



ANNUAL REPORT 2009-2010



FRESHTROP FRUITS LIMITED

Using state-of-the-art
equipment and
technology, Freshrop
has added a tomato
processing line in
Nasik, the largest
tomato producing belt
in India.





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

**ANNUAL REPORT
2009 - 2010**

BOARD OF DIRECTORS

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

AUDITORS

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

COMPANY SECRETARY

Ms. Bharti M. Hingorani

BANKERS

Axis Bank Limited
The Royal Bank of Scotland N.V.
(Formerly know as ABN Amro Bank B.V.)

REGISTERED OFFICE

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

PLANT - I

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

PLANT - II

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

NOTICE

NOTICE is hereby given that **18th** Annual General Meeting of the Members of Freshrop Fruits Limited, will be held on Monday, 27th September, 2010 at 11.00 a.m. at Karnavati Club, S.G. Road, Ahmedabad-380 015 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010 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. Ramchandra G Joshi**, 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 pursuant to Section 269, 309,310, 311 read with schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby approves the re-appointment of Mrs. Nanita A Motiani as an Executive Director under a contract of service with the Company for further period of five years with effect from 1st April, 2010 on consolidated salary of ₹ 1,25,000/- per month and further entitlement to staff super-annuation fund, retirement gratuity and provident fund benefits applicable to other employees occupying similar post or position within same salary scale or grade , which contract of service is hereby specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or contract of service in such manner as may be agreed to between the Board of Directors and Mrs. Nanita A Motiani."

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

"RESOLVED THAT subject to the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, R.S.Sharma & Associates, Ahmedabad, the Practicing Company Secretary, be and they hereby appointed as a Secretarial Auditors to carry out the Secretarial Audit in terms of the aforesaid guidelines on remuneration as may be fixed by the Managing Director in consultation with Secretarial Auditors."

Date : 18-08-2010
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshrop Fruits Ltd.,

Ashok V. Motiani
Chairman & Managing Director

NOTES

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

THE PROXIES SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVES TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING.

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business at Item No. 4 & 5 is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 17th September, 2010 to Monday, 27th September, 2010 (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 – 380 015 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 in the Corporate Governance Report.

Date : 18-08-2010
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd.,

Ashok V. Motiani
Chairman & Managing Director

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

Item No. 4

The Board of Directors of the Company at its meeting held on 29th January, 2010 re-appointed Mrs. Nanita A. Motiani, as an Executive Director of the Company for further period of five years with effect from 1st April, 2010 subject to the approval of the Members in the Annual General Meeting. Mrs. Nanita A. Motiani has been on Board of Directors since long and looking after administrative and HR functions of the Company.

Part III of Schedule XIII of the Companies Act, 1956 provides that the appointment and remuneration of an Executive Director in accordance with Part I and Part II of the Schedule shall be subject to approval by resolution of the Shareholders in a General Meeting.

Accordingly, the Resolution at Item.4 is proposed for approval of the Members for re-appointment and remuneration of Mrs. Nanita A. Motiani as Executive Director as contemplated by Part III of Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any.

Copy of the draft agreement to be entered between the Company and Mrs. Nanita A. Motiani for re-appointment as an Executive Director of the Company is available for inspection at the Registered office of the Company on any working day during usual business hours up to Annual General Meeting.

This may be treated as the abstract and memorandum of interest pursuant to Section 302 of the Companies Act, 1956.

None of the Directors except Mr. Ashok V. Motiani and Mrs. Nanita A. Motiani are interested in the aforesaid resolution.

Item 5.

The Ministry of Corporate Affairs has released Corporate Governance Voluntary Guideline 2009 on December 21, 2009 which provide for adoption of Secretarial Audit voluntarily by the Companies.

As a good Corporate Governance practice the Company has adopted the provisions of Secretarial Audit as mentioned in the Corporate Governance Voluntary Guidelines 2009 and proposes to appoint M/s R.S.Sharma & Associates, Ahmedabad, the Practicing Company Secretary, as the Secretarial Auditor for conducting Secretarial Audit and report for the year 2010-2011 subject to the necessary approval of the shareholders.

Date : 18-08-2010
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd.,

Ashok V. Motiani
Chairman & Managing Director

DIRECTORS' REPORT

Dear Members,

The Board of Directors presents 18th Annual Report and the Audited Statement of Accounts of the Company for the period ended 31st March, 2010.

FINANCIAL RESULTS:

The working results of the Company for the period ended 31st March, 2010 are as follows

	2009-2010(₹)	2008-2009(₹)
Total Income	518,101,007	392,619,911
Gross Profit before depreciation and Taxation	52,407,321	15,223,468
Less : Depreciation	21,158,726	8,834,250
Net Profit before Taxation	31,248,595	6,389,218
Less : Provision for Current Taxation	5,309,000	554,054
Less : Deferred Taxation	9,536,549	1,524,590
Less : Provision for FBT	—	210,000
Less : Wealth tax	—	10,000
Less : MAT Credit entitlement	(5,309,000)	—
Profit after Taxation	21,712,046	4,090,574
Add : MAT Credit Entitlement of previous year	2,402,485	—
Less : Prior Period & Extra Ordinary Items	738,818	80,820
Profit after Taxation and Prior Period & Extra Ordinary Items	23,375,713	4,009,754
Add/(Less) : Balance of (Loss) of Previous Years	98,195,606	94,185,852
Balance of Profit/(Loss) carried to Balance Sheet	121,571,319	98,195,606

OPERATIONS:**FRESH FRUITS SEGMENT :**

The year 2009-10 has shown appreciably improved results.

The year 2009-10 marks its significance as the Company crossed its turnover of ₹ 50.00 Crore first time in its history. This has been possible with the addition of the food processing plant during the year under review.

The total income from this segment increased from ₹ 392.62 million to ₹ 465.73 million, while the profit after tax recovered from just ₹ 4.09 million to ₹ 21.71 million.

The season started early. Coloured varieties were in good demand in the earlier part of the season and this is expected to continue in the future.

There was a massive earth quake in Chile very close to the grape growing area which disrupted supplies from Chile. The earth quake had a major impact on power distribution and road and sea transportation. This had a positive impact on demand for Indian grapes. This euphoria was short lived as it was followed by detection of a harmless agro chemical Chloromequat chloride in Indian grapes in early April. This agro chemical is a growth regulator, very low in toxicity and is required for growing grapes in temperate climates like in India and Australia.

The EFSA (European Food Safety Authority) opined that the grapes with the presence of this chemical up to a maximum level of 1.06mg/kg were absolutely safe for human consumption but the EU MRL (Maximum Residue Level) allowed for this chemical was just 0.05mg/kg.

The Indian grape industry received full cooperation from the European trade and their associations but some Super Markets decided not to market Indian grapes and this had a terrible impact on the selling price of Indian grapes. The result is seen in the first quarter results of the Company for the year 2010-11.

The Company has initiated the process of setting up infrastructure for collection, grading and sorting of fresh fruits and vegetables produced in the western parts of India for distribution in the domestic market.

Imports of fresh produce to create round the year availability of certain fruits in the domestic market is another activity being seriously pursued by the Company.

FOOD PROCESSING SEGMENT:

The Company started commercial production at the food processing plant on 28th April 2009. This is a very significant development from the point of view of future earnings of the Company. During the year under review total income from this segment stood at ₹ 52.37 million.

The capital investment until March 2010 in this plant is ₹ 333.38 millions. The Company will continue to invest in balancing machinery and equipments to enhance production capacity and diversity of the products that can be manufactured at this plant.

In the first year of operations the concentration was on getting all the required certifications for exports to developed markets such as USA and European Union. The Company now holds the following quality certificates.

