

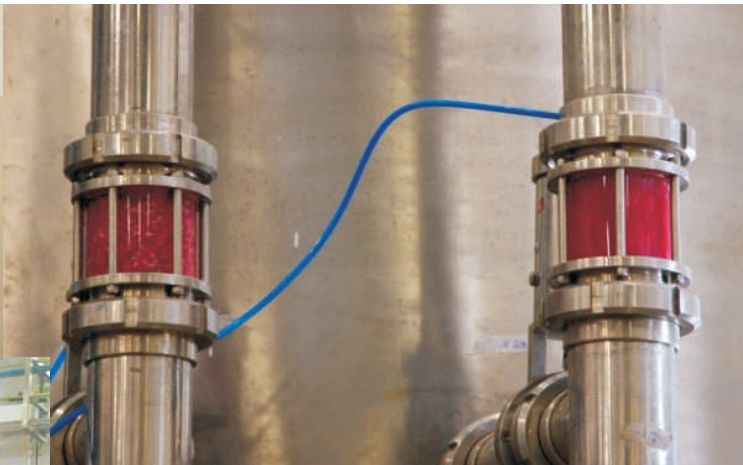


Good to eat, Good & Safe for Health

ANNUAL REPORT 2008-2009



FRESHTROP FRUITS LIMITED



Glimpses of the New Food Processing Facility



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**ANNUAL REPORT
2008 - 2009****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>Director</i>
Mr. Mayur J. Shah	<i>Director</i>

AUDITORS

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

COMPANY SECRETARY

Ms. Bharti M. Hingorani

BANKERS

Axis Bank Ltd.
ABN AMRO Bank B.V.

REGISTERED OFFICE

A-603, Shapath IV,
Opp. Karnavati Club,
S.G. Road, Ahmedabad - 380 051.

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 - 416 311,
Maharashtra, INDIA.

PLANT - III

Gat No. 2425/26/30/31
Malharpet-Pandharpur Road,
Tal. : Khatav,
Dist. : Satara - 415 312,
Maharashtra, INDIA.

PLANT - IV

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

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.

NOTICE

NOTICE is hereby given that **17th** Annual General Meeting of the Members of Freshrop Fruits Limited, will be held on Tuesday, 29th September, 2009 at 11.00 a.m. at Karnavati Club, S.G. Road, Ahmedabad-380 051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the period ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Mayur J. Shah, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT subject to the approval of Central Government u/s 314(1B) of the Companies Act, 1956, the consent of the Company be and the same is hereby accorded to Ms. Dipti A. Motiani daughter of Mr. Ashok V. Motiani, Managing Director and Mrs. Nanita A. Motiani, Executive Director of the Company for holding and to continue to hold an office or place of profit as Vice President, Operations and Technical, in the Company at a revised salary of Rs. 200,000 p.m. in the grade of Rs. 200,000-20,000-300,000-30,000-450,000/- w.e.f. 01.02.2009 and she shall be further entitled to, as per the rules, extra increments, allowance, leave benefits, amenities and entitlements, including medical reimbursement which are applicable to other officers of the same category."

"RESOLVED FURTHER THAT this resolution shall be deemed to confer the necessary authority to the Board of Directors to sanction the increments within the grade as they may deem fit and proper to promote her to any higher remuneration at their discretion and in due course, together with the allowance and benefits as may be applicable to the grade or grades for the time being and to give increments within the grade or grades as they deem fit and proper."

Date : 29.06.09
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 051

By order of the Board
For Freshrop Fruits Ltd.,

Ashok 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 and such proxy need not be a member of the Company.
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. The Proxies should be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from 19th September, 2009 to 29th September, 2009 (both days inclusive).
4. 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 – 380 051 at least 7 days before the date of the meeting.
5. Additional details in terms of Clause 49 of Listing Agreement in respect of Directors being re-appointed are given as under.

Date : 29.06.09
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 051

By order of the Board
For Freshrop Fruits Ltd.,

Ashok Motiani
Chairman & Managing Director

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

Item No. 4

Ms. Dipti A. Motiani who has been holding the office of the Business Development Executive, is a daughter of Mr. Ashok V. Motiani and Mrs. Nanita A. Motiani who are Managing Director and Executive Director of your Company. Sub Section (1B) of section 314 of the Companies Act, 1956 provides that no relative of a Director should hold any place of profit in the Company which carries total monthly remuneration of Rs. 50,000 or more in the Company, except with the consent of the Company by Special Resolution. Further, the Company has set up a new fruit juice concentrate making plant at Nasik. Your Board of Directors are of the view that Ms. Dipti A. Motiani should be promoted as Vice President, Operations & Technical, in the Company which vests tremendous duties and responsibilities. At present, she is actively involved, along with other top officials of the Company, in professionalizing the management of the Company and takes care of day to day activities at Food Processing Unit. The Board of Directors taking into consideration her experience, alternative salary structure for similar employment to other personnel and future work load of the Company decided to increase her remuneration as mentioned in the Resolution, subject to the approval of Central Government, as required by sub-section (1B) of section 314 of the Companies Act, 1956.

Ms. Dipti A. Motiani is a Post Graduate in Electrical and Computer Engineering from Carnegie Mellon University, USA. She did her B.E in Computer Engineering from Nirma Institute of Technology, Gujarat, India. Before joining this Company since January, 2009, She worked as co-founder of a Fabbrix Inc. (US based Company) immediately after completing her Masters in 2005 and played major role in incorporation and running the business of the Fabbrix Inc. This start-up Company developed innovative technologies and registered certain patents. Fabbrix was then acquired by PDF solutions Inc. and she took up the charge as Sr. Engineer in PDF Solutions Inc., since 2007. She brings with her over 5 years of a very valuable experience in developing a new business enterprise. Her association with Freshtrop, involves, strengthening the top management team and more efficient handling of the operations at Food Processing Unit. Her commitment to quality, strive for excellence and sincerity of discharging responsibilities are an invaluable asset for your Company. Your Directors are confident that Ms. Dipti A. Motiani will benefit the Company significantly.

The Board recommends the resolution for approval of Shareholders.

None of the directors except Mr. Ashok V. Motiani and Mrs. Nanita A. Motiani are interested in the aforesaid resolution and recommend your acceptance thereof in the interest of the Company.

Date : 29.06.09
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 051

By order of the Board
For Freshtrop Fruits Ltd.,

Ashok Motiani
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

The Managing Director presents 17th Annual Report and the Audited Statement of Accounts of the Company for the period ended 31st March, 2009.

FINANCIAL RESULTS:

The working results of the Company for the period ended 31st March, 2009 are as follows :

	2008-2009(Rs.)	2007-2008(Rs.)
Total Income	392,619,911	423,078,426
Gross Profit before depreciation and tax	15,223,468	64,061,616
Less : Depreciation	8,834,250	7,490,960
Net Profit after depreciation	6,389,218	56,570,755
Less : Deferred Taxation	1,524,590	8,234,024
Less : Provision for Current Taxation	554,054	6,500,000
Less : Provision for FBT	210,000	210,000
Less : Wealth tax	10,000	23,439
Profit after Taxation	4,090,574	41,603,292
Add/(Less) : Balance of (Loss) of Previous Years	94,185,852	72,580,880
Prior Period Items	80,820	(1,679)
Amount transferred to General Reserve	—	20,000,000
Balance of Profit/(Loss) carried to Balance Sheet	98,195,606	94,185,851

OPERATIONS:**FRESH FRUITS SEGMENT :**

The year 2008-09 continues to reflect the results of a difficult 2008 season.

The total income reduced from Rs.423.08 millions to Rs. 392.62 millions. The profit after tax showed a much larger fall from 41.60 millions to just 4.09 millions. The results are a cumulative effect of the following very rare occurrences, all happening at the same time.

1. Late season in Chile overlapping with Indian season. This has never happened since we started our business in 1994.
2. Unseasonal rains in Southern Maharashtra starting with light showers on the 15th of March and heavy rains from 19th March continuously for over a week. This resulted in significantly reduced packing in two out of three of our packing stations. This also was the first time since we started this business.
3. Russia banned imports of Indian fresh produce because of some political considerations. This ban has now been lifted. This too has not happened since we started exports to Russia.

Our history shows that after every poor season we have had a better than normal subsequent season. True to our past experience our 2009 season has been good. The results are reflected in our performance of Q 1 of 2009-10.

To reduce our over dependence on seasonal business of exports of fresh produce, we aggressively took up the implementation of our expansion plan of food processing business.

As a part of a plan to further diversify the business activity, we have entered into an MOU with Government of Gujarat for establishing an integrated Cold Chain Infrastructure project in the State of Gujarat, during the Vibrant Gujarat Global Investor Summit, 2009.

During the year under review your Company won Corp Excel 2008 - National mSME Excellence Award, instituted by Corporation Bank.

FOOD PROCESSING SEGMENT:

During the year 2008-09, the Company set up Food Processing and Fresh Pomegranate Aril extraction plant at Nasik with production capacity to process about 100MTons of fruit per day. The Company has invested over Rs.275 millions as on 31st March, 2009 on this project.

