Cash equivalent Opening balance :		
Cash and bank balances	16,655,715	17,247,629
Cash and Cash equivalent Closing balance :		
Cash and bank balances	10,654,189	16,655,715
The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standard) Rules, 2006.		

As per our report of even date attached
For, **MAYANK SHAH & ASSOCIATES**
Chartered Accountants
(Firm Reg. No. 106109W)

(M. S. Shah)
Partner
M. No. 44093

Place : Ahmedabad
Date : 30.05.2013

For and on behalf of the Board of Directors

Ashok V. Motiani	<i>Managing Director</i>
Nanita A. Motiani	<i>Executive Director</i>
Mayur J. Shah	<i>Director</i>
Ramchandra Joshi	<i>Director</i>
Dinesh Oza	<i>Director</i>
Jignesh J. Gandhi	<i>Company Secretary</i>

Place : Ahmedabad
Date : 30.05.2013

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2013**1 BACKGROUND**

Freshrop Fruits Ltd. is engaged in the business of exports of fresh fruits and vegetables to leading Supermarket chains in various parts of Europe, Russia & Hong Kong as well as in Domestic Market. The company is producing Fruit Pulp & Concentrate for both the Domestic & International Customers.

2 SIGNIFICANT ACCOUNTING POLICIES**(A) ACCOUNTING CONVENTIONS****(i) Basis Of Accounting**

The financial statements of the Company are prepared under the historical cost convention on accrual basis of accounting in all material respects in accordance with the notified Accounting Standards by Companies (Accounting Standards) Rules 2006 (as amended) and the relevant Provisions of the Companies Act, 1956. The accounting policies have been consistently applied by the Company during the year.

The presentation of the accounts is based on the revised Schedule VI of the Companies Act, 1956. All assets and liabilities are classified in to current and non-current generally based on criteria of realization / settlement within twelve months period from the balance sheet date.

(ii) Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

(B) FIXED ASSETS**(i) Tangible Assets**

Fixed Assets are stated at cost of acquisition / construction (Less: accumulated Depreciation, impairment loss, CENVAT Credit and Value Added Tax). Cost of acquisition includes non refundable taxes, duties, freight and other costs that are directly attributable to bringing assets to their working condition for its intended use. All costs, including financing costs till commencement of commercial production and adjustments arising from exchange rate variations attributable to the fixed assets are capitalized.

(ii) Intangible Assets

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the assets will flow to enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at the consideration paid for the acquisition of such assets and are carried at cost less accumulated amortization and accumulated impairment loss, if any.

(C) DEPRECIATION/ AMORTIZATION**(i) Tangible Assets**

Depreciation on Fixed Assets is provided by Straight Line Method on Pro-rata basis at rates and in manner specified in Schedule XIV of the Companies Act, 1956.

(ii) Intangible Assets

Web site development cost is amortized over a period of five years.

(D) CAPITAL WORK-IN-PROGRESS

Projects under commissioning and other Capital Work-in-Progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

(E) IMPAIRMENT

At each balance sheet date, the management reviews the carrying amounts of each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset. Cash flows used to determine the value in use are derived from the annual budgets and strategic plans of the cash generating units. For certain cash generating units, variable growth has been considered even beyond five years, given the maturity of the business and scope for geographical expansion.

Reversal of impairment loss is recognized as income in the statement of profit and loss.

(F) BORROWING COST

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

(G) INVENTORIES

Inventories of Raw materials, Packing Materials, Consumables, Stores & Spares and Finished goods (including for Trade) are stated at cost or net realizable value whichever is lower. Cost is computed on FIFO basis, in case of Raw Materials, Packing Materials, Consumables and Stores & Spares. Finished goods (including the consignment stock) include cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is computed by Standard Cost Method in case of finished goods.

(H) INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current Investments are valued at cost or Net Realizable Value, whichever is lower. All other investments are classified as long term investments. Long term investments are stated at cost of acquisition. Provision for diminution in value of long term investments is made, only if such decline is other than temporary.

(I) REVENUE RECOGNITION**(i) Export Sales****Consignment Sales**

Sale of goods in case of goods exported on consignment basis is recognized on acknowledgment of sale by the consignee.

Sales by Fixed Price Contract

Sales against fixed price contract are recognized when the significant risks and rewards of ownership are transferred to the buyer.

(ii) Domestic Sales

The Company recognizes sale of goods when the significant risks and rewards of ownership are transferred to the buyer and is stated net of discounts and sales tax but inclusive of excise duty.

Excise duty on turnover is reduced from turnover.

(iii) Job Work Sales

Job Work Sales are recognized as and when the processing of specific products is completed and related costs are incurred in accordance with the terms of the specific contracts.

(iv) Export Incentives

Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedents to claim are fulfilled.

(v) Other Income**Interest Income**

Interest income is recognized on accrual basis.

(J) FOREIGN CURRENCY TRANSACTIONS

- (i) All Transactions in foreign currency are recorded at the rates of exchange prevailing as at the date of the transaction.
- (ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.
- (iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expenditure over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.
 - (iv) Premium or discount on forward contract, that are not intended for trading or speculation purposes, are amortized over the life of such contract and is recognized as an expense or income.

(K) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

The Company uses foreign exchange forward contracts and options to hedge its exposure to movements in foreign exchange rates. The use of these foreign exchange forward contracts and options reduces the risk or cost to the Company and the Company does not use the foreign exchange forward contracts or options for trading or speculation purposes.

Outstanding derivative contracts at the balance sheet date are marked to market. While anticipated losses on outstanding derivative contracts at the balance sheet date are provided for fully, anticipated gains on such contracts are ignored on grounds of prudence.

(L) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(M) GOVERNMENT GRANTS / SUBSIDY

Government Grants is recognized when there is a reasonable assurance that the company will comply with the conditions attached to them and grants will be received.

Grants related to depreciable assets are treated as deferred income which is recognized in Profit & Loss Account over the period and in the proportions in which depreciation on related assets is charged.