1. ISO 22000:2005
2. SGF International E.V.
3. Halal Certificate
4. Kosher Certificate
5. BRC certificate for Nasik (Unit I) Pack house and Sangli (Unit II) Pack house.
6. FDA, USA to supply products in US Market.
7. APEDA Recognition for Nasik (Unit I), Sangli (Unit II) and Satara (Unit III) Pack houses
8. GlobalGAP Certificate

The second step was to establish the quality parameters of all the products being manufactured at the plant. The Company was also able to achieve this during the year under report.

The availability of the raw material at the right price is critical to the profitability of the food processing business. Proximity of the raw material plays a very important part in identifying the food products that could be processed. Tomato is available in abundance in and around Nasik. The Company set up a small 5 metric ton per hour Tomato Paste manufacturing plant during this year. Only trial production was possible as the season ended before the plant could be commissioned. We see a very good scope in this product.

The demand for good quality, hygienically processed food is ever increasing. Nasik is the largest vegetable producing area in the western part of India and is just 200 kms away from Mumbai. It is centrally located for distribution to other parts of Maharashtra, Gujarat and Madhya Pradesh. We will continue to identify and diversify the food products being processed and manufactured at this plant.

The Company has received ₹ 75 Million (Seven Five Million Only) during the year 2009-10 from Ministry of Food Processing Industry out of total grant-in-aid of ₹ 100 million (₹ Hundred Million Only) approved as financial assistance 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 Plant established at Nasik, the Board of Directors are of the view to conserve the resources and do not recommend dividend for this year.

DIRECTORS:

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

Your directors also propose to re-appoint Mrs. Nanita A Motiani as an Executive Director for further period 5 year with effect from 1st April,2010.

AUDIT COMMITTEE:

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

INSURANCE:

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

FIXED DEPOSIT:

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

CERTIFICATION:

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

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

SHARE CAPITAL AND LISTING:

In accordance with the Shareholders Approval in the Extra Ordinary General Meeting of the Company held on 15th May, 2009, the Company had, in its meeting of Board of Directors held on 10th July, 2009, issued and allotted 10,00,000 warrants on preferential basis, convertible into equity shares of ₹ 10/- each at a price of ₹ 19.40 (Face Value ₹ 10/- and Premium ₹ 9.40) to the following allottees , in accordance with the provisions of SEBI(ICDR)Regulations, 2009 and an amount of ₹ 48,50,000/- constituting 25% i.e. 4.85 of the total amount payable was received from them:

Sr no	Name of Allottees	No of Warrants
1	Freshcap Investments Private Limited (Formerly known as Capital Packaging Private Limited)	500,000
2	Ashok V. Motiani	125,000
3	Nanita A. Motiani	125,000
4	Dipti A. Motiani	250,000
	Total	1,000,000

During the financial year 2009-10 ,Out of 10, 00,000 warrants the allottees have exercised their right to convert 5,00,000 warrants into equity share of ₹ 10/- each fully paid up at a premium of ₹9.40/- per share on 29th January, 2010 and sum of ₹ 72,75,000 was received on account of balance amount on the said warrants. As per the terms of preferential issue, the object was to utilize the fund towards working capital requirement and to part finance

capital expenditure for Company's new Food Processing Plant at the Nasik and the accumulated fund has been utilized towards day to day working capital requirement of the Company. There are no monies lying unutilised out of the proceeds of the preferential issue as on the Balance Sheet date.

Subsequent to the preferential issue of shares, the Company's paid-up share capital increased from ₹1004.50 Lacs to ₹ 1054.50 Lacs and its securities premium account increased to ₹ 97.00 Lacs from ₹ 50.00 Lacs.

The balance 5,00,00 Warrants are convertible into equity shares at the agreed price of ₹ 19.40/- per share on or before the expiry of 18 (eighteen) months from the date of allotment i.e. on or before 9th January,2011.

The Equity Shares of your Company have been listed on Bombay Stock Exchange Limited (BSE). The Listing fee for the year 2010-11 has already been paid to BSE. The custodial fees payable to depositories namely NSDL & CDSL has also been remitted by the Company.

FINANCE:

The Company continues to avail Working Capital Finance of ₹ 865.00 Lacs from Axis Bank Limited for the Fresh and Food Processing activities of the Company. The Company has also been sanctioned a Fresh Term Loan of ₹ 300.00 Lacs by Axis Bank Limited for adding Tomato Processing machinery at Food Processing Plant, Nasik.

During the year under review the Company continued to avail cash credit facility from The Royal Bank of Scotland N.V. (formerly known as ABN Amro Bank B.V.) for Food Processing Plant, Nasik.

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 (in ₹)
1	2	3	4	5	6	7	8
Ashok V. Motiani	Managing Director	61	B. Tech (IIT, Mumbai)	35	30.09.1992	Nil	4,524,830
Mayank R. Tandon	Sr. V.P., Sales & Marketing	39	B.Tech (MIT, Manipal)	11	01.11.2002	Director, Agrofoyer Solutions Private Limited	1,992,500
Mrs. Priyanka M. Tandon	V.P., Commercial	32	Bachelor of Commerce, Pune University	10	01.04.2000	Nil	1,320,000
Ms. Dipti A. Motiani	V.P., Operations	28	B.E.,CE, Nirma University, M.S. in Electrical & Computer Engineering from CMU, USA	7	27.01.2009	PDF Solutions Inc.,USA	949,060

Note: *The Company received approval of the Ministry of Corporate Affairs, Government of India, on 28th April, 2010 for increasing the remuneration of Ms. Dipti A Motiani of ₹ 15,00,000/- per annum with effect from 29.09.2009.

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, 2010.
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, 2010 on a going concern basis.

ENERGY CONSUMPTION:

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

		2009-2010	2008-2009
1.	Electricity		
	a) Purchased		
	Units	Kwh	
		1,079,134	296,710
	Total amount	₹	1,725,648
	Rate / Unit	₹	5.82
	b) Own Generation through Diesel Generator Set		
	Units		
	Diesel		
	Quantity	Ltrs	
		35,700	21,997
	Total Amount	₹	748,344
	Average rate	₹	34.02
	c) Coal and other Fuels		
	Units	Kgs	
		182,690	—
	Total Amount	₹	—
	Rate/Unit	₹	—

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 ₹ 453,343,615 (Pr Yr. ₹ 375,395,387) and Foreign Exchange outgoing during the year amounts to ₹ 118,626,796 (Pr. Yr. ₹ 92,335,419)

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.

SECRETARIAL AUDIT REPORT:

As a good Corporate Governance practice, the Board of Directors of the Company appointed M/s. R.S. Sharma & Associates, Ahmedabad, Practicing Company Secretary, to conduct Secretarial Audit of the Company. The Secretarial Audit report for the year ended on 31st March, 2010 is provided in the Annual Report.

AUDITORS' & AUDITORS' REPORT:

M/s. Mayank Shah & Associates, Chartered Accountants, retire 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 Ltd., The Royal Bank of Scotland N.V. (formerly known as ABN Amro Bank B.V.) and their officers, Agricultural and Processed Food Products Export Development Authority (APEDA), Ministry of Food Processing Industry (MFPI) and all other well wishers, for their timely support.

Date : 18-08-2010
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd.,

Ashok V. Motiani
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

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

1. INDUSTRY STRUCTURE AND DEVELOPMENT :

Indian grape exports to EU have had the worst season ever. There has been a mushrooming growth of small exporters. There were 188 exporters who sent grapes to EU this year out of which more than 80 did less than 10 containers each in the full season.

APEDA controlled Residue Monitoring Plan (RMP) for exports of grapes to EU failed to achieve the very objective it was designed for. An across the board detection of exceedance to the specified maximum allowable level of the residue in an agro chemical. More than 30% of the Indian grapes showed exceedance of a harmless agro chemical Chlormequat Chloride (CCC) to a specified level of 0.05mg/kg. Chlormequat is an active substance used as plant growth regulator in plant protection products. Chlormequat was included in Annex I of Directive 91/414/EEC with the restriction to be used only on cereals and non-edible crops. The MRL for table grapes is therefore set at the limit of quantification (0.05 mg/kg).