The commercial production at this plant started on 28th April 2009 and we have processed Mangoes, Guavas and Pomegranates in the 1st Quarter of 2009-10. The facility is now fully operative.

In this new processing unit, Company is planning to produce the following:

- 1) Mango Pulp (Totapuri, Alphonso and Kesar)
- 2) White Guava Pulp
- 3) Pomegranate Juice Concentrate both clear and cloudy
- 4) Pomegranate Arils

Further, the management is thinking of exploring new products to be processed in this unit.

The GOI has been very supportive to our Industry. Ministry of Food Processing has approved a grant-in-aid of Rs. 10 Crore (Rs. Ten Crore only) as financial assistance to our Company for setting up of integrated infrastructure of Farm to Consumer linkage including collection centre, Mobile pre-cooler, pre-cooling units, value addition and preservation infrastructure at various location in Maharashtra and Gujarat.

DIVIDEND:

In view of the commitment of the Company towards running of the Food Processing and Fresh Pomegranate Aril extraction plant established in Nasik, the Board of Directors are of the view to conserve the resources and do not recommend dividend for this year.

DIRECTORS:

Shri Mayur J. Shah, 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 and 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.

FIXED DEPOSIT:

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

FINANCE:

The Company continues to avail working capital Finance of Rs. 86.50 millions from Axis Bank for the core activity of the Company.

During the year the Company established Food Processing unit at Nasik and incurred a cost of Rs. 275 millions until 31st March 2009. The Company has incurred a debt (including Buyer's Credit) of Rs. 137.41 millions from ABN Amro Bank and Rs.33.03 millions from Axis Bank for this purpose. The Company has also been sanctioned a working capital loan of Rs 30 millions to meet the day to day requirements of the processing unit.

There has been a cost overrun of Rs.29.1 millions in establishing the food processing unit. This was mainly due to a steep increase in the price of steel and cement during the construction period of the main building and due to a delay of about 3 months in starting commercial production.

PARTICULARS REGARDING EMPLOYEES:

Statutory statement of particulars of employees under section 217, sub-section (2A) of the Companies Act, 1956 read with the Companies [Particulars of Employees Rules] 1975, as amended as mentioned below and forms an integral part of this Report.

Name	Designation	Age (Yrs)	Qualification	Total Experience (Yrs)	Date of Joining	Last employment	Remuneration
1	2	3	4	5	6	7	8
Ashok V. Motiani	Chairman & Managing Director	59	B. Tech (IIT, Mumbai)	34	30.09.1992	Nil	44,99,944
Mayank R. Tandon	COO, Food Processing Unit	38	B.Tech (MIT, Manipal)	10	01.11.2002	Director, Agrofoyer Solutions Private Limited	5,76,000*

Note: *The Company received approval of the Ministry of Corporate Affairs, Government of India, on 3rd June, 2009 for increasing the remuneration of Mr. Mayank R. Tandon not exceeding Rs. 2,25,000/- per month w.e.f. 29.09.2008.

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, your Directors confirm the following:

1. In the preparation of the Annual Accounts, the applicable accounting standards have been followed.
2. Your Directors have selected such accounting policies which are reasonable and prudent and applied them consistently. They have made judgments and estimates, so as to give a true and fair view of the state of affairs of the Company for the financial year ended on 31st March, 2009.
3. Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. Your Directors have prepared the attached statements of accounts for the year ended 31st March, 2009 on a going concern basis.

ENERGY CONSUMPTION:

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

		2008-2009	2007-2008
1. Electricity			
a) Purchased			
Units	Kwh	296710	290230
Total amount	Rs.	1725648	2317848
Rate / Unit	Rs.	5.82	7.98
b) Own Generation through Diesel Generator Set			
Units			
Diesel			
Quantity	Ltrs	21997	46208
Total Amount	Rs.	748344	1638573
Average rate	Rs.	34.02	35.46

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 earning during the year amounts to Rs. 375,395,387/- (Pr Yr. Rs. 384,943,395/-) and Foreign Exchange outgoing during the year amounts to Rs. 92,335,419/- (Pr. Yr. Rs. 99,208,640/-)

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 supports the basic principles of 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.

AUDITORS & AUDITORS REPORT:

M/s. Mayank Shah & Associates, Chartered Accountants, retires at the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office, if re-appointed.

Notes forming part of the accounts are self explanatory and therefore, do not require any further comments.

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, ABN Amro Bank and their officers, Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Food Processing (MFPI) and all other well wishers, for their timely support.

Date : 29.06.09
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 051

By order of the Board
For Freshtrop Fruits Ltd.,

Ashok 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 :

Indian Agriculture has undergone significant transformation in the last few years. The changes range from new entrants in this very important activity, to technological advancements. Farming has now become more scientific. Use of chemicals either for fumigation or for control of pests and diseases, has to be judicious in nature. Nutritional values and Food Safety requirements are taking precedence over physical properties like good taste and attractive looks. Organic products are gaining popularity and commanding increased premiums.

Exports of agricultural produce from India to developed markets of Western Europe have played an important role in this transformation. Stringent requirements of hygiene conditions and food safety controls in agricultural activities have made the Indian farmers adopt latest technologies in their farms. All the grapes exported to EU are tested for chemical residues by approved laboratories even before being allowed for exports to Europe and now this system is being extended to other fruits. GlobalGAP(Good Agricultural Practices) requirements have compelled the growers to document all their agricultural activities, like the source of their seeds, use of chemicals with the dosage and maintenance of their equipments. The growers themselves are pleasantly surprised to know all this is not a difficult process and in fact helps them avoid use of unnecessary expensive chemicals thereby reducing their costs.

Large Indian Corporates have once again entered into this business. Their objectives seem to be directed towards setting up distribution system for the domestic market. It would be interesting to see how they move in the near future. Small traders find it difficult to survive as the business moves towards larger turnovers and lower margins. Grower exporters are also finding it difficult to do business as they are largely confined to their own produce which could be some times good and some other time not good enough for exports, while the importers need consistency in supplies. This has resulted into fewer but larger exporters. Investments have started flowing into better post harvest handling facilities and this would help reduce wastages in distribution and improve availability of good fresh produce for the domestic markets.

New markets are opening up to Indian Fresh Produce imports. Mangoes seem to be the most favored fruit. USA, China and Japan are some of the promising markets.

2. OPPORTUNITIES AND THREATS:**OPPORTUNITIES**

India is the second largest producer of fruits and vegetables in the world and we have less than 1% share in the International trade of fresh produce.

We have a wide range of agro climatic conditions. We have diversified soil composition and climatic conditions with abundant sunlight. We have 180 million hectares of arable land as compared to 188 million hectares in the other whole of Asia including China.

We have 50% of the world's production of Mangoes and more than 1000 varieties making it possible for us to deliver anything that a consumer is looking for in mangoes.

We are geographically situated in the centre of the largest continent Asia making it possible for us to reach the Middle East or the Far East within a short time and at reasonable cost.

Agriculture has been declared by both the Central and State Governments as a thrust area for development support and exports of agricultural produce has clearly demonstrated the difference it can make to the farmers. The average realization of the grape growers increased multifold despite higher production.

70% of the Indian population depends on agriculture for their livelihood, It would therefore remain as a priority sector for development support for quite some time to come.

THREATS

Awareness among the consumers of the effects of pesticide residues and development of newer technologies for determining lower levels of chemical residues would result in increased pressure on the farmers for resorting to cultivation with minimal input of crop protection chemicals thereby impacting their productivity over short term.

Recurring drought and over dependence on the vagaries of nature still poses a risk for any agriculture related project.

3. SEGMENT WISE PERFORMANCE :

During the year under review the Company dealt only in one segment – Fresh Fruits, hence there is no specific differential information pertaining to this section.

4. RECENT TRENDS AND FUTURE OUTLOOK :

While increasing awareness amongst the consumers related to pesticide residues, poses a challenge, it also presents an opportunities for some. The recent trend clearly demonstrates the willingness of the consumer to pay more for good quality and safe fresh produce and this is a very positive indicator for our industry.

With increased thrust of the central and state governments, towards development of agri-based infrastructure, we can expect plethora of opportunities to present themselves given the as yet under utilized potential in this business within as well as outside India. The Company is well prepared to make the most of these opportunities and has a bright outlook for the future.

5. RISKS AND CONCERN :

Agriculture in India is still largely dependent on the vagaries of nature.

Over dependence on plant protection, chemicals and tightening norms for pesticide residues is presenting a significant challenge for the Indian farmers.

Similar land holding pattern in India is an obstacle for achieving high yield while reducing the cultivation expense.

While the Indian growers are getting exposed to newer techniques used abroad, the pace of reforms at that level needs to be improved in order to compete effectively in the International Markets.

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.

The Company also has appointed an external firm of Chartered Accountants to supplement the efficient Internal Audit.

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 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:

As a policy Freshrop Fruits Limited 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.

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 norm to have quality of the products known internationally.

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:

Composition & size of the Board

The present strength of the Board is four Directors. The Board of Directors of the Company comprises of optimum mix of both, Executive and Non-executive Directors with independent Directors. The Board members consist of persons with professional expertise and experience in various fields of Finance, Accounts, Management etc.