Government Grants which is in the nature of promoters contribution are credited to Capital Reserve.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

(N) RESEARCH AND DEVELOPMENT EXPENDITURE

Revenue expenditure on research and development is charged under respective heads of account in the year in which it is incurred. Capital expenditure on research and development is included as part of fixed assets and depreciated on the same basis as other fixed assets.

(O) EMPLOYEE BENEFITS

a. Short Term Employees Benefit

Short Term Benefits are recognized as expenditure at the undiscounted value in the Profit & Loss Account of the year in which the related services are rendered.

b. Post Employment Benefit

(i) Defined Contribution Plans:–

Monthly contributions to the Provident Fund which are defined contribution schemes are charged to Profit & Loss Account and deposited with the Provident Fund Authorities on monthly basis.

(ii) Defined Benefit Plans:–

Gratuity to Employees are covered under the Employees Group Gratuity Scheme with LIC and the premium is paid on the basis of their actuarial valuation using the Projected Unit Credit Method. Actuarial gain and losses arising on such valuation are recognized immediately in the Profit & Loss Account. Any shortfall in case of premature termination / resignation to the extent not reimbursed by LIC is being absorbed in the year of payment. The amount funded by the trust administered by the Company under the aforesaid policy is reduced from the gross obligation under the defined benefit plan, to recognize the obligation on net basis.

c. Termination Benefits

Termination Benefits are charged to Profit & Loss Account in the year of accrual.

(P) SEGMENT ACCOUNTING

Segment accounting policies are in line with the accounting policies of the Company. In addition, the following specific accounting policies have been followed for segment reporting:

- (i) Segment revenue includes sales and other income directly identifiable with/ allocable to the segment.
- (ii) Expenses that are directly identifiable with/ allocable to segments are considered for determining the segment result. Expenses which relate to the Company as a whole and not allocable to segments are included under "Un-allocable Corporate Expenditure".
- (iii) Income which relates to the Company as a whole and not allocable to segments is included in "Un-allocable Corporate Income".
- (iv) Segment assets and liabilities include those directly identifiable with the respective segments. Un-allocable Corporate Assets and Liabilities represent the assets and liabilities that relate to the Company as whole and not allocable to any segment.

(Q) TAXES ON INCOME

Tax expense for a year comprises of current tax and deferred tax.

Current tax are measured at the amount expected to be paid to the tax authorities, after taking into consideration, the applicable deductions and exemptions admissible under the provisions of the Income tax Act, 1961.

Deferred tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing difference of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If there is unabsorbed depreciation or carry forward of losses under tax laws, deferred tax assets are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay income tax higher than that computed under MAT, during the period that MAT is permitted to be set off under the Income Tax Act, 1961 (specified period). In the year, in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance note issued by the Institute of Chartered Accountants of India (ICAI), the said asset is created by way of a credit to the profit and loss account and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay income tax higher than MAT during the specified period.

(R) MISCELLANEOUS EXPENDITURE

Share Issue Expense and Deferred Revenue Expenditure are being written off over a period of five years.

(S) EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year are adjusted for events such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(T) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

(U) OPERATING CYCLE

Based on the nature of product and the time between the acquisition of assets for processing and the realization in Cash and cash equivalent, the company has ascertained its operating cycle to be less than twelve months.

3. SHARE CAPITAL

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Authorized		
1,50,00,000 Equity Shares of ₹ 10/- each	150,000,000	150,000,000
Issued, Subscribed & Paid-up		
1,16,45,000 (P.Y. 1,10,45,000) Equity Shares of ₹ 10/- each fully paid	116,450,000	110,450,000
TOTAL	116,450,000	110,450,000

3.1 10,00,000 equity shares of ₹ 19.40/- each (including Securities Premium of ₹ 9.40/- each) & 6,00,000 equity shares of ₹ 14.00/- each (including Securities Premium of ₹ 4.00/- each) were allotted as fully paid upon conversion of Optionally Convertible Warrants during the last Five Years.

3.2 The Company has only one class of equity shares having a par value of ₹ 10 per share. Each Shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

(a) Details of Shareholders holding more than 5% shares in the company

Particulars	As At 31.03.2013		As At 31.03.2012	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Freshcap Investments Pvt Ltd.	2,435,013	20.91%	2,435,013	22.05%
Ashok Vishandas Motiani	1,161,472	9.97%	736,768	6.67%
Nanita Ashok Motiani	772,246	6.63%	672,246	6.09%
Dipti Ashok Motiani	669,712	5.75%	569,712	5.16%
Priyanka Tandon	629,082	5.40%	NIL	NIL

(b) Reconciliation of number of Equity Shares and amount outstanding

Particulars	As At 31.03.2013		As At 31.03.2012	
	Nos. of Shares	Amt in ₹	Nos. of Shares	Amt in ₹
Shares outstanding at the beginning of the year	11,045,000	110,450,000	11,045,000	110,450,000
Add : Issued during the year on exercise of Convertible Warrants	600,000	6,000,000	NIL	NIL
Shares outstanding at the end of the year	11,645,000	116,450,000	11,045,000	110,450,000

4. OPTIONALLY CONVERTIBLE WARRANTS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
<u>Issued & subscribed</u>		
11,00,000 (P.Y.NIL) Optionally Convertible Warrants of ₹ 14 each	15,400,000	NIL
<u>Paid-up</u>		
11,00,000 (P.Y. NIL) Optionally Convertible Warrants paid up of ₹ 3.50 each	3,850,000	NIL
Add: 6,00,000 (P.Y.NIL) Optionally Convertible Warrants Option availed during the year	6,300,000	NIL
Less: Option Exercised during the Year	8,400,000	NIL
Balance at the end of the year	1,750,000	NIL

5. RESERVES & SURPLUS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
(A) Capital Reserves		
Balance as at the beginning and at the end of the year	8,950,000	8,950,000
(B) Securities Premium Account		
Opening Balance	14,400,000	14,400,000
Add : Securities premium credited on Conversion of Share Warrants	2,400,000	NIL
Balance as at the end of the year	16,800,000	14,400,000
(C) General Reserves		
Balance as at the beginning and at the end of the year	1,287,965	1,287,965
(D) Surplus in Statement of Profit and Loss		
Balance as at the beginning of the year	127,430,437	122,039,062
Add: Net Profit/(Net Loss) For the current year	35,373,087	5,391,375
Less: Proposed Dividends	11,945,000	NIL
Less: Distribution Tax on Proposed Dividends	1,937,778	NIL
Balance as at the end of the year	148,920,746	127,430,437
TOTAL	175,958,711	152,068,402