Detection of a growth regulator CCC in Indian grapes will have a very large impact on how this business is done in the future. Many exporters have had very serious problems due to this detection and may not be able to survive the impact of this season. Similarly many importers who did not have strong relationships with their suppliers and were only relying on getting supplies by making advance payments have also had a disastrous result.

It is our belief that the business will mature significantly out of this experience and only serious and committed exporters would be able to continue this business and hence the future should be good.

2. OPPORTUNITIES AND THREATS:

OPPORTUNITIES

The domestic market for fresh fruits and vegetables is seeing a very significant transformation from selling just seasonal products to now having certain fruits and vegetable available all 12 months of the year with imported products being brought in during the off season period.

Exotic fruits and vegetables are also finding a good market specially during the wedding season and in high end hotels.

Freshrop with its existing international contacts, experience in post harvest handling of fresh produce and infrastructure of high humidity cold stores sees a good opportunity in imports & distribution of certain fruits and vegetables and in the domestic market.

Food Processing – The Company has set up a food processing unit to capitalize on its existing strengths and backward linkages towards diversification in the food processing sector which is on a high growth path and likely to sustain over a very long period given the changing trends and demographics of the Indian social landscape.

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 or excessive and unseasonal rainfall results in an excessive dependence of agricultural produce on the vagaries of nature. This still poses a risk for any agriculture related project.

3. SEGMENT WISE PERFORMANCE :

During the year under review your Company has started commercial activity at its Food Processing Plant w.e.f. 28th April, 2009 and therefore the Company has identified following segments as reportable segments:

- 1) Fresh Fruits
- 2) Food Processing

Details of Segment wise performance are given at respective place of in this report.

4. RECENT TRENDS AND FUTURE OUTLOOK :

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.

The Company has embarked upon an expansion and diversification path with the setting up of a food processing unit for producing mango pulp & concentrates, guava pulp & concentrates, pomegranate juices and concentrates as well as tomato paste. This synergetic foray into food processing is likely strengthen The Company and enable future growth.

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.

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

7. FINANCIAL PERFORMANCE WITH RESEPCT 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:

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

2. Board of Directors:

2.1 Composition & size of the Board

The 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 of Directors provide leadership and guidance to the Company's management and directs, supervise and control the performance of the Company. 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

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

During the year under review, Six(6) Board Meetings were held. The dates on which the said meetings were held are as follows:

- | | | |
|---------------------|-----------------------|-----------------------|
| 1) 20th April, 2009 | 2) 29th June, 2009 | 3) 10th July,2009 |
| 4) 31st July, 2009 | 5) 30th October, 2009 | 6) 29th January, 2010 |

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		Share holding
				Chairman	Member	
Mr. Ashok V. Motiani	Promoter & ED	6	Yes	None	None	636,768
Mrs. Nanita A. Motiani	Promoter & ED	6	Yes	None	None	572,246
Mr. Ramchandra G. Joshi	Independent & NED	5	Yes	None	None	4,000
Mr. Mayur J. Shah	Independent & NED	6	Yes	None	None	5,600

NED- Non-Executive Director, ED-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.

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

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

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

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

Mr. Ramchandra G. Joshi

Mr. Ramchandra G. Joshi, aged about 64 years is B.com, L.L.B. He has vast experience in public relations, legal and administrative matters which helps the Company.

Mr. Ramchandra G. Joshi is a member of the Audit Committee, Remuneration Committee and Financial Committee of the FFL. He is not on the Board of any other Public Limited Company as Director, Member or Chairman of the other public limited Company.

2.4 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;

- The minutes of the meetings of the Board, Audit Committee, Shareholder/Investor Grievances Committee, Financial Committee and Remuneration Committee.
- Quarterly, half yearly and annual financial results of the Company and its operating divisions.
- Annual operating plans and budgets and any updates thereon.
- Capital Budget and any updates thereon.
- The information on recruitment and remuneration of senior officers just below the board level, including the appointment or removal of the Company Secretary.
- Materially important show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any.
- Any issue, which involves possible public or product liability claims if substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

9. Any significant development in Human Resources/Industrial Relations front.
10. Foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movement, if material.
11. Non-compliance of any regulatory, statutory or listing agreements and shareholders service as non-payment of dividend, delay in share transfer etc., if any.
12. Appointment of statutory auditor, secretarial auditor.
13. General disclosure of interest.
14. Contracts in which director(s) are deemed to be interested.
15. Details of investment of surplus funds available with the Company.
16. Secretarial Audit Report.

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:

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

3.1 Meeting and the attendance during the year

Five (5) 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 2010.

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 17th Annual General Meeting of the Company held on 29th September 2009.

4. Subsidiary Companies:

The Company does not have any subsidiary.

5. 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 the Company 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 31st October, 2009 & 30th January, 2010 in which all the three members were present.

The Chairman of the Remuneration Committee was present at 17th Annual General Meeting of the Company held on 29th September 2009.

5.1 Details of Remuneration to the Board members

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 2009-2010 is as follows:

Name of Director	Designation	Remuneration (including perquisites) paid (₹)	Sitting Fees paid (₹)	Total Remuneration (₹)
Mr. Ashok V. Motiani	Chairman & Managing Director	4,524,830	—	4,524,830
Mrs. Nanita A. Motiani	Executive Director	750,000	—	750,000
Mr. Ramchandra G. Joshi	Director	—	12,500	12,500
Mr. Mayur J. Shah	Director	—	15,000	15,000
Total		5,274,830	27,500	5,302,330

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.

6. Shareholders/Investors' Grievance Committee:

The Company constituted a Shareholders/Investors' Grievance Committee to ensure timely services to the Member/Investors and to supervise the performance of the Registrar and Share Transfer Agent and to provide the best services to the Investors. 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 five (5) times during the period 2009-2010.

Name of the Members	Designation	No. of Meetings attended	
		Held	Attended
Mrs. Nanita A. Motiani	Chairman/ED	5	5
Mr. Ashok V. Motiani	Member/ED	5	5
Mr. Mayur J. Shah	Member/NED and Independent	5	5

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 31-03-2010
1	Non-receipt of Dividend warrant	—	—	—
2	Non-receipt of Annual Reports	—	—	—
3	Non-receipt of shares after transfer/bonus shares	—	—	—
4	Letters received from SEBI/ROC/ Stock Exchanges	2	2	—
5	Others	3	3	—
	Total	5	5	—

There was no pending transfer of equity shares as on 31st March 2010

7. Financial Committee:

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

The Constitution and details of the attendance of the meeting of the Committee members is given in the following table. The Committee met two (2) times during the period 2009-2010.

Name of the Members	Designation	No. of Meetings attended	
		Held	Attended
Mr. Ramchandra G. Joshi	NED	2	2
Mr. Mayur J. Shah	NED	2	2
Mrs. Nanita A. Motiani	ED	2	2

NED- Non-Executive Director, ED-Executive Director.

8. 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.

9. CEO / CFO Certification:

In terms if the requirement of Clause 49 (V) of the Listing Agreement the CEO has submitted necessary certificate to the Board at its meeting held on 18th August, 2010 stating the particulars specified under the said clause.

10. 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
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
2008-09	17	29-09-2009 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, 2010, 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
2009-2010	15-05-2009 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.

11. Disclosure:

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

12. 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.

13. Means of Communication with shareholders:

- 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 newspaper Economic Times (English & Gujarati).
- Website : www.freshtrop.com
- Compliance Officer : Ms. Bharti M. Hingorani
- Address : A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380 015
- E-mail: bhingorani@freshtrop.com
- Tel. No. 079 – 66527058 – 67

14. 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

15. (i) General Shareholders Information:

Day & Date of 18th AGM	: Monday, 27th September,2010
Time	: 11.00 a.m.
Venue	: Karnavati Club, S.G. Road, Ahmedabad-380051.
Financial Year	: 1st April 2009 to 31st March 2010
Book Closure Dates	: 17th September 2010 to 27th September 2010 (both days inclusive)
Dividend Payment Date	: N.A.