Classification of Directors	No. of Directors
Executive Directors	Two-Promoter Director
Non-Executive Directors	
- Independent Directors	Two-Non Promoter Director

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

- Mr. Ramchandra G. Joshi
- Mr. Mayur J. Shah

Number of Board Meeting held during the year along with the dates of Meeting

Six Board Meetings were held during the year 2008-2009. The dates on which the said meetings were held are as follows:

- | | | |
|----------------------|----------------------|-------------------------|
| 1) 30th June 2008 | 2) 30th July, 2008 | 3) 24th September, 2008 |
| 4) 24th October 2008 | 5) 11th January 2009 | 6) 27th January, 2009 |

The names and categories of the Directors 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 do 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 #	No. of Board Meeting Attended	Attendance at the last AGM	No. of specified Committees (Other than (FFL) in which chairman / Member	
				Chairman	Member
Mr. Ashok V. Motiani	Promoter & ED	6	Yes	None	None
Mrs. Nanita A. Motiani	Promoter & ED	6	Yes	None	None
Mr. Ramchandra G. Joshi	Independent & NED	5	Yes	None	None
Mr. Mayur J. Shah	Independent & NED	5	Yes	None	None

N.E.D.- Non-executive Director, E.D.-Executive Director.

Notes:

- This number excludes the directorships/committee memberships held in private companies and also of the Company.
- As required by the Companies Act, 1956 and Clause 49 of Listing Agreement, none of the directors hold directorship in more than 15 public companies, membership of board committees (audit / remuneration / investors grievance committees) in excess of 10 and chairmanship of board committees as aforesaid in excess of 5.

Details of Directors being appointed and re-appointed

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. Mayur J. Shah retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

A brief resume of the Directors appointed/eligible for re-appointment is as follows :

Mr. Mayur J. Shah

Mr. Mayur J. Shah, aged about 50 years is Bachelor of Commerce. He has vast experience in the field of public relation, legal and administration, which is helpful to the administration of the Company.

Mr. Mayur J. Shah is a member of the Audit Committee, Shareholders'/Investor Grievance Committee, Remuneration Committee of the Company. He is not on the Board of any other public limited company as Director, Member of or Chairman of the other public limited Company.

Information placed before the Board of Directors :

All major decisions regarding resource mobilization, capital expenditure, etc. are considered by the Board, in addition to day-to-day matters, which are statutorily required to be placed before the Board of Directors for its approval. Following information is regularly put up before the Board for its consideration and approval:

- Review of operational results
- Quarterly financial results
- Minutes of the meeting of Audit Committee, Remuneration Committee, Shareholder's/Investors' Grievance Committee of the Board.
- Compliance with various statutory requirements.

The Board is informed of all material, financial and commercial decision from time to time.

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:

<u>Name of the Members</u>	<u>Designation</u>
Mr. Ramchandra G. Joshi	Chairperson/NED and Independent
Mr. Mayur J. Shah	Member/NED and Independent
Mrs. Nanita A. Motiani	Member/ED

Mrs. Priyanka M. Tandon, Manager (Finance & Operation) is invitee as directed by the Committee.

Meeting and the attendance during the year

Five meetings of the Audit Committee were held during the year.

The power and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange.

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 2009.

The details of attendance of the members at Audit Committee Meetings are as follows:

Name of the Members	No. of Meetings attended	
	Held	Attended
Mr. Ramchandra G. Joshi	5	5
Mr. Mayur J. Shah	5	5
Mrs. Nanita A. Motiani	5	4

The Chairman of the Audit Committee was present at 16th Annual General Meeting of the Company held on 29th September 2008.

4. Remuneration Committee :

The Remuneration Committee was constituted to recommend / review the remuneration package of the Managing Director / Whole-Time Director(s). As required by Clause 49 of the Listing Agreement the Board of Directors had constituted a Remuneration Committee comprising two Non-Executive Directors and one Executive Director out of which two directors are Independent Directors.

<u>Name of the Members</u>	<u>Designation</u>
Mr. Ramchandra G. Joshi	Chairperson/NED and Independent
Mr. Mayur J. Shah	Member/NED and Independent
Mrs. Nanita A. Motiani	Member/ED

During the year, the Remuneration Committee met on 30th July, 2008 & 11th January, 2009 in which all the three members were present.

The Chairman of the Remuneration Committee was present at 16th Annual General Meeting of the Company held on 29th September 2008.

The Company pays remuneration to its Managing Director by way of Salary, Perquisites and allowances, as approved by the members in the General Meeting and subsequent approval received from Central Government under section 310 & 198/309 of the Companies Act, 1956. The details of the remuneration paid to the Directors for the year 2008-2009 is as follows:

Name of Director	Designation	Remuneration (including perquisites) paid (Rs.)	Sitting Fees paid (Rs.)	Total Remuneration (Rs.)
Mr. Ashok V. Motiani	Chairman & Managing Director	44,99,944	—	44,99,944
Mrs. Nanita A. Motiani	Executive Director	6,00,000	—	6,00,000
Mr. Ramchandra G. Joshi	Director	—	12500	12500
Mr. Mayur J. Shah	Director	—	12500	12500
Total		50,99,944	25,000	51,24,944

None of the Non-executive Directors has any pecuniary relationship, except Mrs. Nanita A. Motiani who is relative of Mr. Ashok V. Motiani, Managing Director of the Company. Non-executive Directors have no transaction with the Company, except receiving sitting fees for attending Board Meetings.

5. Shareholders/Investors' Grievance Committee:

FFL 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. It is also empowered to approve transfer, transmission and transposition of shares, issue duplicate share certificates, etc. from time to time.

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 times during the period 2008-2009.

Name of Members	Designation	No of Meetings	
		Held	Attended
Mrs. Nanita A. Motiani	Chairman/ED	4	4
Mr. Ashok V. Motiani	Member/ED	4	4
Mr. Mayur J. Shah	Member/NED and Independent	4	4

Mrs. Nanita A. Motiani, who is an Executive Director, is Chairman of the Committee and Ms. Bharti M. Hingorani, 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.

Sr. No.	Nature of Complaints / Requests	Received	Resolved	Pending as on 31-03-2009
1	Non-receipt of Dividend warrant	—	—	—
2	Non-receipt of Annual Reports	—	—	—
3	Non-receipt of shares after transfer/bonus shares	1	1	—
4	Letters received from SEBI/ROC/ Stock Exchanges	5	5	—
5	Others	—	—	—
	Total	6	6	—

There was no pending transfer of equity shares as on 31st March 2009.

Subsidiary Companies

The Company does not have any subsidiary.

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.

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 29th June, 2009 stating the particulars specified under the said clause.

6. General Body Meetings:

A. Annual General Meeting

Details of the location and time of last three Annual General Meetings (AGM), and the details of the special resolutions passed are as under:

Financial Year	No. of AGM	Date & Time	Venue	No. of special Resolutions passed
2005-06	14	29/09/2006 11.00 a.m.	Karnavati Club, S. G. Road, Ahmedabad-380 051	—
2006-07	15	28/09/2007 11.00 a.m.	Karnavati Club, S. G. Road, Ahmedabad-380 051	6
2007-08	16	29/09/2008 11.00 a.m.	Karnavati Club, S. G. Road, Ahmedabad-380 051	1

The shareholders passed all the resolutions set out in the respective notices. For the year ended on 31st March, 2009, there are no ordinary or special resolution passed by the Company's shareholders that requires a postal ballot. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

B. Extra Ordinary General Meeting

Financial Year	Date & Time	Venue	No. of special Resolutions passed
2008-09	07/02/09 11.30 a.m.	Karnavati Club, S.G. Road, Ahmedabad-380051.	1

The shareholders passed the Special resolution set out in the notice with the requisite majority.

7. 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. 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.
- c. No treatment different from Accounting Standards, prescribed by the Institute of Chartered Accountants of India, has been followed in the preparation of financial statements.
- d. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement.
- e. The Company has adopted the non-mandatory requirements of Clause 49 of the Listing Agreement of Remuneration Committee.

8. 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.

9. Means of Communication with shareholders:

- | | | |
|-----------------------|---|--|
| (i) Quarterly Results | : | Quarterly and half yearly 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. The results were also published in leading newspapers, Business Standard (English) and Jansatta (Gujarati), Economic Times (English & Gujarati). |
| (ii) Website | : | www.freshtrop.com |
| Compliance Officer | : | Ms. Bharti M. Hingorani |
| Address | : | A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380 051
E-mail: bhingorani@freshtrop.com
Tel. No. 079 – 66527058 – 67 |

10. Management Discussion and Analysis Report :

The Management Discussion and Analysis Report (MD&A) is set out in the separate section of this Annual Report and forms part of this Report

11. (i) General Shareholders Information :

- | | | |
|------------------------|---|--|
| Day & Date of 17th AGM | : | Tuesday, 29th September, 2009 |
| Time | : | 11.00 a.m. |
| Venue | : | Karnavati Club, S.G. Road, Ahmedabad-380051. |
| Financial Year | : | 1st April 2008 to 31st March 2009 |
| Book Closure Dates | : | 19th September 2009 to 29th September 2009 (both days inclusive) |
| Dividend Payment Date | : | N.A. |

(ii) Financial Calendar for the Financial year 2009-10 (tentative) :

First Quarter Results	: On or Before 31st July, 2009
Second Quarter Results	: On or Before 31st October, 2009
Third Quarter Results	: On or Before 31st January, 2010
Audited Results for the year 2009-2010	: On or Before 30th June, 2010

(iii) Listing on Stock Exchanges : Equity shares of the Company are listed at following Stock Exchange.