6. DEFERRED GOVERNMENT GRANT

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Balance as at the beginning of the year	77,062,977	81,366,057
Less: Recognized/written back during the year	4,465,751	4,303,080
Balance as at the end of the year	72,597,226	77,062,977

7. LONG TERM BORROWINGS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Secured		
Term loans from Banks	35,937,153	15,500,682
From Others	70,228	516,779
Unsecured		
Loans & advances from Related Party	1,857,284	4,996,162
Inter Corporate Deposit	1,756,078	NIL
TOTAL	39,620,743	21,013,623

Sr No.	Type of Loan/ Nature of Security	Terms of Repayment
1	Term Loan of ₹ 23,75,682 (P.Y. ₹ 55,33,152) is secured by Exclusive and Specific charge on the Registered Office at Ahmedabad.	24 Monthly Installment starting From Dec-11. Last Installment due in Nov-13. Rate of Interest 14.50% p.a.(Last year 14.50% p.a)
2	Term Loan of ₹ NIL (P.Y. ₹ 2,34,696) is secured by Hypothecation on the Vehicle of the company.	24 Monthly Installment starting From Nov-10. Last Installment due in Oct-12. Rate of Interest 13.50% p.a.. (Last Year 13.50% p.a.)
3	Term Loan of ₹ 5,18,258 (P.Y. ₹ 9,18,437) is secured by Hypothecation on the Vehicle of the company.	35 Monthly Installment starting From Jul-11. Last Installment due in May-14. Rate of Interest 10.45% p.a.. (Last Year 10.45% p.a.)
4	Term Loan of ₹ NIL (P.Y. ₹ 2,78,136) is secured by Hypothecation on the Vehicle of the company.	36 Monthly Installment starting From Aug-09. Last Installment due in Jul-12. Rate of Interest 10.00% p.a.. (Last Year 10.00% p.a.)
5	Term Loan of ₹ 1,31,25,000 (P.Y. ₹ 2,06,25,000) is secured by First charge over the entire fixed assets of the company located at the Unit-IV.	16 Quarterly Installment starting From Mar-11. Last Installment due in Dec-14. Rate of Interest 14.25% p.a. (Last year 14.25% p.a.)
6	Term Loan of ₹ Nil (P.Y. 97,50,000) is secured by First Pari Passu charge over the entire fixed assets of the company located at the Unit-IV.	16 Quarterly Installment starting From Mar-09. Last Installment due in Dec-12. Rate of Interest 12.95% p.a. (Last year 12.95% p.a.)
7	Term Loan of ₹ Nil (P.Y. 38,75,000) is secured by First Pari Passu charge over the entire fixed assets of the company located at the Unit-IV.	16 Quarterly Installment starting From Jun-09. Last Installment due in Mar-13. Rate of Interest 14.00% p.a. (Last year 14.00% p.a.)
8	Term Loan of ₹ NIL (P.Y. ₹ 73,40,875) is secured by Exclusive and Specific Charge on Land & Building situated at the Unit-I.	48 Monthly Installment starting From Jan-09. Last Installment due in Dec-12. Rate of Interest 15.25% p.a. (Last year 15.25% p.a.)
9	Term Loan of ₹ 4,38,50,153 (P.Y.NIL) is secured by Exclusive and Specific Charge on Land & Building situated at the Unit-I.	36 Monthly Installment starting From Jul-13. Last Installment due in Jun-16. Rate of Interest 13.50% p.a.

8. DEFERRED TAX LIABILITY (NET)

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Deferred Tax Liability		
Depreciation on Fixed Assets	43,830,533	40,845,104
Gratuity Expenses	2,940	NIL
Deferred Tax Assets		
Unabsorbed Depreciation	(868,344)	(15,263,153)
Gratuity Expenses	NIL	(157,254)
Net Deferred Tax Liability	42,965,129	25,424,697

9. SHORT TERM BORROWINGS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Secured		
Loans repayable on demand from Banks	170,937,644	188,764,487
TOTAL	170,937,644	188,764,487

Note:

- Working Capital Loans from Banks comprise of Cash Credit and Post Shipment Credit and are secured by way of hypothecation of Current Assets including Stocks and Book Debts and collaterally secured by specified Fixed Assets of the Company and Personal Guarantee of Chairman & Managing Director.
- Short Term Loan of ₹ 18,50,000/- (P.Y. ₹ 2,00,00,000/-) is secured by Charge on the Movable fixed assets of the Unit-II & Unit-III and Current Assets of the company. Payable in 12 Monthly installment starting from Apr-12. Last installment due in Mar-13. Interest Rate 14.00% p.a.

10. TRADE PAYABLES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
For Goods	171,373,142	110,087,978
For Others (#)	97,917,663	67,977,344
TOTAL	269,290,805	178,065,322

(#) Other Trade payables represents amount payable to various parties for packing material, consumables and Expenses.

- The Company has not received any intimation from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at year end together with interest paid payable under this Act have not been given.

11. OTHER CURRENT LIABILITIES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Current maturities of long-term debt	23,861,712	32,537,835
Interest accrued but not due on borrowings	22,716	87,789
Interest accrued and due on borrowings	692,745	507,201
Unclaimed dividends	870,447	1,086,635
Advance from Customers	39,124,036	651,620
Creditors for capital expenditure	3,433,960	595,566
Statutory Liabilities	3,046,631	2,558,258
Other Liabilities	4,764,734	8,535,005
TOTAL	75,816,981	46,559,909

Note : Statutory liabilities represent amounts payable towards VAT, CST, Excise duty and TDS etc.