(ii) Financial Calendar for the Financial year 2010-11 (tentative)

First Quarter Results	: August, 2010 (second week)
Second Quarter Results	: November, 2010 (second week)
Third Quarter Results	: February, 2011 (second week)
Forth Quarter Results	: May, 2011 (second week)
Annual General Meeting	: August/September, 2011

(iii) Listing on Stock Exchanges

: Equity shares of the Company are listed at following Stock Exchange.

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

Your Company has paid listing fee to stock exchanges for the financial year 2010-2011.

(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 2010 were as follows:

Month	Bombay Stock Exchange Ltd.	
	High (₹)	Low (₹)
April, 2009	22.00	17.05
May, 2009	35.90	18.60
June, 2009	31.95	25.00
July, 2009	28.90	24.75
August, 2009	29.75	25.00
September, 2009	41.45	25.80
October, 2009	38.00	29.50
November, 2009	41.05	27.55
December, 2009	42.95	33.50
January, 2010	42.10	30.65
February, 2010	37.90	26.00
March, 2010	29.00	24.00

(vi) Registrar & Transfer Agents Address : Bigshare Services Private Limited
E-2, Ansa Industrial Estate, Sakivihar Road, Saki Naka,
Andheri (E), Mumbai-400 072
Ph.:022 2847 0652/53 Fax :022 2847 5207
E-mail :dashok@bigshareonline.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 2010)

Shares/Deb. Holding of No. of Equity Shares (1)	Share/Deb. Holders		Share/Debtenture	
	Nos. (2)	% of total (3)	Nos. (4)	% of total (5)
Upto 500	3770	78.63	720,408	6.84
501 to 1000	463	9.66	380,138	3.60
1001 to 2000	228	4.75	366,013	3.47
2001 to 3000	104	2.17	264,001	2.50
3001 to 4000	44	0.92	160,998	1.53
4001 to 5000	40	0.83	191,160	1.81
5001 to 10000	72	1.50	533,047	5.05
10001 and above	68	1.54	7,929,235	75.20
TOTAL	4789	100.00	10,545,000	100.00

b) Shareholding pattern (As on 31st March 2010)

Description	Share holders		Shareholdings	
	Nos.	% of total	Nos.	% of total
Resident Individuals (incl.HUF)	4538	94.76	3,819,620	36.22
Promoter's and Relatives	6	0.13	4,743,809	44.99
Non Resident Individuals	49	1.02	426,309	4.04
Bodies Corporate	193	4.03	1,000,615	9.49
Mutual Fund, Natioanlised Bank etc.,	3	0.06	554,647	5.26

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

Status of Dematerialisation (As on 31st March 2010)

Particulars	No. of Equity Shares	% of Share Capital
NSDL	4,266,969	40.46
CDSL	5,210,427	49.41
Physical	1,067,604	10.13
TOTAL	10,545,000	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 certificate, dividend and change of address etc., may be addressed to our Registrar & Share Transfer Agents at the address mentioned above.
2. Shareholders may also contact the Compliance Officer, Freshrop Fruit Limited, A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380 015. Phone : 079-66527060-67, Fax : 079-66527069, E-mail : bhingorani@freshrop.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 18th August, 2010 and the same was approved.

Date : 18-08-2010
Regd. Office :
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshrop Fruits Ltd.,

Ashok V. Motiani
Chairman & Managing Director

CHIEF EXECUTIVE OFFICER'S CERTIFICATE

To,
The Board Of Directors,
Freshtrop Fruits Limited

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

- (a) 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 : 18-08-2010
Place : Ahmedabad

Ashok V. 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 LTD.** for the year ended on March 31,2010, as stipulated in Clause 49 of the Listing Agreement of the said 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 the 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 compliances is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Mayank Shah & Associates**
Chartered Accountants
(Firm Reg. No. 106109W)

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

Date : 18-08-2010
Place: Ahmedabad

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2010.**

To,
The Members,
Freshrop Fruits Limited

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

Based on my verification of Freshrop Fruits Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2010, complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Freshrop Fruits Limited ("the Company") for the financial year ended on 31st March, 2010 according to the provisions of:

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited;
- 1.** Based on my examination and verification of the registers, records and documents produced to me and according to the information and explanations given to me by the management of the Company, I report that the Company has, in my opinion, complied with the provisions of the Companies Act, 1956 ("the Act") and the Rules made under the Act, Accounting Standards and Memorandum and Articles of Association of the Company, with regard to:
- (a) Maintenance of statutory registers and records and necessary entries are therein;
 - (b) Closure of Register of Members;
 - (c) Submission of forms, returns, documents and resolutions required to be filed with the Registrar of Companies;

- (d) Service of documents by the Company on its Members, and Registrar of Companies;
- (e) Notice of Board meetings and Committee meetings of Directors;
- (f) Notice of the General Meetings and Extra Ordinary General Meetings of the Company;
- (g) Minutes of proceedings of General Meetings and of Board and other meetings;
- (h) Approvals of shareholders, the Board of Directors, the Committee of Directors and government authorities, wherever required;
- (i) Constitution of the Board of Directors and appointment, retirement and Reappointment of Directors;
- (j) Remuneration of Directors including the Managing Director and Whole-time Directors;
- (k) Appointment and remuneration of Auditors;
- (l) Transfers and transmissions of the Company's shares and issue and delivery of original and duplicate share certificates;
- (m) Form of balance sheet as prescribed under Part I of Schedule VI to the Act and requirements as to Profit & Loss Account as per Part II of the said Schedule;
- (n) Borrowings and registration, modification and satisfaction of charges;
- (o) Investment of the Company's funds;
- (p) Contracts, affixing of common seal, registered office and publication of name of the Company;
- (q) All other applicable provisions of the Act and the Rules / regulation made thereunder; and
- (r) The Company has issued and allotted the securities to the persons-entitled thereto and has also issued letters, coupons, warrants and certificate thereof as applicable to the concerned persons and converted warrants into equity shares in compliance with the provisions of the Companies Act, 1956 and other relevant statutes.

2. I further report that:

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

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

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

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

5. I further report that

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

Adequate notice is given to all directors to schedule the Board Meeting Agenda and detailed notes on agenda are sent at least seven days in advance, A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

6. I further report that

There are adequate systems and processes in the company commensurate with the size and operations of the company to Monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For, **R.S.SHARMA & ASSOCIATES**

(R.S.Sharma)

Practicing Company Secretary

CP No: 2118

M No: 3126

Date : 18-08-2010

Place : Ahmedabad

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, 2010 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 those 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, 2010 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 the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - (i) In case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2010
 - (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
(Firm Reg. No. 106109W)

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

Date : 18-08-2010
Place: Ahmedabad

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 disposed off a substantial part of fixed assets so, as to affect its going concern status.
- 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 ₹ 96.25 lacs and the year-end balance was ₹2.25 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 To the best of our knowledge and belief and as explained to us the Company has not entered into any transactions required to be entered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, clause 4(v)(b) of the order is not applicable.
- 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.