- 1) Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001

Your Company has paid listing fee to the stock exchange for the financial year 2009-2010.

(iv) Stock Code : BSE - 530077**(v) Market Price Data** : Monthly Stock Market Data

High and low prices of Equity Shares during the 12 months period ended 31st March 2009 were as follows :

Month	Bombay Stock Exchange Ltd.	
	High (Rs.)	Low (Rs.)
April, 2008	65.80	50.00
May, 2008	72.50	48.90
June, 2008	50.00	38.85
July, 2008	40.00	27.00
August, 2008	37.95	28.15
September, 2008	31.90	21.35
October, 2008	25.25	14.10
November, 2008	21.40	15.60
December, 2008	19.15	15.60
January, 2009	21.00	15.40
February, 2009	17.35	15.35
March, 2009	18.00	14.35

(vi) Registrar & Transfer Agents Address : Pinnacle Shares Registry Private Limited
Nr. Asoka Mill, Naroda Road, Ahmedabad-38002
Ph.:079-22204226 / 22200582, Fax : 079-22202963
E-mail : investor.service@psrpl.com**(vii) Share Transfer System** : The Company has hired the services of SEBI registered Registrar and Transfer Agent for physical transfer as well as electronic connectivity.

(viii) Distribution of Shareholding :**a) Distribution of Shareholding (As on 31st March 2009)**

Shares/Deb. Holding of No. of Equity Shares	Share/Deb. Holders		Share/Debenture	
	Nos.	% of total	Nos.	% of total
(1)	(2)	(3)	(4)	(5)
Upto 500	4058	80.84	753138	7.50
501 to 1000	447	8.90	359993	3.58
1001 to 2000	211	4.20	338875	3.37
2001 to 3000	99	1.97	252436	2.51
3001 to 4000	47	0.94	173502	1.73
4001 to 5000	38	0.76	183798	1.83
5001 to 10000	58	1.16	425168	4.23
10001 and above	62	1.24	7558090	75.25
TOTAL	5020	100	10045000	100

b) Shareholding pattern (As on 31st March 2009)

Description	Share holders		Shareholdings	
	Nos.	% of total	Nos.	% of total
Resident Individuals (incl. HUF)	4780	95.22	3754032	37.37
Promoter's and Relatives	6	0.12	4235504	42.17
Non Resident Individuals	60	1.20	439914	4.38
Bodies Corporate	170	3.39	958748	9.54
Mutual Fund, Natioanlised Bank etc.,	4	0.08	656802	6.54

- (ix) Dematerialization of Shares and Liquidity :** The Company has already established connectivity with National Securities Depository Ltd. and Central Securities Depository Ltd. through Pinnacle Shares Registry Private Limited, Registrar & Share Transfer Agent, so as to facilitate the dematerialisation of its shares.

Status of Dematerialisation (As on 31st March 2009)

Particulars	No. of Equity Shares	% of Share Capital
NSDL	4276824	42.58
CDSL	5159972	51.37
Physical	608204	6.05
TOTAL	10045000	100.00%

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

- (x) **Outstanding GDRs/ADRs /warrants or any convertible instruments, conversion date and likely impact on Equity** : Nil
- (xi) **Plant Locations** : **Unit - I :**
Gat No.171, Village Jaulke, Bombay-Agra Road, Tal. : Dindori, Dist. : Nasik-422 207, Maharashtra, INDIA.
- Unit - II :**
Survey No.1366, Savlaj-Wayfale Road, Post : Siddhewadi, Tal.: Tasgaon, Dist : Sangli-416 311, Maharashtra, INDIA.
- Unit - III :**
Gat No.2425/26/30/31, Malharpet- Pandharpur Road, Tal. : Khatav, Dist. : Satara-415 312, Maharashtra, INDIA.
- Unit - IV :**
Gat No. 598/1, Village Janori, Tal. : Dindori, Dist : Nasik-422 206, Maharashtra, INDIA.
- (xii) **Address for Correspondence** : 1. Share Transfer in Physical Form and other communication in that regard including share certificates, 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, Freshtrop Fruit Limited, A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad - 380 051. Phone : 079-66527060-67, Fax : 079-66527069, E-mail : bhingorani@freshtrop.com for any assistance.
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 29th June 2009 and the same was approved.

By order of the Board
For Freshtrop Fruits Ltd.,

Date : 29.06.09
Place : Ahmedabad

Ashok Motiani
Chairman & Managing Director

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

To,
The Board Of Directors,
Freshtrop Fruits Limited

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

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their 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 their 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) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they 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 they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They 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 instances of significant fraud that involve therein management or an employee having significant role in the Company's internal control system over financial reporting.

Date : 29.06.09
Place : Ahmedabad

Ashok Motiani
Chairman & Managing Director

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
FRESHTROP FRUITS LTD.

We have examined the compliance of conditions of Corporate Governance by **Freshtrop Fruits Limited** (the Company), for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in above mentioned Listing Agreement.

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

For **Mayank Shah & Associates**
Chartered Accountants

Date : 29.06.09
Place: Ahmedabad

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

AUDITOR'S REPORT

To,
The Members of
Freshtrop Fruits Ltd.

We have audited the attached Balance Sheet of **FRESHTROP FRUITS LTD.**, as at 31st March, 2009 and the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditors' Report) Order, 2003 as amended by The Companies (Auditor's Report) Amendment Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
3. Further to our comments in the annexure referred to in paragraph 2 above, 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 it appears from our examination of the books.
 - C. The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - D. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in Sub-section 3 (c) of section 211 of the Companies Act, 1956.
 - E. On the basis of written representations received from the Directors, and taken on record by Board of Directors, we report that none of the Directors are disqualified as on 31st March, 2009 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - F. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the notes thereon give the information required by the Companies Act, 1956 in manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2009
 - (ii) In case of the Profit & Loss Account, of the profit for the year ended on that date and
 - (iii) In case of Cash Flow Statement, of the cash flows for the period ended on that date.

For **Mayank Shah & Associates**
Chartered Accountants

(M. S. Shah)
Partner

Date : 29.06.09
Place: Ahmedabad

Mem. No. 44093

ANNEXURE TO THE AUDITOR'S REPORT
(Referred to in Paragraph (2) of our report of even date)

- 1 a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) According to the information and explanation given to us, the Company has formulated a regular program of verification by which all the assets of the Company shall be verified in a phased manner, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. To the best of our knowledge, no material discrepancies were noticed on the verification conducted during the year as compared with the book records.
c) During the year, the Company has not disposal of a substantial part of fixed assets. So, as to affect its going concern.
- 2 a) As explained to us, the inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of the business.
c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of inventory, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
- 3 a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under the Section 301 of the Companies Act, 1956 and therefore, clause of rates of interest and other terms & condition and repayment is not applicable to the Company.
b) According to the information and explanations given to us, in respect of loan taken from a Company covered in the Register maintained under Section 301 of the Companies Act, 1956 in the previous year, in our opinion, the rate of interest and other terms and conditions on which this loan has been taken are not prima facie prejudicial to the interest of the Company. The maximum amount involved during the year in respect of this loan was Rs. 95.00 lacs and the year-end balance was Rs. 95.00 lacs.
- 4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventories and fixed assets, and with regard to the sale of goods. During the course our audit, no major weakness has been noticed in the internal controls.
- 5 a) On the basis of the audit procedure performed by us, and according to the information given to us, we are of the opinion that the transactions which were required to be entered in register maintained under Section 301 of Companies Act were entered.
b) In our opinion and according to the information and explanations given to us, the transactions were made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanation given to us, the Company has not accepted deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and 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 a) According to the records of the Company and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Excise Duty, Custom Duty, Service Tax, Sales Tax, Cess, Investor Education and Protection Fund and any other material statutory dues as applicable to it, with the appropriate authorities during the year. As explained to us, no undisputed amounts payable were in arrears as at 31st March 2009 for a period of more than six months from the date they became payable.
- b) According to the records of the Company and information and explanation given to us there is no disputed statutory dues payable by the Company.
- 10 The Company does not have accumulated losses more than 50% of its net worth at the end of the financial year and the Company has not incurred cash losses during the current and immediately preceding financial year.
- 11 According to the information and explanation given to us, the Company has not defaulted in repayment of dues to banks. The Company has no transaction with financial institution and held no debentures outstanding during the year.
- 12 According to the information and explanation given to us the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities .
- 13 The provisions of any special statute applicable to chit fund, nidhi, or any mutual fund / societies are not applicable to the Company.
14. In our opinion and according to the information and explanation given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. According to the information and explanation given to us the Company has not given guarantee for loans taken by others from banks or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanations given to, in our opinion, the term loans raised during the year were prima facie been not utilized for the purposes other than for which they were obtained.
17. On the basis of an overall examination of the Balance Sheet of the Company, in our opinion and according to the information and explanation given to us, there are no funds raised on short-term basis which have been used for long term investment.
- 18 According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19 The Company has not issued any debentures during the year.
- 20 The Company has not raised any money by way of a public issue during the year.
- 21 During the course of our examination of the books of account and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