12. SHORT TERM PROVISIONS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Provision for employee benefits		
Contribution to PF, Gratuity etc.	882,316	755,848
Other Provisions		
Provision for Tax (Net of Advance Tax & TDS)	2,512,921	NIL
Proposed Dividend	11,945,000	NIL
Tax on Proposed Dividend	1,937,778	NIL
Other Provisions	1,997,199	1,082,874
TOTAL	19,275,214	1,838,722

13. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Balance As at 01.04.12 ₹	Additions During the Year ₹	Deductions During the Year ₹	Balance As at 31.03.13 ₹	Balance As at 01.04.12 ₹	Provided During the Year ₹	Deductions During the Year ₹	Balance As at 31.03.13 ₹	As on 31.03.13 ₹	As on 31.03.12 ₹
TANGIBLE ASSETS										
LAND & LAND DEVELOPMENT	19,682,169	-	-	19,682,169	-	-	-	-	19,682,169	19,682,169
FACTORY BUILDING	143,144,650	5,389,872	-	148,534,522	24,315,620	4,829,680	-	29,145,300	119,389,222	118,829,030
MACHINERY	329,334,427	20,159,578	-	349,494,005	75,699,990	16,638,592	-	92,338,582	257,155,423	253,634,437
OFFICE EQUIPMENT	1,828,344	254,253	-	2,082,597	534,323	88,457	-	622,780	1,459,817	1,294,021
VEHICLES	11,693,836	-	758,236	10,935,600	3,399,326	1,131,261	188,070	4,342,517	6,593,083	8,294,510
FURNITURE & FIXTURES	4,967,040	293,558	-	5,260,598	2,810,145	190,531	-	3,000,676	2,259,922	2,156,895
COMPUTER	4,815,612	305,430	-	5,121,042	3,445,187	424,643	-	3,869,830	1,251,212	1,370,425
OFFICE ELECTRIFICATION	325,740	-	-	325,740	85,280	20,620	-	105,900	219,840	240,460
POLLUTION CONTROL EQUIP.	7,089,673	650,200	-	7,739,873	986,263	359,887	-	1,346,150	6,393,723	6,103,410
TOTAL	522,881,491	27,052,891	758,236	549,176,146	111,276,134	23,683,671	188,070	134,771,735	414,404,411	411,605,357
Previous Year's Total	518,395,214	5,701,945	1,215,668	522,881,491	89,017,553	23,065,757	807,176	111,276,134	411,605,357	429,377,661
INTANGIBLE ASSETS										
WEB SITE	238,240	-	-	238,240	79,458	47,648	-	127,106	111,134	158,782
TOTAL	238,240	-	-	238,240	79,458	47,648	-	127,106	111,134	158,782
Previous Year's Total	88,240	150,000	-	238,240	35,296	44,162	-	79,458	158,782	52,944
TOTAL AS AT 31.03.2013	523,119,731	27,052,891	758,236	549,414,386	111,355,592	23,731,319	188,070	134,898,841	414,515,545	411,764,139
TOTAL AS AT 31.03.2012	518,483,454	5,851,945	1,215,668	523,119,731	89,052,849	23,109,919	807,176	111,355,592	411,764,139	429,430,605

Land includes Land development

14. NON CURRENT INVESTMENTS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Unquoted Investments		
Investment in Equity instruments [5 Nos.(P.Y. 5)] of ₹ 50 each	250	250
TOTAL	250	250

15. LONG TERM LOANS AND ADVANCES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Unsecured Considered good		
Capital Advances	8,922,377	8,948,862
Security Deposits	2,428,468	2,366,715
Advance Income Tax (Net of Provision)	NIL	1,178,449
MAT Credit Entitlement	16,508,737	6,979,542
Other Advances	765,000	1,673,061
TOTAL	28,624,582	21,146,629

Note: Other advances includes staff loans due after 12 months

16. INVENTORIES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Raw Materials	166,493	930,640
Finished Stock (including Goods in Transit of ₹ 22,72,51,040/- (P.Y. of 13,07,16,910/-))	302,358,073	208,552,189
Packing Materials (including Goods in Transit of ₹ Nil (P.Y. ₹ 29,18,400/-))	28,818,608	25,581,322
Consumables	401,298	509,922
Power & Fuel	50,203	153,951
Spare parts	74,245	97,245
TOTAL	331,868,920	235,825,269

Broad categories of Inventories
16.1. Details of Raw Materials

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Pomegranates	NIL	930,640
Others	166,493	NIL
TOTAL	166,493	930,640

16.2. Details of Finished Goods-At Factory

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Grapes	23,186,807	37,863,861
Mango Pulp	3,940,469	19,682,225
Pomegranate Concentrate	23,235,694	3,637,197
Guava Pulp	1,054,361	5,985,122
Tomato Paste	3,179,103	10,453,599
Other	510,599	213,274
TOTAL	75,107,033	77,835,279

16.3. Details of Finished Goods- In Transit

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Grapes	222,994,657	129,158,864
Mango Pulp	3,602,205	1,100,799
Guava Pulp	NIL	457,247
Pomegranate Concentrate	654,178	NIL
TOTAL	227,251,040	130,716,910

17. TRADE RECEIVABLES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	NIL	158,404
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured considered good	157,661,565	96,500,368
TOTAL	157,661,565	96,658,772

18. CASH AND BANK BALANCES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Cash & Cash Equivalent		
- Balance with Banks	7,372,882	13,987,289
- Cash on hand	3,281,307	2,668,425
	10,654,189	16,655,714
Other Bank Balances		
- Margin money deposit against Bank Guarantee	2,385,249	1,697,175
- In Unclaimed Dividend Account	870,447	1,086,635
	3,255,696	2,783,810
TOTAL	13,909,885	19,439,524

19. SHORT-TERM LOANS AND ADVANCES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Unsecured considered good		
Balance with Government Authorities	6,693,922	8,064,533
Advances to Suppliers	3,147,606	2,018,017
Advances for Expenses	7,301	1,275,670
Prepaid Expenses	3,372,840	3,970,932
Damage Claim Receivable (₹)	10,819,743	NIL
Other Advances	14,020,904	1,045,615
TOTAL	38,062,316	16,374,767

Note : Other Advances includes amount receivable against forward contract (net of payable)

£ There was a technical problem in shipping vessel for transit of goods. Due to same the goods were delivered in a damaged condition. The Company had fully insured its goods in transit & hence the Company does not foresee any loss for the same. The same amount has been shown under Damage Claim Receivable account.