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- 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 2010 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 any accumulated losses 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 statue 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 us, in our opinion, the term loans raised during the year were prima facie been utilized for the purposes 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 The Company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. In our opinion the price at which shares have been issued is not prejudicial to the interest of the Company.
- 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
(Firm Reg. No. 106109W)

(M. S. Shah)
Partner

Mem. No. 44093

Date : 18-08-2010
Place: Ahmedabad

BALANCE SHEET AS AT MARCH 31, 2010

Particulars	Schedule	As At 31-03-2010 in ₹	As At 31-03-2009 in ₹
SOURCES OF FUNDS			
Share Holders' Fund			
Share Capital	A	105,450,000	100,450,000
Optionally Convertible Warrants	B	2,425,000	—
Reserves & Surplus	C	141,509,284	113,433,571
Deferred Government Grant	D	75,968,137	4,742,498
Loan Funds			
Secured Loans	E	244,073,229	249,446,664
Unsecured Loans	F	225,000	9,499,953
Deferred Tax Liability		22,514,878	12,978,329
TOTAL ₹		592,165,528	490,551,015
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	G	468,932,181	184,001,576
Less : Depreciation		67,275,254	46,328,157
Net Block		401,656,927	137,673,419
Capital - Work in Progress		34,773,491	261,797,595
		436,430,418	399,471,014
Investments	H	397,022	296,050
Current Assets, Loans & Advances			
Inventories	I	207,628,034	171,663,744
Sundry Debtors		47,310,173	20,384,277
Cash & Bank Balances		12,778,159	16,852,768
Loans & Advances		48,482,771	31,611,310
		316,199,137	240,512,099
Less : Current Liabilities & Provisions	J	161,536,823	150,625,443
Net Current Assets		154,662,314	89,886,656
Miscellaneous Expenditure (to the extent not written off or adjusted)	K	675,774	897,295
TOTAL ₹		592,165,528	490,551,015

Notes on Accounts

As per our Report of even date attached
For **Mayank Shah & Associates**
Chartered Accountants
(Firm Reg. No. 106109W)
(M. S. Shah)
Partner
Mem. No. : 44093
Date : 18-08-2010
Place : Ahmedabad

T

For and on behalf of the Board of Directors
Ashok V. Motiani *Managing Director*
Nanita A. Motiani *Executive Director*
Mayur J. Shah *Director*
Bharti M. Hingorani *Company Secretary*
Date : 18-08-2010
Place : Ahmedabad

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year Ended 31-03-2010 in ₹	Year Ended 31-03-2009 in ₹
INCOME :			
Sales	L	486,751,146	375,395,387
Other Income	M	14,768,981	3,823,605
Export Incentives		16,580,880	13,400,919
TOTAL ₹		518,101,007	392,619,911
EXPENDITURE			
Material Consumed & Stock Variation	N	266,284,407	217,680,264
Manufacturing Expenses	O	20,982,837	13,714,817
Payments to & Provisions for Employment	P	15,624,659	6,862,366
Administrative Expenses	Q	13,083,923	22,792,686
Selling and Distribution Expenses	R	130,664,764	106,959,941
Financial Charges	S	18,734,603	5,595,321
Loss on Sale of Mutual Funds		—	3,491,949
Preliminary & Issue Expenditure written off		318,493	299,099
Depreciation		21,158,726	8,834,250
TOTAL ₹		486,852,412	386,230,693
Profit before tax		31,248,595	6,389,218
Provision for current taxation		5,309,000	554,054
Deferred Taxation		9,536,549	1,524,590
Wealth Tax		—	10,000
MAT Credit Entitlement		(5,309,000)	—
Fringe Benefit Tax		—	210,000
Profit after Tax		21,712,046	4,090,574
MAT Credit Entitlement of previous year		2,402,485	—
Prior Period and extra ordinary Items		738,818	80,820
Profit after Tax and Prior Period & Extra Ordinary Items		23,375,713	4,009,754
Balance Brought Forward		98,195,606	94,185,852
Balance Carried Forward		121,571,319	98,195,606
Notes on Accounts	T		
Earning per Equity Share (Face Value s. 10/- Each)			
- Basic and Diluted		2.14	0.41

As per our Report of even date attached
For **Mayank Shah & Associates**
Chartered Accountants
(Firm Reg. No. 106109W)
(M. S. Shah)
Partner
Mem. No. : 44093
Date : 18-08-2010
Place : Ahmedabad

For and on behalf of the Board of Directors
Ashok V. Motiani Managing Director
Nanita A. Motiani Executive Director
Mayur J. Shah Director
Bharti M. Hingorani Company Secretary
Date : 18-08-2010
Place : Ahmedabad

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

(₹ in lacs)

Particulars	2009-2010	2008-2009
A Cash Flow from Operating Activities :		
Net Profit before Tax and Extra Ordinary Items	312.49	63.89
Adjustments For :		
Depreciation	211.59	88.34
Government Grant	(37.74)	(2.58)
Write Offs	3.18	2.99
(Profit)/Loss on sale of Fixed Assets	(3.81)	0.00
(Profit)/Loss on sale of Investments	—	34.92
	485.71	187.57
Income from Investment Activity		
Add: Interest Paid	187.35	55.95
Less: Interest/Dividend Received	3.26	35.63
	669.80	207.89
Adjustments For :		
Trade & Other Receivables	(320.09)	51.78
Inventories	(359.64)	92.75
Trade Payables	66.19	(121.38)
	(613.54)	23.15
Income Tax	(50.94)	(5.29)
Net Cash used in Operating Activities	5.32	225.75
Add / (Less) : Prior Period and Extra ordinary Items	(7.39)	(0.81)
Net Cash after Extra Ordinary Intems (A)	(2.07)	224.94

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(₹ in lacs)		
Particulars	2009-2010	2008-2009
B Cash Flow from Investing Activities :		
Purchase of Fixed Assets including Capital WIP	(583.47)	(2556.91)
Sale of Investment	—	550.77
Purchase of Investment	(1.01)	0.00
Interest/Dividend Received	3.26	35.63
Sale / Deduction of Fixed Assets	6.10	13.33
Net Cash used in Investment Activities (B)	(575.12)	(1957.18)
C Cash Flow from Financing Activities :		
Repayment of Long Term Borrowings	(748.89)	1628.41
Proceeds from Long Term Borrowings	273.55	0.00
Increase (Decrease) in Short Term Borrowings	328.86	18.81
Increase in Share Capital including Share Premium	121.25	0.00
Share Issue Expenses	(0.97)	0.00
Interest Paid	(187.35)	(55.95)
Government Subsidy/ Grants	750.00	79.62
Net Cash from Financing Activities (C)	536.45	1670.89
Net Increase In Cash & Cash equivalents (A+B+C)	(40.74)	(61.35)
Cash and Cash equivalent Opening balance :		
Cash and bank balances	168.53	229.88
Cash and Cash equivalent Closing balance :		
Cash and bank balances	127.79	168.53

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard 3 on "Cash Flow Statements" as prescribed by Companies (Accounting Standard) Rules, 2006.

As per our Report of even date attached
For Mayank Shah & Associates
 Chartered Accountants
 (Firm Reg. No. 106109W)
(M. S. Shah)
 Partner
 Mem. No. : 44093
 Date : 18-08-2010
 Place : Ahmedabad

For and on behalf of the Board of Directors
Ashok V. Motiani *Managing Director*
Nanita A. Motiani *Executive Director*
Mayur J. Shah *Director*
Bharti M. Hingorani *Company Secretary*
 Date : 18-08-2010
 Place : Ahmedabad