For Mayank Shah & Associates
Chartered Accountants

(M. S. Shah)
Partner

Date : 29.06.09
Place : Ahmedabad

Mem. No. 44093

BALANCE SHEET AS AT MARCH 31, 2009

Particulars	Schedule	As At 31-03-2009 Amount (Rs.)	As At 31-03-2008 Amount (Rs.)
SOURCES OF FUNDS			
Share Holders' Fund			
Share Capital	A	100,450,000	100,450,000
Reserves & Surplus	B	113,433,570	106,461,992
Deferred Government Grant	C	4,742,498	—
Loan Funds			
Secured Loans	D	249,446,664	94,224,408
Unsecured Loans	E	9,499,953	—
Deferred Tax Liability		12,978,329	11,453,739
TOTAL		490,551,014	312,590,139
APPLICATION OF FUNDS			
Fixed Assets	F		
Gross Block		184,001,576	184,245,571
Less : Depreciation		46,328,157	37,515,282
Net Block		137,673,419	146,730,289
Capital - Work-in-Progress		261,797,595	7,216,401
		399,471,014	153,946,690
Investments	G	296,050	58,864,744
Current Assets, Loans & Advances	H		
Inventories		171,663,744	180,939,439
Sundry Debtors		20,384,277	26,200,487
Cash & Bank Balance		16,852,767	22,988,012
Loans & Advances		31,611,310	37,176,944
		240,512,098	267,304,883
Less : Current Liabilities & Provisions	I	150,625,443	168,722,572
Net Current Assets		89,886,656	98,582,310
Miscellaneous Expenditure (to the extent not written off or adjusted)	J	897,295	1,196,394
TOTAL		490,551,014	312,590,139
Notes on Accounts			
As per our Report of even date attached For Mayank Shah & Associates Chartered Accountants (M. S. Shah) Partner Mem. No. : 44093 Date : 29.06.09 Place : Ahmedabad	S	For and on behalf of the Board of Directors Ashok V. Motiani <i>Managing Director</i> Nanita A. Motiani <i>Executive Director</i> Ramchandra G. Joshi <i>Director</i> Mayur J. Shah <i>Director</i> Bharti M. Hingorani <i>Company Secretary</i> Date : 29.06.09 Place : Ahmedabad	

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Particulars	Schedule	Year Ended 31-03-2009 Amount (Rs.)	Year Ended 31-03-2008 Amount (Rs.)
INCOME :			
Sales	K	375,395,387	385,435,387
Other Income	L	17,224,524	37,643,039
TOTAL		392,619,911	423,078,426
EXPENDITURE :			
Material Consumed & Stock Variation	M	217,680,264	207,588,529
Manufacturing Expenses	N	13,714,817	16,598,120
Payments to & Provisions for Employment	O	6,862,366	5,644,742
Administrative and Other Expenses	P	22,792,686	10,768,031
Selling and Distribution Expenses	Q	106,959,941	115,016,332
Financial Charges	R	5,595,321	3,101,858
Loss on Sale of Mutual Funds		3,491,949	—
Miscellaneous Expenditure written off		299,099	299,099
Depreciation		8,834,250	7,490,960
TOTAL		386,230,693	366,507,671
Profit before tax		6,389,218	56,570,755
Provision for current taxation		554,054	6,500,000
Deferred Taxation		1,524,590	8,234,024
Wealth Tax		10,000	23,439
Fringe Benefit Tax		210,000	210,000
Profit after Tax		4,090,574	41,603,292
Prior Period and extra ordinary Items		80,820	(1,679)
Profit after Tax and Prior Period & extra Ordinary Items		4,009,754	41,604,971
Balance as per last Balance Sheet		94,185,852	72,580,880
Balance available for appropriation		98,195,606	114,185,851
Appropriation			
Transfer to General Reserve		—	20,000,000
Surplus/(Deficit) Carried Forward		98,195,606	94,185,851
		98,195,606	114,185,851
Notes on Accounts	S		
Earning per Equity Share (Face Value Rs. 10/- Each)			
- Basic and Diluted		0.41	4.14
As per our Report of even date attached For Mayank Shah & Associates Chartered Accountants (M. S. Shah) Partner Mem. No. : 44093 Date : 29.06.09 Place : Ahmedabad	For and on behalf of the Board of Directors Ashok V. Motiani Managing Director Nanita A. Motiani Executive Director Ramchandra G. Joshi Director Mayur J. Shah Director Bharti M. Hingorani Company Secretary Date : 29.06.09 Place : Ahmedabad		

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2009

(Rs. in lacs)

Particulars	2008-2009	2007-2008
A Cash Flow from Operating Activities :		
Net Profit before Tax and Extra Ordinary Items	63.89	565.71
Adjustments For :		
Depreciation	88.34	74.91
Government Grant	(2.58)	0.00
Write Offs	2.99	2.99
(Profit)/Loss on sale of Investments	34.92	(261.89)
	187.57	381.72
Income from Investment Activity :		
Add: Interest Paid	55.95	31.02
Less : Interest/Dividend Received	35.63	50.11
Operating Profit / (Loss) before working capital changes	207.89	362.63
Adjustments For :		
Trade & Other Receivables	51.78	(256.52)
Inventories	92.75	(295.52)
Trade Payables	(121.38)	723.12
	23.15	171.08
Income Tax	(5.29)	(73.79)
Net Cash used in Operating Activities	225.75	459.92
Add / (Less) : Prior Period and Extra ordinary Items	(0.81)	0.00
Adjustment on Account of Employee benefit for previous year	0.00	(4.87)
Net Cash after Extra Ordinary Items (A)	224.94	455.05
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets including Capital WIP	(2556.91)	(541.72)
Sale of Investment	550.77	333.65
Interest/Dividend Received	35.63	50.11
Sale / Deduction of Fixed Assets	13.33	0.00
Net Cash used in Investment Activities (B)	(1957.18)	(157.96)
C Cash Flow from Financing Activities :		
Increase (Decrease) in Long Term Borrowings	1628.41	142.91
Increase (Decrease) in Short Term Borrowings	18.81	(187.68)
Dividend Paid	0.00	(142.05)
Interest Paid	(55.95)	(31.02)
Preliminary & Bonus Issue Expenses	0.00	(14.95)
Government Subsidy/ Grants	79.62	19.88
Net Cash from Financing Activities (C)	1670.89	(212.91)
Net Increase In Cash & Cash equivalents (A+B+C)	(61.35)	84.18
Cash and Cash equivalent Opening balance :		
Cash and bank balances	229.88	145.70
Cash and Cash equivalent Closing balance :		
Cash and bank balances	168.53	229.88

As per our Report of even date attached
For **Mayank Shah & Associates**
Chartered Accountants

(M. S. Shah)

Partner

Mem. No. : 44093

Date : 29.06.09

Place : Ahmedabad

For and on behalf of the Board of Directors

Ashok V. Motiani

Managing Director

Nanita A. Motiani

Executive Director

Ramchandra G. Joshi

Director

Mayur J. Shah

Director

Bharti M. Hingorani

Company Secretary

Date : 29.06.09

Place : Ahmedabad

SCHEDULES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 31-03-2009

Particulars	As at 31-03-2009 Amount (Rs.)	As at 31-03-2008 Amount (Rs.)
SCHEDULE - A : SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of Rs. 10/- each	150,000,000	150,000,000
Issued, Subscribed & Paid-up		
1,00,45,000 (P.Y. 1,00,45,000) Equity Shares of Rs. 10/- each fully paid up.	100,450,000	100,450,000
Total Rs.	100,450,000	100,450,000
SCHEDULE - B : RESERVES & SURPLUS		
Share Premium	5,000,000	5,000,000
Capital Reserve (Subsidy)	8,950,000	5,988,176
General Reserve		
Balance as per last Balance Sheet	1,287,965	32,000,000
Add : Amount transferred from Profit & Loss Account	—	20,000,000
Less : Amount utilised for Bonus Shares	—	50,225,000
Less : Adjustment on Account of Employee Benefit	—	487,035
	1,287,965	1,287,965
Balance in Profit & Loss Account	98,195,606	94,185,851
Total Rs.	113,433,571	106,461,992
SCHEDULE - C : DEFERRED GOVERNMENT GRANT		
Opening Balance	—	—
Add: Received during the year	5,000,000	—
	5,000,000	—
Less: Recognized during the year	257,502	—
Total Rs.	4,742,498	—
SCHEDULE - D : SECURED LOANS		
Term Loans	184,229,284	21,388,340
Working Capital Loans	65,217,380	72,836,068
Total Rs.	249,446,664	94,224,408

1. Term Loan of Rs.1,30,58,645/- and Working Capital Loan of Rs.6,52,17,380/- from Axis Bank Ltd is secured by way of Equitable Mortgage of immovable Assets and hypothecation of moveable Fixed Assets and Current Assets like stocks and Book Debts at Satara and Sangli Units of the Company.
2. Term Loan of Rs.3,30,32,952/- from Axis Bank Ltd is collaterally secured by way of Equitable Mortgage of factory land & building located at Unit-1, Nasik.
3. Term Loan of Rs.6,02,43,816/- & Buyer's Credit Loan of Rs. 7,71,73,005/- from ABN AMRO Bank is secured by way of entire Fixed Assets (moveable and immovable) located at Unit-4, Nasik.
4. Vehicle Loan of Rs.7,20,866/- from Kotak Mahindra Primus Ltd is secured by Hypothecation of specific vehicle.