20. OTHER CURRENT ASSET

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Share Issue Expenses		
Opening Balance	38,788	305,100
Add: Addition during the year	121,884	NIL
Less: Written off during the year	141,280	266,312
Closing Balance	19,392	38,788
Deferred Revenue Expenditure		
Opening Balance	NIL	52,181
Less: Written off during the year	NIL	52,181
Closing Balance	NIL	NIL
TOTAL	19,392	38,788

21. REVENUE FROM OPERATIONS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Sale of Products	863,713,639	576,889,075
Sale of Services – Job Work	18,242,214	7,624,575
Other Operating Revenues – Export Incentive etc.	33,183,716	27,616,981
	915,139,569	612,130,631
Less: Excise Duty	2,543,380	693,550
TOTAL	912,596,189	611,437,081

21.1 Details of Products Sold

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Manufactured Goods		
Grapes	651,052,302	419,220,448
Pomegranates	11,415,225	5,557,905
Mango Pulp	50,579,063	58,225,073
Pomegranate Concentrate	86,476,600	52,688,937
Guava Pulp	44,128,752	27,991,311
Tomato Paste	14,030,738	6,253,886
Fruit Compound	4,971,357	NIL
Others	1,059,602	383,580
Traded Goods		
Oranges	NIL	5,812,825
Mango Pulp	NIL	755,110
Grapes	NIL	NIL
TOTAL	863,713,639	576,889,075

22. OTHER INCOME

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
FWC Premium / (Discount)	5,463,881	2,810,106
Interest Income	476,144	225,247
Marine Insurance Claim Income	1,911,614	NIL
Foreign Exchange Gain	9,636,132	NIL
Storage Income	652,410	NIL
Government Grant Recognized	4,292,306	4,303,080
TOTAL	22,432,488	7,338,433

23. COST OF MATERIALS CONSUMED

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
<u>Raw Material Consumption</u>		
Opening Stock	930,640	746,400
Add: Purchase	559,679,960	324,728,447
	560,610,600	325,474,847
Less: Closing Stock	166,493	930,640
Total (A)	560,444,107	324,544,207
<u>Packing Material Consumed</u>		
Opening Stock	25,581,322	26,387,391
Add: Purchase	100,858,149	73,297,869
	126,439,471	99,685,260
Less: Closing Stock	28,818,608	25,581,322
Total (B)	97,620,863	74,103,938
<u>Consumables Consumed</u>		
Opening Stock	509,922	861,877
Add: Purchase	4,173,413	2,774,914
	4,683,335	3,636,791
Less: Closing Stock	401,298	509,922
Total (C)	4,282,037	3,126,869
TOTAL	662,347,007	401,775,014

23.1 Details of Raw Materials, Packing Materials & Consumables consumed

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Raw Material		
Grapes	407,962,642	214,461,388
Pomegranates	88,975,425	46,069,401
Mango	40,079,811	48,730,311
Guava	17,391,633	12,197,135
Tomato	3,181,930	2,953,032
Others	2,852,666	132,940
Packing Materials	97,620,863	74,103,938
Consumables	4,282,037	3,126,869
TOTAL	662,347,007	401,775,014

23.2 Composition of Consumption

Particulars	As At 31.03.2013		As At 31.03.2012	
	In ₹	In %	In ₹	In %
Raw Materials				
Imported	NIL	0.00%	NIL	0.00%
Indigenous	560,444,107	100.00%	324,544,207	100.00%
TOTAL	560,444,107	100.00%	324,544,207	100.00%
Packing Materials				
Imported	34,907,461	35.76%	23,555,546	31.79%
Indigenous	62,713,402	64.24%	50,548,392	68.21%
TOTAL	97,620,863	100.00%	74,103,938	100.00%
Consumables				
Imported	1,764,023	41.20%	506,890	16.21%
Indigenous	2,518,014	58.80%	2,619,979	83.79%
TOTAL	4,282,037	100.00%	3,126,869	100.00%

24. PURCHASE OF STOCK-IN-TRADE

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Opening Stock	NIL	NIL
Add: Purchase	NIL	6,256,623
	NIL	6,256,623
Less: Closing Stock	NIL	NIL
TOTAL	NIL	6,256,623

25. CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Cl.Stock Finished Goods-In Transit	227,251,040	130,716,910
Cl.Stock Finished Goods-At Factory	75,107,033	77,835,279
Total (a)	302,358,073	208,552,189
Op.Stock Finished Goods-In Transit	130,716,910	141,399,448
Op.Stock Finished Goods-At Factory	77,835,279	23,001,775
Total (b)	208,552,189	164,401,223
Variation in Excise Duty on Closing & Opening stock of FG	370,610	205,375
TOTAL	(93,435,274)	(43,945,591)

26. EMPLOYEE BENEFITS EXPENSES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Salaries Bonus & Allowances	32,532,699	26,437,831
Contribution towards Gratuity & Provident Fund	1,747,351	2,210,752
Staff & Labour Welfare expenses	794,301	607,302
TOTAL	35,074,351	29,255,885

26.1 Employees Benefits

a) Defined Benefit Plan

Gratuity:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following table summarizes the components of net benefit expenses recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity benefit.