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS AS AT 31-03-2010

Particulars	As at 31-03-2010 In ₹	As at 31-03-2009 In ₹
SCHEDULE - A : SHARE CAPITAL		
Authorized		
1,50,00,000 Equity Shares of ₹ 10/- each	150,000,000	150,000,000
Issued, Subscribed & Paid-up		
10545000 (P.Y.10045000) Equity Shares of ₹10/- each fully paid (Refer Note No.4 of Schedule-T)	105,450,000	100,450,000
TOTAL ₹	105,450,000	100,450,000
SCHEDULE - B : OPTIONALLY CONVERTIBLE WARRANTS		
10,00,000 Optionally Convertible Warrants of ₹19.40 each	19,400,000	—
10,00,000 Optionally Convertible Warrants of ₹19.40/- Each Paid up ₹4.85/-	4,850,000	—
Less: Option Exercised during the Year on 5,00,000 Warrants	2,425,000	—
TOTAL ₹	2,425,000	—
SCHEDULE - C : RESERVES & SURPLUS		
Share Premium	5,000,000	5,000,000
Add: Addition on Conversion of Warrants	4,700,000	—
	9,700,000	5,000,000
Capital Reserve	8,950,000	8,950,000
General Reserve	1,287,965	1,287,965
Profit & Loss Account	121,571,319	98,195,606
TOTAL ₹	141,509,284	113,433,571
SCHEDULE - D : DEFERRED GOVERNMENT GRANT		
Opening Balance	4,742,498	—
Add: Received during the year	75,000,000	5,000,000
	79,742,498	5,000,000
Less: Recognized during the year	3,774,361	257,502
TOTAL ₹	75,968,137	4,742,498
SCHEDULE - E : SECURED LOANS		
Term Loans	145,969,710	184,229,284
Working Capital Loans (Refer Note No.5 of Schedule-T)	98,103,519	65,217,380
TOTAL ₹	244,073,229	249,446,664

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Particulars	As at 31-03-2010 In ₹	As at 31-03-2009 In ₹
SCHEDULE - F : UNSECURED LOANS		
Inter Corporate Deposit	225,000	9,499,953
TOTAL ₹	225,000	9,499,953

SCHEDULE - G : FIXED ASSETS

Sr. No	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Balance As at 01-04-09 ₹	Additions During the Year ₹	Deductions During the Year ₹	Balance As at 31-03-10 ₹	Balance As at 01-04-09 ₹	Provided During the Year ₹	Deductions During the Year ₹	Balance As at 31-03-10 ₹	As on 31-03-10 ₹	As on 31-03-09 ₹
TANGIBLE											
1	Land & Land Development	16,964,713	2,721,446	3,990	19,682,169	—	—	—	—	19,682,169	16,964,713
2	Factory Building	58,326,135	76,404,251	—	134,730,386	10,738,682	4,775,324	—	15,514,006	119,216,380	47,587,453
3	Plant & Machinery	94,495,522	194,071,690	—	288,567,212	29,616,644	14,347,979	—	43,964,623	244,602,589	64,878,878
4	Office Equipment	1,013,424	612,110	—	1,625,534	292,830	73,098	—	365,928	1,259,606	720,594
5	Vehicles	5,630,588	2,977,965	436,451	8,172,102	1,650,587	696,992	211,629	2,135,950	6,036,152	3,980,001
6	Furniture & Fixtures	3,844,410	781,651	—	4,626,061	2,045,657	288,259	—	2,333,916	2,292,145	1,798,753
7	Computer	3,596,284	434,405	—	4,030,689	1,958,951	628,250	—	2,587,201	1,443,488	1,637,333
8	Office Electrification	130,500	189,615	—	320,115	24,806	19,356	—	44,162	275,953	105,694
9	Pollution Control Equipment	—	7,089,673	—	7,089,673	—	311,820	—	311,820	6,777,853	—
INTANGIBLE											
10	Web Site	—	88,240	—	88,240	—	17,648	—	17,648	70,592	—
TOTAL ₹		184,001,576	285,371,046	440,441	468,932,181	46,328,157	21,158,726	211,629	67,275,254	401,656,927	137,673,419
Previous Year's 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	107,263,604

Particulars	As at 31-03-2010 In ₹	As at 31-03-2009 In ₹
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SCHEDULE - H : INVESTMENTS

(A) Quoted Investment In Equity Shares	295,800	295,800
(i) Tata Consultancy Services Limited (No. of shares-1392) (P.Y.- 696 shares) Market Value on 31-03-2010 ₹ 10,86,874/-		
(B) Unquoted Investments		
(i) In Mutual Funds		
- Bharti AXA Equity Fund Regular Plan-Growth No. of Units - 1344.816 (P.Y.-NIL)	21,232	—
- Bharti AXA Equity Fund Eco Plan-Growth No. of Units - 4715.827 (P.Y.-NIL)	79,740	—
(ii) 5 Nos of Shares of ₹50/- each of Shree Laxminarayan Co-op Hos.Soc.Ltd	250	250
TOTAL ₹	397,022	296,050

Particulars	As at 31-03-2010 In ₹	As at 31-03-2009 In ₹
SCHEDULE - I : CURRENT ASSETS, LOANS AND ADVANCES		
INVENTORIES		
Finished Stock- In Transit	175,866,086	147,954,840
Finished Stock -At Factory	15,616,520	5,260,754
Raw Materials	—	1,190,294
Consumables	1,273,690	1,487,872
Packing Materials	14,752,533	15,650,779
Spare parts	119,205	119,205
TOTAL ₹ (A)	207,628,034	171,663,744
SUNDRY DEBTORS (Unsecured, considered good)		
Outstanding for more than six months	—	1,670,716
Outstanding for less than six months	47,310,173	18,713,561
TOTAL ₹ (B)	47,310,173	20,384,277
CASH AND BANK BALANCE		
Cash on Hand	2,427,748	2,964,015
Balance with Scheduled Banks :		
- In Current Account	8,536,300	11,131,340
- In Fixed Deposit Account	1,814,111	2,757,413
TOTAL ₹ (C)	12,778,159	16,852,768
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in Cash or in kind or for value to be received :		
For Purchase of immovable property	11,505,358	9,705,358
For procurement of raw material	1,137,017	1,517,304
Advance for Capital Goods	1,455,282	4,008,909
Deposits	1,789,133	1,710,418
Balance with Government Authorities	17,282,186	9,294,586
MAT Credit Entitlement	6,694,571	—
Advances to Others	8,619,224	5,374,735
TOTAL ₹ (D)	48,482,771	31,611,310
TOTAL ₹ (A+B+C+D)	316,199,137	240,512,099

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Particulars	As at 31-03-2010 In ₹	As at 31-03-2009 In ₹
SCHEDULE - J : CURRENT LIABILITIES & PROVISIONS:		
Current Liabilities		
Sundry Creditors	150,891,532	114,245,613
Others Current Liabilities	4,241,725	34,499,123
Unclaimed dividend	1,094,566	1,106,653
Provisions		
For Taxation	5,309,000	774,054
TOTAL ₹	161,536,823	150,625,443
SCHEDULE - K : MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Share Issue Expenses		
Opening Balance	740,752	987,670
Add: Addition during the year	96,972	—
Less: Written off during the year	266,312	246,918
TOTAL ₹ (A)	571,412	740,752
Deferred Revenue Expenditure		
Opening Balance	156,543	208,724
Less : Written off during the year	52,181	52,181
TOTAL ₹ (B)	104,362	156,543
TOTAL ₹ (A+B)	675,774	897,295
SCHEDULE - L : SALES		
Export Sales	453,343,615	375,395,387
Domestic Sales	33,080,088	—
Job Work Sales	327,443	—
TOTAL ₹	486,751,146	375,395,387
SCHEDULE - M : OTHER INCOME		
FWC Premium / (Discount)	397,014	3,104
Interest Income	213,217	1,303,813
Dividend on Investments	25,151	2,259,186
Profit on Compulsory Acquisition of Land	480,580	—
Income from Debt Fund	87,652	—
Foreign Exchange Gain	9,791,006	—
Government Grant Recognized	3,774,361	257,502
TOTAL ₹	14,768,981	3,823,605