Particulars	As at 31-03-2009 Amount (Rs.)	As at 31-03-2008 Amount (Rs.)
SCHEDULE - E : UNSECURED LOANS		
Inter Corporate Deposit	9,499,953	—
Total Rs.	9,499,953	—

SCHEDULE - F : FIXED ASSETS

Sr. No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance As at 01.04.08 Rs.	Additions During the Year Rs.	Deductions During the Year Rs.	Balance As at 31.03.09 Rs.	Balance As at 01.04.08 Rs.	Provided During the Year Rs.	Deductions During the Year Rs.	Balance As at 31.03.09 Rs.	As on 31.03.09 Rs.	As on 31.03.08 Rs.
1	Land & Land Development	16,964,713	-	-	16,964,713	-	-	-	-	16,964,713	16,964,713
2	Factory Building	58,129,183	331,992	135,040	58,326,135	8,827,381	1,911,684	383	10,738,682	47,587,453	49,301,802
3	Plant & Machineries	95,638,220	76,539	1,219,237	94,495,522	24,055,344	5,582,290	20,993	29,616,641	64,878,881	71,582,876
4	Office Equipment	927,224	86,200	-	1,013,424	247,342	45,489	-	292,831	720,593	679,882
5	Vehicles	5,630,588	-	-	5,630,588	1,115,682	534,907	-	1,650,589	3,979,999	4,514,906
6	Furniture & Fixtures	3,797,360	47,050	-	3,844,410	1,800,946	244,711	-	2,045,657	1,798,753	1,996,414
7	Computer	3,027,784	568,500	-	3,596,284	1,452,043	506,908	-	1,958,951	1,637,333	1,575,741
8	Office Electrification	130,500	-	-	130,500	16,545	8,261	-	24,806	105,694	113,955
	Total :	184,245,571	1,110,281	1,354,277	184,001,576	37,515,283	8,834,250	21,376	46,328,157	137,673,419	146,730,288
	Previous Year's Totals	137,289,605	47,116,535	160,569	184,245,571	30,026,001	7,490,960	1,679	37,515,282	146,730,288	107,263,604

Particulars	As at 31-03-2009 Amount (Rs.)	As at 31-03-2008 Amount (Rs.)
SCHEDULE - G : INVESTMENTS		
(A) Quoted Investment In Equity Shares	295,800	295,800
- Tata Consultancy Services Limited (No. of shares - 696) Market Value on 31/03/2009 Rs. 3,75,840/-)		
(B) Unquoted Investments		
- In Mutual Funds	—	58,568,694
- Shree Laxminarayan Co-op Hos.Soc.Ltd	250	250
Total Rs.	296,050	58,864,744

SCHEDULE - H : CURRENT ASSETS, LOANS AND ADVANCES

INVENTORIES (As taken, valued and certified by the Managing Director)		
Finished Stock- In Transist	147,954,840	156,715,068
Finished Stock -In Factory	5,260,754	8,929,521
Raw Materials at Factory	1,190,294	—
Consumable Stock	1,487,872	—
Packing Materials	15,650,779	15,233,900
Spare parts	119,205	60,950
Total Rs. (A)	171,663,744	180,939,439
SUNDRY DEBTORS (Unsecured, considered good)		
Outstanding for more than six months	1,670,716	—
Others - Considered Good	18,713,561	26,200,487
Total Rs. (B)	20,384,277	26,200,487

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Particulars	As at 31-03-2009 Amount (Rs.)	As at 31-03-2008 Amount (Rs.)
CASH AND BANK BALANCE		
Cash on Hand (As certified by the Mg. Director)	2,964,014	2,715,763
Balance with Scheduled Banks :		
- In Current Account	11,131,340	17,927,977
- In FDR Account	2,757,413	2,344,272
Total Rs. (C)	16,852,767	22,988,012
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in Cash or in kind or for value to be received :		
For Purchase of immovable property	9,705,358	6,705,358
For procurement of raw material	1,517,304	2,021,048
Advance for Capital Goods	4,008,909	15,273,931
Advance Income Tax (Net)	1,179,663	7,384,269
Advances to Others	15,200,076	5,792,339
Total Rs. (D)	31,611,310	37,176,944
Total Rs. (A+B+C+D)	240,512,098	267,304,883
SCHEDULE - I : CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	114,664,959	82,695,470
Others Current Liabilities	34,079,777	77,991,718
Unclaimed Dividend	1,106,653	1,301,945
Provisions		
For Taxation	774,054	6,733,439
Total Rs.	150,625,443	168,722,572
SCHEDULE - J : MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	987,670	—
Add : Addition during the year	—	1,234,588
Less : Written off during the year	246,918	246,918
	740,752	987,670
Deferred Revenue Expenditure		
Opening Balance	208,724	—
Add : Addition during the year	—	260,905
Less : Written off during the year	52,181	52,181
	156,543	208,724
Total Rs.	897,295	1,196,394

**SCHEDULE ANNEXED TO AND FORMING PART OF
THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009**

Particulars	Year Ended 31-03-2009 Amount (Rs.)	Year Ended 31-03-2008 Amount (Rs.)
SCHEDULE - K : SALES		
Export Sales	375,395,387	384,943,395
Domestic Sales	—	491,992
Total Rs.	375,395,387	385,435,387
SCHEDULE - L : OTHER INCOME		
FWC Premium / (Discount)	3,104	—
Interest Income	1,303,813	231,878
Dividend on Investments	2,259,186	4,779,006
Profit on Sale of Investments	—	26,189,451
Misc. Income	—	9,582
Export Incentives	13,400,919	6,176,146
Exchange Rate Difference	—	256,976
Government Grant Recognised	257,502	—
Total Rs.	17,224,524	37,643,039
SCHEDULE - M : MATERIALS CONSUMED & STOCK VARIATION		
<u>RAW MATERIAL CONSUMPTION</u>		
Op.Stock	—	—
Add : Purchase	157,544,831	184,877,712
	157,544,831	184,877,712
Less : Closing Stock	1,190,294	—
	156,354,537	184,877,712
<u>PACKING MATERIAL CONSUMED</u>		
Op.Stock	15,233,900	9,660,710
Add : Purchase	48,289,157	51,846,307
	63,523,057	61,507,017
Less : Closing Stock	15,650,779	15,233,900
	47,872,278	46,273,117
<u>CONSUMABLE CONSUMED</u>		
Op.Stock	—	—
Add : Purchase	2,512,326	435,372
	2,512,326	435,372
Less : Closing Stock	1,487,872	—
	1,024,454	435,372
<u>STOCK VARIATION</u>		
Cl.Stock Finished Goods-In Transist	147,954,840	156,715,068
Cl.Stock Finished Goods-In Factory	5,260,754	8,929,521
	153,215,594	165,644,589
Op.Stock Finished Goods-In Transist	156,715,068	134,429,562
Op.Stock Finished Goods-In Factory	8,929,521	7,217,355
	165,644,589	141,646,917
	12,428,995	(23,997,672)
Total Rs.	217,680,264	207,588,529

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Particulars	Year Ended 31-03-2009 Amount (Rs.)	Year Ended 31-03-2008 Amount (Rs.)
SCHEDULE - N : MANUFACTURING EXPENSES		
Labour charges	3,660,578	5,133,341
Power & Fuel	2,494,212	4,246,906
Inward Transportation	3,197,100	3,359,106
Repairs & Maintenance	451,633	629,205
Testing Expenses	2,917,740	2,077,997
Procurement Expenses	223,836	515,702
Stores & Spares Consumed	769,717	635,863
Total Rs.	13,714,817	16,598,120
SCHEDULE - O : PAYMENTS TO & PROVISIONS FOR EMPLOYMENT		
Salaries, Bonus & Allowances	6,205,652	5,056,806
Contribution towards Gratuity & Provident Fund	286,317	263,599
Staff & Labour Welfare expenses	370,397	324,337
Total Rs.	6,862,366	5,644,742
SCHEDULE - P : ADMINISTRATIVE AND OTHER EXPENSES		
Rent, Rates & Taxes	109,319	103,292
Insurance Exps.	921,207	638,748
Stationery & Printing Exps.	317,841	236,189
Telephone & Internet Expenses	695,998	647,570
Advertisement Exp	100,490	303,674
Computer Exp	468,632	433,465
Exchange Rate Difference	13,357,433	—
Director Fees & Remuneration	2,904,944	4,623,235
Professional & Legal fees	813,581	1,223,528
Auditor's Remuneration	248,175	252,810
Vehicle Expenses	460,256	481,745
Other Expenses	2,061,431	1,346,860
Repairs & Maintenance to Building / Office	323,778	465,316
ROC Fees	9,600	11,600
Total Rs.	22,792,686	10,768,031
SCHEDULE - Q : SELLING & DISTRIBUTION EXPENSES		
Foreign Selling Expenses	88,932,434	98,784,808
Other Selling & Distribution Expenses	2,611,044	2,215,742
Forwarding & Freight Charges	15,416,463	14,015,782
Total Rs.	106,959,941	115,016,332
SCHEDULE - R : FINANCIAL CHARGES		
Interest on Fixed Loans	15,076,502	2,508,776
Interest on Other Loans	621,802	99,587
Other Charges	789,758	784,806
	16,488,061	3,393,168
Less: Interest Capitalised	10,892,741	291,310
Total Rs.	5,595,321	3,101,858

SCHEDULE - S : NOTES ON ACCOUNTS**1. Background**

The Company was incorporated as a Private Limited Company on 30th September, 1992 and it was converted in to a Public Limited Company on 22nd September, 1994.