1 Assumptions	As on 31.03.2013	As on 31.03.2012
Discount Rate	8%	8%
Salary Escalation	7%	7%
2 Table showing changes in present value of obligations		
Present value of obligations as at beginning of year	2,194,877	1,200,074
Interest cost	175,590	96,006
Current Service Cost	277,500	277,500
Benefits Paid	NIL	NIL
Actuarial (gain)/Loss on obligations	(321,094)	621,297
Present value of obligations as at end of year	2,326,873	2,194,877

	As on 31.03.2013	As on 31.03.2012
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	1,893,238	1,580,796
Expected return on plan assets	183,689	146,714
Contributions	442,048	165,728
Benefits paid	NIL	NIL
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	2,518,975	1,893,238
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	1,893,238	1,580,796
Actual return on plan assets	183,689	146,714
Contributions	442,048	165,728
Benefits Paid	NIL	NIL
Fair value of plan assets at the end of year	2,518,975	1,893,238
Funded status	192,102	(301,639)
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31 st March)	NIL	NIL
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	321,094	(621,297)
Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
Total (gain)/Loss for the year	(321,094)	621,297
Actuarial (gain)/Loss recognized in the year	(321,094)	621,297
6 The amounts to be recognized in the balance sheet and statements of profit and loss		
Present value of obligations as at the end of year	2,326,873	2,194,877
Fair value of plan assets as at the end of the year	2,518,975	1,893,238
Funded status	192,102	(301,639)
Net Asset/(liability) recognized in balance sheet	192,102	301,639
7 Expenses Recognized in statement of Profit & loss		
Current Service cost	277,500	277,500
Interest Cost	175,590	96,006
Expected return on plan assets	(183,689)	(146,714)
Net Actuarial (gain)/Loss recognized in the year	(321,094)	621,297
Expenses recognized in statement of Profit & loss	(51,693)	848,089

b) Defined Contribution Plan

The company has recognized the following amount in profit and loss account which is included under contribution to funds.

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Employer's contribution to Provident Fund	1,738,162	1,341,969

27. FINANCE COST

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Interest Expenses	21,510,730	24,328,097
Net Foreign exchange loss/(gain) on Foreign currency borrowings	(202,073)	22,818
Other borrowing costs	2,834,809	2,062,008
	24,143,467	26,412,923
Less: Financial charges Capitalized	481,228	Nil
TOTAL	23,662,239	26,412,923

28. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Depreciation	23,683,671	23,065,757
Amortization of Intangible Assets	47,648	44,162
TOTAL	23,731,319	23,109,919

29. OTHER EXPENSES

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
<u>MANUFACTURING EXPENSES</u>		
Labour charges	11,171,382	10,529,290
Pre-cooling, Processing & Labour Charges	5,547,084	NIL
Power & Fuel	18,159,446	15,880,485
Inward Transportation	4,807,887	4,411,332
Repairs & Maintenance	3,524,546	2,806,011
Testing Expenses	2,258,143	1,167,799
Procurement Expenses	1,592,170	736,637
Temporary Ripening Shed Expenses	1,142,946	1,033,032
Others Factory Expenses	4,888,918	3,330,767
Total (a)	53,092,522	39,895,353
<u>SELLING & DISTRIBUTION EXPENSES</u>		
Foreign Selling Expenses	63,547,437	65,094,329
Other Selling & Distribution Expenses	3,989,659	4,089,078
Forwarding & Freight Charges	99,854,299	38,193,711
Total (b)	167,391,394	107,377,118

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
<u>ADMINISTRATIVE AND OTHER EXPENSES</u>		
Rent Rates & Taxes	767,382	753,476
Insurance Expenses	1,262,419	910,240
Stationery & Printing Expenses	289,425	259,553
Telephone & Internet Expenses	659,198	755,024
Advertisement Expenses	252,036	120,634
Computer Expenses	151,578	86,969
Foreign Exchange Loss	NIL	10,921,046
Director Sitting Fees	75,000	50,000
Professional & Legal fees (#)	1,678,968	3,211,472
Vehicle Expenses	1,200,614	974,839
Repairs & Maintenance to Building / Office	739,731	741,224
Listing Fees	78,652	77,210
Loss on sale of Asset	60,877	73,492
Membership Fees	51,955	520,843
Security Expenses	483,667	522,748
Misc. Expenditure Written Off	141,280	318,493
Prior Period Items (Net) (*)	54,794	(223,341)
Other Expenses	2,271,851	994,240
Total (c)	10,219,427	21,068,161
TOTAL (a+b+c)	230,703,344	168,340,632

Payment to Statutory Auditor's included in Professional & Legal Fees (Including Service Tax)

	2012-2013	2011-2012
i) Audit Fees	449,440	449,440
ii) Tax Audit Fees	56,180	56,180
iii) Taxation Matters	56,180	56,180

*** Prior period items (net) represents:-**

Prior Period Items	2012-2013	2011-2012
Debits relating to earlier years	99,995	17,491
Credits relating to earlier years	(45,201)	(240,832)
Prior Period Items (net)	54,794	(223,341)

30. CONTINGENT LIABILITY :

Sr. No.	Nature of Liabilities	2012-13 In ₹	2011-12 In ₹
(a)	Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances)	3,516,000	NIL
(b)	Estimated amount of Custom/Excise duty liability in respect of Capital Goods purchased without payment of duty under EPCG Scheme	8,959,826	7,099,051
(c)	Estimated amount of duty liability on stock of duty free materials	6,192,681	4,021,704
(d)	Disputed matters in appeals/contested in respect of Income Tax	6,612,398	6,612,398
(e)	Disputed matters in appeals/contested in respect of Service Tax	45,744,054	NIL
(f)	Bank Guarantees	3,500,000	3,250,000
(g)	Letter of Credit	4,950,188	NIL
(h)	Other Liabilities	NIL	147,738

31. The Company has exercised the option of implementing the Provisions of Paragraph 46 of Accounting Standard 11 " Accounting for the Effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Amendment Rules 2009 in the F.Y. 2008-09 and accordingly Company has added the foreign exchange loss of ₹ NIL/- in respect of foreign currency loans to the Fixed Assets during the current Financial Year consequently gain for the year is reduced by the equivalent amount. Company had capitalized Exchange Difference Loss of ₹ 1,59,706/- in the previous year in respect of foreign currency loans.

32. Tax Expenses

Particulars	As At 31.03.2013 In ₹	As At 31.03.2012 In ₹
Current Tax		
- For the year	9,806,700	660,000
- MAT Credit Entitlement	(9,806,700)	(660,000)
Deferred Tax		
- For the year	17,540,433	2,178,734
Tax in respect of Earlier Years	32,171	NIL
TOTAL	17,572,604	2,178,734

33. Earning per Equity Share (EPS)

Basic and Diluted EPS are recorded in accordance with Accounting Standard 20 'Earning per Share'. Earning per Share is calculated by dividing the profit attributable to the Equity Shareholders (after adjustment for deferred taxes) by the weighted average number of Equity Shares outstanding during the period. The numbers used in calculating Basic and Diluted EPS are as stated below.