Particulars	Year Ended 31-03-2010 In ₹	Year Ended 31-03-2009 In ₹
SCHEDULE - N : MATERIALS CONSUMED & STOCK VARIATION		
RAW MATERIAL CONSUMPTION		
Op.Stock	1,190,294	—
Add : Purchase	243,801,046	157,544,831
	244,991,340	157,544,831
Less : Closing Stock	—	1,190,294
TOTAL ₹ (A)	244,991,340	156,354,537
FINISHED GOODS PURCHASE		
Op.Stock	—	—
Add : Purchase	3,590,400	—
	3,590,400	—
Less : Closing Stock	—	—
TOTAL ₹ (B)	3,590,400	—
PACKING MATERIAL CONSUMED		
Op.Stock	15,650,779	15,233,900
Add : Purchase	52,156,791	48,289,157
	67,807,570	63,523,057
Less : Closing Stock	14,752,533	15,650,779
TOTAL ₹ (C)	53,055,037	47,872,278
CONSUMABLES CONSUMED		
Op.Stock	1,487,872	—
Add : Purchase	2,700,460	2,512,326
	4,188,332	2,512,326
Less : Closing Stock	1,273,690	1,487,872
TOTAL ₹ (D)	2,914,642	1,024,454
STOCK VARIATION		
Cl.Stock Finished Goods-In Transit	175,866,086	147,954,840
Cl.Stock Finished Goods-At Factory	15,616,520	5,260,754
TOTAL ₹ (a)	191,482,606	153,215,594
Op.Stock Finished Goods-In Transit	147,954,840	156,715,068
Op.Stock Finished Goods-At Factory	5,260,754	8,929,521
TOTAL ₹ (b)	153,215,594	165,644,589
TOTAL ₹ (E) = (a-b)	(38,267,012)	12,428,995
TOTAL ₹ (A+B+C+D+E)	266,284,407	217,680,264
SCHEDULE - O : MANUFACTURING EXPENSES		
Labour charges	4,733,399	3,660,578
Power & Fuel	6,991,860	2,494,212
Inward Transportation	4,200,194	3,197,100
Repairs & Maintenance	1,452,692	451,633
Testing Expenses	1,118,349	2,917,740
Procurement Expenses	827,913	223,836
Others Factory Expenses	1,658,431	769,718
TOTAL ₹	20,982,837	13,714,817

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Particulars	Year Ended 31-03-2010 In ₹	Year Ended 31-03-2009 In ₹
<u>SCHEDULE - P : PAYMENTS TO & PROVISIONS FOR EMPLOYMENT</u>		
Salaries, Bonus & Allowances	14,501,223	6,205,652
Contribution towards Gratuity & Provident Fund	779,126	286,317
Staff & Labour Welfare expenses	344,310	370,397
TOTAL ₹	15,624,659	6,862,366
<u>SCHEDULE - Q : ADMINISTRATIVE AND OTHER EXPENSES</u>		
Rent, Rates & Taxes	131,623	109,319
Insurance Exps.	876,381	921,207
Stationery & Printing Exps.	297,014	317,841
Telephone & Internet Expenses	915,120	695,998
Advertisement Exp	85,411	100,490
Computer Exp	136,926	468,632
Foreign Exchange Loss	—	13,357,433
Director Fees & Remuneration	5,135,830	2,904,944
Professional & Legal fees	1,577,974	813,581
Auditor's Remuneration	248,175	248,175
Vehicle Expenses	741,373	460,256
Repairs & Maintenance to Building / Office	361,811	323,778
ROC Fees	6,600	9,600
Listing Fees	107,291	89,431
Loss on sale of Car	99,822	—
Membership Fees	171,938	119,801
Security Expenses	782,363	507,115
Other Expenses	1,408,270	1,345,085
TOTAL ₹	13,083,923	22,792,686
<u>SCHEDULE - R : SELLING & DISTRIBUTION EXPENSES</u>		
Foreign Selling Expenses	107,047,217	88,932,434
Other Selling & Distribution Expenses	4,395,527	2,611,044
Forwarding & Freight Charges	19,222,020	15,416,463
TOTAL ₹	130,664,764	106,959,941
<u>SCHEDULE - S : FINANCIAL CHARGES</u>		
Interest on Fixed Loans	17,205,555	15,076,502
Interest on Other Loans	2,847,736	621,802
Other Charges	1,526,690	789,758
	21,579,981	16,488,062
Less: Financial charges Capitalised	2,845,378	10,892,741
TOTAL ₹	18,734,603	5,595,321

SCHEDULE – T - 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. During the year Company has also started commercial production of Fruit Juice Concentrate Plant.

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**(i) Tangible Assets**

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

(ii) Intangible Assets

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

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

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

(ii) Intangible Assets

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

(D) CAPITAL WORK-IN-PROGRESS

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

(E) 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.

(F) INVENTORIES

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

(G) INVESTMENTS

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

(H) REVENUE RECOGNITION

(i) Export Sales

Consignment Sales

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

Sales by Fixed Price Contract

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

(ii) Domestic Sales

The Company recognizes sale of goods when the significant risks and rewards of ownership are transferred to the buyer.

(iii) Job Work Sales

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

(iv) Export Incentives

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

(v) Other Income

1) Dividend on investment

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

2) Interest Income

Interest income is recognized on accrual basis.

3) Gain/ Loss on Sale of Investment

Gain/Loss on sale of investment 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.

(I) FOREIGN CURRENCY TRANSACTIONS

(i) All Transactions in foreign currency are recorded at the rates of exchange prevailing as at the date of the transaction.

(ii) Monetary assets and liabilities in foreign currency, outstanding at the close of the year, are converted in Indian currency at the appropriate rates of exchange prevailing at the close of the year. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

(iii) In respect of forward exchange contracts entered into towards hedge of foreign currency risks, the difference between the forward rate and the exchange rate at the inception of the contract is recognized as income or expenditure over the life of the contract. Further, the exchange difference arising on such contracts are recognized as income or expenditure along with the exchange differences on the underlying assets/liabilities except in case where they relate to the acquisition or construction of fixed assets, in which case, they are adjusted to the carrying cost of fixed assets. Profit or Loss on cancellations/renewals of forward contracts is accounted for during the year.

(J) DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING

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

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

(K) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

(L) 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.

(M) 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.

(N) EMPLOYEE BENEFITS

a. SHORT TERM EMPLOYEES BENEFIT

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

b. POST EMPLOYMENT BENEFIT

(i) Defined Contribution Plans:-

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

(ii) Defined Benefit Plans:-

Gratuity to Employees are covered under the Employees Group Gratuity Scheme 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.

(O) SEGMENT ACCOUNTING

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

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

(P) TAXES ON INCOME

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

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

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

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

(Q) IMPAIRMENT OF ASSETS

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is impaired when the carrying amount of the asset exceeds the recoverable amount. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. An impairment loss recognized in prior accounting periods is reversed if there has been change in the estimate of the recoverable amount.

(R) MISCELLANEOUS EXPENDITURE

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

3. Contingent liability:

Sr. No.	Nature of Liabilities	2009-10 (₹ in Lacs)	2008-09 (₹ in Lacs)
(a)	Estimated amounts of contracts remaining to be executed on capital account and not provided (net of advances)	6.17	NIL
(b)	Estimated amount of Custom/Excise duty liability in respect of Capital Goods purchased without payment of duty under EPCG Scheme	397.74	336.21
(c)	Estimated amount of duty liability on stock of duty free materials	20.28	19.29
(d)	Estimated amount of duty liability on Capital Goods procured / imported under Bonds given by the Company	24.55	33.54
(e)	Bank Guarantees	12.50	12.50
(f)	Letter of Credit	35.56	NIL

4. (A) Issued, Subscribed & Paid-up Equity Share Capital Includes :

- 2,08,400 equity shares of ₹ 10/- each were allotted as fully paid Bonus Shares by way of capitalization of General Reserve during the F.Y.1994-95.
- 2,50,000 equity shares of ₹ 10/- each were allotted as fully paid upon conversion of Share Warrants during the F.Y.2005-06.
- 2,50,000 equity shares of ₹ 10/- each were allotted as fully paid upon conversion of Share Warrants during the F.Y.2006-07.
- 50,22,500 equity shares of ₹ 10/- each were allotted as fully paid Bonus Shares by way of capitalization of General Reserve during the F.Y.2007-08.