Freshtrop Fruits Ltd. is engaged in the business of exports of fresh fruits and vegetables to leading Supermarket chains in various parts of Europe.

2. Significant Accounting Policies**(a) Accounting Conventions****(i) Basis of Preparation of Financial Statements**

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.

(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

Fixed Assets are stated at cost of acquisition / construction (Less accumulated Depreciation, specific grant/subsidy and MODVAT Credit) Cost comprises of the purchase price and other attributable cost of bringing the asset to its working conditions for its intended use.

(c) Depreciation

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.

(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) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. 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.

(f) Foreign Currency Translations

- (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. The resultant gain or loss is accounted for during the year.
- (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. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

- (iv) In terms of Ministry of Corporate Affairs Notification Dated 31st March, 2009, eligible exchange difference on Foreign Currency Loans, is adjusted in the cost of the asset to be depreciated over the balance life of the asset. (For change and effect see Note No.3).

(g) 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, in conformity with the announcement issued by the Institute of Chartered Accountants of India in March 2008.

(h) Provision and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

(i) 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.

(j) Inventories

Inventories of Raw materials, Packing Materials and Finished goods are stated at cost or net realizable value whichever is lower. Cost is computed on FIFO basis, in case of raw materials and Packing Materials. Finished goods (including the consignment stock) includes 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.

(k) Revenue Recognition

A) 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, which is usually when the goods are dispatched to the customers.

B) Export Incentives

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

C) Other Income

i) Dividend on investment

Dividend on investment Income is recognised when the right to receive payment is established.

ii) Interest Income

Interest income is recognised on accrual basis.

- iii) Gains/ loss on sale of investments is accounted for in the year in which the sale contracts are entered into. The cost is calculated on the basis of Weighted Average cost of Investments.

(l) 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.

(m) Retirement Benefits

A. Short Term Employees Benefits

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 Benefits

- (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 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.

(n) 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.

(o) Taxes on Income

Tax expense comprises of current tax, deferred taxes and fringe benefit tax. Provision for current income taxes is made on the taxable income at the tax rate applicable to the relevant assessment year. Fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes are recognised for the future tax consequences attributable to timing differences between the financial statement determination of income and their recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in income using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

(p) Impairment of Assets

The Company assesses on each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the profit and loss account. If on the balance sheet date there is an indication that if previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

(q) Miscellaneous Expenditure

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

3. Contingent Liability

Estimated amounts of contracts remaining to be executed on capital account and not provided for Rs. NIL Lacs (P.Y. Rs. 1483 Lacs).

Differential amount of custom duty in respect of machinery imported under EPCG Scheme – Rs. 336.21 Lacs (P.Y. NIL).

Estimated amount of duty liability of Rs. 19.29 Lacs (P.Y. Rs.58.09 Lacs) on stock of duty free materials and duty liability of Rs. 33.54 Lacs (P.Y. NIL) on Capital Goods procured / imported under Bonds given by the Company.

Guarantees given by Banks Rs.12.50 Lacs (P.Y. Rs.21.02 Lacs)

4. The Company, in terms of Notification issued by Ministry of Corporate Affairs on 31st March, 2009, has exercised the option of implementing the provisions of newly inserted Paragraph 46 of Accounting Standard 11, 'Accounting for the Effects of Changes in Foreign Exchange Rates', prescribed by Companies (Accounting Standards) Amendment Rules, 2009. The Company has outstanding long term foreign currency loans which are categorized as Long Term Foreign Currency Monetary Item as referred in the said notification. Accordingly Company has adjusted the exchange difference gain of Rs. 1492591/- pertaining to the current financial year in respect of foreign currency loan and corresponding deduction in fixed Assets and consequently profit for the year is lower by equivalent amount.

5. Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

6. In the opinion of the Board of Directors, Current Assets and Loans and Advances have a value on realization in the ordinary course of business equal to the amount at which they are stated in the balance sheet.
7. The Company has provided Rs. 5,54,054/- (P.Y. Rs. 65,00,000/-) as Provision for Current taxation.

8. Segment Reporting**a) Primary Segment**

During the year the Company has only one Segment i.e. Fresh Produce . The project for Food Processing is under implementation and have not started commercial production during the reporting year.

b) Secondary Segment (By Geographical Segment)

	2008-09	2007-08
Sales and Operating Income		
India	Nil	4,91,992
Outside India	37,53,95,387	38,49,34,395
Total	37,53,95,387	38,54,35,387

In view of the interwoven/intermix nature of business and manufacturing facility, other segment information is not ascertainable

9. Deferred Tax Liability (Net)

	Deferred Tax (Liability)/Assets as at 1/4/2008	For the period 2008-09	Deferred Tax (Liability)/Assets as at 31/3/2009
Deferred Tax Liability on account of Depreciation	(1,17,39,940)	(12,38,389)	(1,29,78,329)
Deferred Tax Assets on account of Disallowance u/s.40(a)	2,86,201	(2,86,201)	NIL
Net Deferred Tax Liability	(1,14,53,739)	(15,24,590)	(1,29,78,329)

10. Earning per Equity Share

Basic and Diluted Earning per Equity Share 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 Earning per Equity Share are as stated below.

	31/03/2009 (Amount Rs.)	31/03/2008 (Amount Rs)
Profit / (loss) after Tax	40,90,574	4,16,04,872
Weighted average numbers of Equity Shares for calculation of Basic and Dilutive Earning per Share	1,00,45,000	1,00,45,000
Basic and Diluted EPS	0.41	4.14
Nominal Value per Share	10.00	10.00

11. Related Party Disclosure

a) Names of related parties and nature of relationship.

i) Enterprise under significant influence of Key Management personnel

- 1) Capital Packaging Pvt. Ltd.
- 2) Freshtrop Plantations Pvt. Ltd.
- 3) Agrofoyer Solutions Pvt. Ltd.
- 4) Agrofoyer Investments Pvt. Ltd.
- 5) 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 M. Tandon

Mr. Mayank R. Tandon

Ms. Dipti A. 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) Purchase of Packing Materials	57,53,000	—	—
ii) Remuneration	—	50,40,000	19,96,000
iii) Perquisites	—	59,944	—
iv) Services availed of	3,30,000	—	—
v) Purchase of Assets	11,32,000	—	—
II) Outstanding Balance at the close of the year			
i) As Debtors	—	—	—
ii) As Creditors	21,09,820	4,84,240	2,68,416
iii) Inter Corporate Deposit	94,99,953	—	—

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.

12. Employees' Retirement 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 summaries 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.