PARTICULARS	31.03.2013 (Amount ₹)	31.03.2012 (Amount ₹)
Basic Earning per Share		
Profit / (loss) after Tax	35,373,087	5,391,375
Weighted average numbers of Equity Shares for calculation of Basic EPS	11,122,260	11,045,000
Basic EPS	3.18	0.49
Nominal Value per Share	10.00	10.00
Diluted Earning per Share		
Profit / (loss) after Tax	35,373,087	5,391,375
Weighted average numbers of Equity Shares for calculation of Dilutive EPS	11,225,435	11,045,000
Basic EPS	3.15	0.49
Nominal Value per Share	10.00	10.00

34. Related Party Disclosure
a) Names of related parties and nature of relationship.

- i) Enterprise under significant influence of Key Management personnel
 - 1) Freshcap Investments Pvt. Ltd. (Formerly known as Capital Packaging Pvt. Ltd.)
 - 2) Agrofoyer Solutions Pvt. Ltd.
 - 3) Freshfal Pvt. Ltd.
- ii) Key Management Personnel
Mr.Ashok V. Motiani - Chairman and Managing Director.
Mrs.Nanita A. Motiani – Executive Director
- iii) Relatives of Key Management Personnel
Mrs. Priyanka Tandon
Mr. Mayank Tandon
Ms. Dipti Motiani

b) Transactions with related parties.

Nature of Transactions	Enterprise under significant influence of Key Management personnel	Key Management Personnel	Relative of Key Management Personnel
I) Volume of Transactions			
i) Remuneration	NIL	7,500,000	6,028,200
ii) Perquisites	NIL	62,199	NIL
iii) Interest Paid	760,465	NIL	NIL
iv) Loan Taken	11,100,000	44,552	1,000,000
v) Loan Repaid	14,999,343	44,552	1,000,000
vi) Reimbursement	NIL	NIL	150,036
II) Outstanding Balance at the close of the year			
i) Unsecured Loan	1,857,284	NIL	NIL
ii) As Creditors	NIL	325,070	687,764

Note : No amounts pertaining to related parties have been provided for as doubtful debts. Also no amounts have been written off or written back during the year.

35. The company has entered in following forward exchange contracts that are outstanding as at 31st March 2013 to hedge the foreign currency risks of firm commitments

Category	Currency	Buy/Sell	Purpose	31.03.2013		31.03.2012	
				Amount in FC	Amount ₹	Amount in FC	Amount ₹
Forward	Euro/INR	Sell	Hedging	1,677,860	116,684,760	1,100,000	75,174,330
Contract	Euro/USD	Sell	Hedging	NIL	NIL	400,000	27,336,120
against	GBP/INR	Sell	Hedging	548,236	45,131,277	800,000	65,439,360
Exports	USD/INR	Sell	Hedging	659,643	35,877,521	300,000	15,346,950

Details of unhedged Foreign currency Exposure as at 31 March 2013

Category	Currency	31.03.2013		31.03.2012	
		Amt in FC	Amt in ₹	Amt in FC	Amt in ₹
Creditors	EURO	418,207	29,084,338	131,550	8,990,174
	USD	585,495	31,912,378	691,067	35,545,140
Debtors/Consignee	EURO	1,128,621	92,909,127	1,108,726	75,770,635
	GBP	763,717	53,111,814	NIL	NIL
	USD	613,637	33,375,271	67,496	3,452,861

36. Segment information as per Accounting Standard 17 on Segment Reporting for the year ended 31st March 2013

a. **Information about Primary Business Segment:**

Amount in ₹ (Figures for P.Y. are given in brackets)

PARTICULARS	BUSINESS SEGMENTS		Unallocated	GRAND TOTAL
	Fresh Fruits	Processed Fruits & Vegetables		
Segment Revenue				
External Revenue	693,823,587 (456,997,108)	218,772,602 (154,439,973)	-	912,596,189 (611,437,081)
Inter-segment Revenue	- (-)	- (-)	- (-)	- (-)
Total Revenue	693,823,587 (456,997,108)	218,772,602 (154,439,973)	- (-)	912,596,189 (611,437,081)
Results				
Segment Result	85,085,091 (51,671,096)	-12,289 (-6951444)	- (-)	85,072,802 (44,719,652)
Unallocated Expenses	- (-)	- (-)	11,347,558 (12,970,246)	11,347,558 (12,970,246)
Operating Profit/(Loss)	85,085,091 (51,671,096)	-12,289 (-6951444)	(11,347,558) (12,970,246)	73,725,244 (31,749,406)

PARTICULARS	BUSINESS SEGMENTS		Unallocated	GRAND TOTAL
	Fresh Fruits	Processed Fruits & Vegetables		
Less: Interest Expenses	- (-)	- (-)	21,296,427 (24,328,097)	21,296,427 (24,328,097)
Add: Other Income	- (-)	- (-)	516,874 (148,800)	516,874 (148,800)
Less: Income Tax (including Deferred Tax)	- (-)	- (-)	17,572,604 (2,178,734)	17,572,604 (2,178,734)
Less: Exceptional Items	- (-)	- (-)	- (-)	- (-)
Net Profit/(Loss)	85,085,091 (51,671,096)	-12,289 (-695,144)	-49,699,715 (-393,282,277)	35,373,087 (5,391,375)
Segment Assets	553,277,143 (393,126,570)	403,105,982 (385,592,341)	- (-)	956,383,125 (778,718,911)
Unallocated Corporate Assets	- (-)	- (-)	28,279,329 (22,529,227)	28,279,329 (22,529,227)
Total Assets	553,277,143 (393,126,570)	403,105,982 (385,592,341)	28,279,329 (22,529,227)	984,662,454 (801,248,138)
Segment Liabilities	425,145,313 (312,887,466)	109,623,339 (86,159,635)	- (-)	534,768,652 (399,047,101)
Unallocated Corporate liabilities	- (-)	- (-)	83,137,865 (62,619,658)	83,137,865 (62,619,658)
Total Liabilities	425,145,313 (312,887,466)	109,623,339 (86,159,635)	83,137,865 (62,619,658)	617,906,517 (461,666,759)
Capital Expenditure	12,730,591 (52,878)	14,138,700 (3,535,084)	183,600 (2,263,983)	27,052,891 (5,851,945)
Depreciation Impairment and amortization	7,693,506 (7,455,937)	15,267,579 (14,957,163)	770,234 (696,819)	23,731,319 (23,109,919)
Non-Cash Expenditure (excluding depreciation and impairment)	- (73,492)	60,877 (-)	- (-)	60,877 (73,492)

The Company has disclosed business segment as primary segment. Segments have been identified and reported taking into account the nature of the products the different risks and returns the organization structure and the internal reporting systems. The main business segments are (i) Fresh Fruits which consist of Fresh Grapes Pomegranates and Mangoes (ii) Processed Fruits and Vegetables consist of Mango Pulp Guava Pulp Pomegranates Concentrate and Tomato Paste & Puree.

b. Information about Secondary Segment

In respect of secondary segment information the Company has identified its geographical segments as (i) India and (ii) Outside India. The secondary segment information has been disclosed accordingly:

		Amount in ₹	
Geographical Segment	31.03.2013	31.03.2012	
Revenue by Geographical segment – Turnover			
India	188,925,770	126,945,021	
Outside India	723,670,419	484,492,060	
Total	912,596,189	611,437,081	
Carrying Amount of Segment Assets			
India	816,162,288	697,405,725	
Outside India	140,220,837	81,313,186	
Total	956,383,125	778,718,911	
Segment Capital Expenditure			
India	26,869,291	3,587,962	
Outside India	NIL	NIL	
Total	26,869,291	3,587,962	

37. Expenditure incurred on employees in receipt of remuneration of not less than ₹ 60,00,000/- P.A. or ₹ 5,00,000/- P.M. if employed for a part of the year.

	Employed throughout the year		Employed for part of the year	
	2012-2013	2011-2012	2012-2013	2011-2012
Salary & Wages	6000000	NIL	NIL	NIL
No. of Employees	1	NIL	NIL	NIL

38. Value of Imports calculated on CIF basis:

	2012-2013	2011-2012
Raw Material	NIL	3,567,110
Packing Material	34,423,141	19,300,133
Consumables	1,365,250	402,259
Capital Goods	8,395,101	NIL
Others	429,553	355,926

39. Expenditure in Foreign Currency:

	2012-2013	2011-2012
Foreign Selling Expenses	63,547,437	65,094,329
Foreign Travelling Expenses	169,555	196,364
Interest on Foreign Currency Loan	NIL	19,763
Foreign Sea Freight	63,558,448	22,915,504
Other Expense	400,389	848,701

40. Earning in Foreign Currency

	2012-2013	2011-2012
Sales of Fresh Fruits	649,910,176	412,500,483
Sales of Processed Fruits	40,576,527	44,374,596

41. Previous year's figures have been rearranged and reclassified wherever necessary.

As per our report of even date attached
 For, **MAYANK SHAH & ASSOCIATES**
 Chartered Accountants
 (Firm Reg. No. 106109W)

(M. S. Shah)
 Partner
 M. No. 44093

Place: Ahmedabad
 Date : 30.05.2013

For and on behalf of the Board of Directors

Ashok V. Motiani *Managing Director*
Nanita A. Motiani *Executive Director*
Mayur J. Shah *Director*
Ramchandra Joshi *Director*
Dinesh Oza *Director*
Jignesh J. Gandhi *Company Secretary*

Place: Ahmedabad
 Date : 30.05.2013

FRESHTROP FRUITS LIMITED

Regd. Office : A-603, Shapath IV, Opp. Karnavati Club, S G Road, Ahmedabad - 380015.

FORM OF PROXY

I/We _____ being a Member / Members of Freshtrop Fruits Limited hereby appoint Mr./Mrs. Miss _____ of _____ in the district of _____ and failing him/her Mr./Mrs./Miss _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 21st Annual General Meeting of the Company to be held on Friday, 27th September, 2013 at "Karnavati Club, S.G. Road, Ahmedabad - 380 015" at 11.00 a.m. and at any adjournment thereof.

Folio / Client ID : _____

DP ID Nos. : _____

No. of Shares held : _____

Signature _____



Signed the _____ day of _____ 2013.

Note : Proxies in order to be valid must be duly filled in, stamped, signed and deposited at the registered office of the Company not less than 48 Hours before the time of commencement of the Meeting.

FRESHTROP FRUITS LIMITED

Regd. Office : A-603, Shapath IV, Opp. Karnavati Club, S G Road, Ahmedabad - 380015.

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Member / Proxy _____
(First) (Middle) (Surname)

I hereby record my presence at the 21st Annual General Meeting of the Company to be held on Friday, 27th September, 2013 at 11.00 a.m. at "Karnavati Club, S.G. Road, Ahmedabad - 380 015".

Folio / Client ID : _____

DP ID Nos. : _____

No. of Shares held : _____

Signature of member/Proxy : _____

Notes:

1. The meeting is only for members. Please, therefore, do not bring person in the meeting who is not a member.
2. Please bring this attendance slip duly signed and hand it over to the representative of the Company at the entrance of the meeting place



Fruit Washer



Seed Waste Conveyor



Ultra Filtration



Ariil Tank



Stabilization Tanks



Plate Evaporator



Membrane Press



Vacuum Filter



Laboratory



Book-Post

To,

If undelivered, please return to:

FRESHTROP FRUITS LIMITED

Regd. Office: A-603, Shapath IV,
Opp. Karnavati Club, S.G. Road,
Ahmedabad - 380 015, Gujarat, INDIA.
Tel: +91-79-40307050-57 (8 lines),
Fax: +91-79-66527069
www.freshtrop.com, info@freshtrop.com