	As on 31/03/2009	As on 31/03/2008
1 Assumptions		
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	3,51,094	4,87,035
Interest cost	28,088	38,963
Current Service Cost	35,595	96,319
Benefits Paid	(17,280)	NIL
Actuarial (gain)/Loss on obligations	(3,224)	(76,683)
Present value of obligations as at end of year	3,94,273	5,45,634
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	5,45,634	NIL
Expected return on plan assets	48,958	23,004
Contributions	NIL	5,22,630
Benefits paid	(17,280)	NIL
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	5,77,312	5,45,634

	As on 31/03/2009	As on 31/03/2008
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	5,45,634	NIL
Actual return on plan assets	48,958	23,004
Contributions	NIL	5,22,630
Benefits Paid	(17,280)	NIL
Fair value of plan assets at the end of year	5,77,312	5,45,634
Funded status	1,83,039	NIL
Excess of Actual over estimated return on plan assets (Actual rate of return = Estimated rate of return as ARD falls on 31st March)	NIL	NIL
5 Actuarial Gain/Loss recognized		
Actuarial gain/(Loss) for the year –Obligation	3,224	76,683
Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
Total (gain)/Loss for the year	(3,224)	(76,683)
Actuarial (gain)/Loss recognized in the year	(3,224)	(76,683)
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	3,94,273	5,45,634
Fair value of plan assets as at the end of the year	5,77,312	5,45,634
Funded status	1,83,039	NIL
Net Asset/(liability) recognized in balance sheet	(1,83,039)	NIL
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	35,595	96,319
Interest Cost	28,088	38,963
Expected return on plan assets	(48,958)	(23,004)
Net Actuarial (gain)/Loss recognised in the year	(3,224)	(76,683)
Expenses recognised in statement of Profit & loss	11,501	35,595

b) **Defined Contribution Plan**

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

Particulars	Amount in Rs.
Employer's contribution to Provident Fund	2,78,802

13. **The Company has entered in following forward exchange contracts that are outstanding as at 31st March 2009 to hedge the foreign currency risks of firm commitments**

Category	Currency	Buy / Sell	Purpose	Foreign currency Value (In Rs.)31.03.2009	Foreign currency Value (In Rs.)31.03.2008
Forward Contract	Euro	Sell	Hedging	2,39,34,000	10,09,44,000
Forward Contract	GBP	Sell	Hedging	4,01,74,470	1,59,06,000

Details of unhedged Foreign currency Exposure as at 31 March 2009

Category	Currency	Amount in FC 31.03.2009	Amount in FC 31.03.2008
Capital Commitment	EURO	—	14,03,223
Foreign Currency Loan	EURO	8,92,765	—
Creditors	EURO	2,14,285	1,59,341
	US\$	12,600	33,280

14. Expenditure incurred on employees in receipt of remuneration of not less than Rs.2400000/- P.A. or Rs.200000/- P.M. if employed for a part of the year.

	Employed throughout The year		Employed for part of The year	
	2008 - 2009	2007 - 2008	2008 - 2009	2007 - 2008
Salary & Wages	44,99,944	40,05,735	NIL	NIL
No. of Employees	1	1	NIL	NIL

15. Auditors Remuneration

	2008-09	2007-08
i) Audit Fees	1,96,630	1,96,630
ii) Tax Audit Fees	28,090	28,090
iii) Taxation Matters	28,090	28,090

16. Directors Remuneration

	2008-09	2007-08
Remuneration	50,40,000	45,90,000
Perquisites	59,944	15,735

17. Expenditure in Foreign Currency

	2008-09	2007-08
Foreign Selling Expenses	8,89,32,434	9,87,84,808
Foreign Travelling Expenses	4,53,879	3,81,977
Foreign Testing Expenses	—	41,855
Interest on Foreign Currency Loan	29,20,321	—
Other Expenditure	28,785	—

18. Earning in Foreign Currency

	2008-09	2007-08
Sales of Fresh Fruits	37,53,95,387	38,49,43,395

19. Value of Imports calculated on CIF basis

	2008-09	2007-08
Packing Material	1,41,93,316	1,44,56,162
Capital Goods	10,74,14,080	—

20. Licensed and Installed Capacity

	2008-09		2007-08	
	Licensed	Installed	Licensed	Installed
Fresh Fruits	N.A.	31,200 M.T.	N.A.	31,200 M.T.

Installed capacity is as certified by the management and relied upon by the Auditors. Capacity utilization is restricted by the availability of raw materials due to seasonal nature of business.

21. Value of raw materials, components and spare parts consumed

	2008-09		2007-08	
	Percentage	Value (Rs. in Lacs)	Percentage	Value (Rs. in Lacs)
(A) Raw Material				
Imported	—	—	—	—
Indigenous	100.00	1563.55	100.00	1848.78
Total	100.00	1563.55	100.00	1848.78
(B) Packing Material				
Imported	30.93	148.07	25.42	117.65
Indigenous	69.07	330.66	74.58	345.08
Total	100.00	478.73	100.00	462.73

22. Additional information required vide schedule VI of the Companies Act, 1956

	2008-09		2007-08	
	Quantity (M.T)	Value (Rs. in Lacs)	Quantity (M.T)	Value (Rs. in Lacs)
(i) Production				
Grapes	3172.38		2859.54	
Pomegranates	287.73		631.83	
Mangoes	—		1.25	
(ii) Sales				
Grapes	2922.97	3195.06	2663.94	3171.03
Pomegranates	441.27	558.90	494.33	681.36
Mangoes	—	—	1.25	1.96
Total		3753.96		3854.35
(iii) Raw Material Consumed				
Grapes	3513.13	1355.34	3230.40	1448.21
Pomegranates	297.22	208.20	655.65	409.78
Mangoes	—	—	1.25	0.78
Total		1563.54		1848.77
(iv) Finished Goods				
- In Factory				
Grapes	71.72	44.05	81.17	57.03
Pomegranates	9.03	8.55	39.05	32.27
Total		52.60		89.30
- In Transit				
Grapes	2189.49	1394.25	1932.00	1365.71
Pomegranates	81.51	85.30	205.13	201.44
Total		1479.55		1567.15

23. Capital Work-in-progress includes

Capital Work-in-progress

- Computers	3,89,616
- Factory Building	6,13,29,533
- Factory Electrification	6,94,971
- Factory Equipments	19,55,890
- Furniture & fixtures	1,60,000
- Laboratory Equipments	12,44,265
- Office Electrification	61,510
- Office Equipments	2,79,795
- Office Furniture	1,42,684
- Plant & Machinery	16,89,08,914
- Pollution Control Equipments	19,58,000

TOTAL	23,71,25,178
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Expenditure during Construction Period

- Interest Expenses	1,08,92,741
- Other Expenses	1,37,79,676

TOTAL	2,46,72,417
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TOTAL (A+B)	26,17,97,595
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24. Previous year's figures have been recast and regrouped wherever necessary to make them comparable with those of current year.

25. BALANCE SHEET ABSTRACT AND THE COMPANY'S GENERAL BUSINESS PROFILE :**I. Registration Details**

Registration No.	L15400GJ1992PLC018365	State Code	04
Balance Sheet Date	31-03-2009		

II. Capital Raised During the Year

Public Issue	Rs.NIL	Bonus Issue	Rs.NIL
Right Issue	Rs.NIL	Private Placement	Rs.NIL

III. Position of Mobilization and Deployment of Fund (Amt. In Rs. Thousand)

Total Liabilities	490551	Total Assets	490551
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Sources of Funds

Paid up Capital	100450	Reserve & Surplus	113434
Secured Loans	249447	Deferred Tax Liability	12978
Unsecured Loans	9500	Deferred Govt. Grant	4742

Application of Funds

Net Fixed Assets	399471	Investment	296
Net Current Assets	89887	Miscellaneous Exp.	897

IV. Performance of the Company (Amount in Rs.Thousands)

Total Turnover	392620	Total Expenditure	386231
Profit/Loss Before Tax	6389	Current Taxation	774
Deferred Tax Assets	1524	Profit / Loss After Tax	4091
Earning Per Share (Rs.)	0.41	Dividend Rate	NIL

V. Generic Name of Three Principal Products/Services of the Company

(as per monetary terms)

Item Code (ITC Code)	Product Description
8 0 1 6 1 0 . 0 0	FRESH GRAPES
0 8 1 0 9 0 . 0 0	FRESH POMEGRANATES
0 8 0 4 5 0 . 0 2	FRESH MANGOES

Signature to Schedule A to S

As per our Report of even date attached
For **Mayank Shah & Associates**
Chartered Accountants

(M. S. Shah)

Partner

Mem. No. : 44093

Date : 29.06.09

Place : Ahmedabad

For and on behalf of the Board of Directors

Ashok V. Motiani

Managing Director

Nanita A. Motiani

Executive Director

Ramchandra G. Joshi

Director

Mayur J. Shah

Director

Bharti M. Hingorani

Company Secretary

Date : 29.06.09

Place : Ahmedabad

FRESHTROP FRUITS LIMITED

Regd. Office : A-603, Shapath IV, Opp. Karnavati Club, S G Road, Ahmedabad - 51.

ATTENDANCE SLIP

17th Annual General Meeting

Tuesday, 29th September, 2009 at 11.00 A.M.

Place : Karnavati Club Limited

S.G. Road, Ahmedabad - 380 051.

Signature of Member/ Proxy attending the meeting _____

Notes:

1. This 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

FRESHTROP FRUITS LIMITED

Regd. Office : A-603, Shapath IV, Opp. Karnavati Club, S G Road, Ahmedabad - 51.

FORM OF PROXY

I/We _____

of _____ being member/s of Freshtrop Fruits Ltd.

hereby appoint _____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Tuesday, 29th September, 2009 and/or at any adjournment thereof.

Signed the _____ day of _____ 2009.

Signature _____

Affix
Revenue
Stamp

N.B.: This Proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.



Glimpses of the New Food Processing Facility

BOOK-POST

To



Ganapati, A'bad. (079)2658111

If undelivered, Please return to:

FRESHTROP FRUITS LIMITED

Regd. Office : A- 603, Shapath IV, Opp. Karnavati Club, S. G. Road,
Ahmedabad - 380 051, Gujarat, INDIA.

Tel : +91-79-66527058-67 (9 lines), Fax: +91-79-66527069
www.freshtrop.com, info@freshtrop.com