(B) During the year, the Company has issued 10,00,000 Warrants on preferential basis convertible into Equity Shares of ₹ 10/- each to the promoters at an issue price calculated under SEBI (ICDR) Regulations, 2009 i.e. ₹ 19.40 (Face Value ₹ 10/- and Premium ₹ 9.40) convertible at the option of the warrant holders at any time after 10th July, 2009 upto 9th January, 2011 and in accordance with the terms of issue, an amount of ₹ 48,50,000/- constituting 25% i.e. ₹ 4.85 per Warrant, of the total amount payable was received from them.

The warrant holders of 5,00,000 warrants have exercised their right to convert those warrants into equity shares and accordingly 5,00,000 equity shares of ₹10/- each have been issued and allotted during the year.

(C) Options outstanding as at the end of the year on un-issued share capital:

Particulars	Number of equity shares to be issued as fully paid	
	As at 31-03-2010	As at 31-03-2009
Optionally Convertible Warrants	5,00,000	Nil

- Working Capital Loans from Banks comprise of Cash Credit and Post Shipment Credit and are secured by way of hypothecation of Current Assets including Stocks and Book Debts and collaterally secured by specified Fixed Assets of the Company and Personal Guarantee of Chairman & Managing Director.
- Term Loans from Banks are secured by Equitable Mortgage of Specified Factory Land and Building as well as Specified Fixed Assets and Collaterally secured by hypothecation of Specified Current Assets of the Company and Personal Guarantee of Chairman & Managing Director.
- Vehicle Loans are secured by way of hypothecation of Specific Vehicles of the Company.
- Term Loans from Banks includes Foreign Currency loan of ₹ 3,00,36,601/- (P.Y. ₹ 7,71,73,005/-) secured by way of Specified Fixed Assets of the Company.

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6. The Company has exercised the option of implementing the Provisions of Paragraph 46 of Accounting Standard 11 " Accounting for the Effects of changes in Foreign Exchange Rates" prescribed by Companies (Accounting Standards) Amendment Rules, 2009 in the F.Y. 2008-09 and accordingly Company has deducted the foreign exchange gain of ₹ 39,12,626/- in respect of foreign currency loans from the Fixed Assets during the current Financial Year, consequently profit for the year is lower by the equivalent amount. Company had capitalised Exchange Difference Gain of ₹ 14,92,591/- in the previous year in respect of foreign currency loans.

7. Micro, Small and Medium Enterprises Development Act, 2006:

There are no Micro, Small and Medium Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at 31st March, 2010. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

8. 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.

9. The Company has provided ₹ 53,09,000/- (P.Y. ₹ 5,54,054/-) as Provision for Current taxation u/s 115JB (Minimum Alternate Tax) of Income Tax Act-1961.

10. Deferred Tax Liability (Net)

Amount in ₹

	Deferred Tax (Liability)/Assets as at 01-04-2009	For the period 2009-10	Deferred Tax (Liability)/Assets as at 31-03-2010
Deferred Tax Liability on account of Depreciation	(1,29,78,329)	(2,43,60,825)	(3,73,39,154)
Unabsorbed Depreciation	NIL	1,48,24,276	1,48,24,276
Net Deferred Tax Liability	(1,29,78,329)	(95,36,549)	(2,25,14,878)

11. Earning per Equity Share (EPS)

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

	31-03-2010 (Amount ₹)	31-03-2009 (Amount ₹)
Profit / (loss) after Tax	2,17,12,046	40,90,574
Weighted average numbers of Equity Shares for calculation of Basic and Dilutive Earning per Share	1,01,28,562	1,00,45,000
Basic and Diluted EPS	2.14	0.41
Nominal Value per Share	10.00	10.00

12. Related Party Disclosure

a) Names of related parties and nature of relationship.

- i) Enterprise under significant influence of Key Management personnel
 - 1) Freshcap Investments Pvt. Ltd. (Formerly known as Capital Packaging Pvt. Ltd.)
 - 2) 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 Tandon
Mr. Mayank Tandon
Ms. Dipti Motiani

b) Transactions with related parties.**Amount in ₹**

Nature of Transactions	Enterprise under significant influence of Key Management personnel	Key Management Personnel	Relative of Key Management Personnel
I) Volume of Transactions			
i) Remuneration	—	51,90,000	42,61,560
ii) Perquisites	—	84,830	—
iii) Interest Paid	6,72,247	—	—
iv) Loan Taken	37,00,029	2,50,000	—
v) Loan Repaid	1,36,47,229	2,50,000	—
II) Outstanding Balance at the close of the year			
i) Unsecured Loan	2,25,000	—	—
ii) As Creditors	—	57,000	6,66,491

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.

13. Employees Benefits**a) Defined Benefit Plan**Gratuity:

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

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

Amount in ₹

	As on 31-03-2010	As on 31-03-2009
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	3,94,273	3,51,094
Interest cost	31,542	28,088
Current Service Cost	92,219	35,595
Benefits Paid	NIL	(17,280)
Actuarial (gain)/Loss on obligations	1,35,376	(3,224)
Present value of obligations as at end of year	6,53,410	3,94,273

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	Amount in ₹	
	As on 31-03-2010	As on 31-03-2009
3 Table showing changes in the fair value of plan assets		
Fair value of plan assets at beginning of year	5,77,312	5,45,634
Expected return on plan assets	62,069	48,958
Contributions	2,71,556	NIL
Benefits paid	NIL	(17,280)
Actuarial Gain / (Loss) on Plan assets	NIL	NIL
Fair value of plan assets at the end of year	9,10,937	5,77,312
4 Table showing fair value of plan assets		
Fair value of plan assets at beginning of year	5,77,312	5,45,634
Actual return on plan assets	62,069	48,958
Contributions	2,71,556	NIL
Benefits Paid	NIL	(17,280)
Fair value of plan assets at the end of year	9,10,937	5,77,312
Funded status	2,57,527	1,83,039
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	(1,35,376)	3,224
Actuarial (gain)/Loss for the year - plan assets	NIL	NIL
Total (gain)/Loss for the year	1,35,376	(3,224)
Actuarial (gain)/Loss recognized in the year	1,35,376	(3,224)
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	6,53,410	3,94,273
Fair value of plan assets as at the end of the year	9,10,937	5,77,312
Funded status	2,57,527	1,83,039
Net Asset/(liability) recognized in balance sheet	(2,57,527)	(1,83,039)
7 Expenses Recognised in statement of Profit & loss		
Current Service cost	92,219	35,595
Interest Cost	31,542	28,088
Expected return on plan assets	(62,069)	(48,958)
Net Actuarial (gain)/Loss recognised in the year	1,35,376	(3,224)
Expenses recognised in statement of Profit & loss	1,97,068	11,501

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 ₹
Employer's contribution to Provident Fund	5,67,091

14. The Company has entered in following forward exchange contracts that are outstanding as at 31st March 2010 to hedge the foreign currency risks of firm commitments

Category	Currency	Buy / Sell	Purpose	31-03-2010		31-03-2009	
				Amount in FC	Amount in ₹	Amount in FC	Amount in ₹
Forward Contract against Exports	Euro/INR	Sell	Hedging	6,00,000	3,73,00,000	3,50,000	2,39,34,000
	GBP/INR	Sell	Hedging	9,00,000	6,43,58,000	5,50,000	4,01,74,470
	USD/INR	Sell	Hedging	4,00,000	1,84,82,000	—	—
	GBP/USD	Sell	Hedging	67,304	45,41,046	—	—

Details of unhedged Foreign currency Exposure as at 31 March 2010

Category	Currency	31-03-2010		31-03-2009	
		Amt in FC	Amt in ₹	Amt in FC	Amt in ₹
Foreign Currency Loan	EURO	4,95,981	3,00,36,601	8,92,765	6,02,43,816
Creditors	EURO	1,90,425	1,15,32,178	2,14,285	1,44,59,965
	USD	82,796	37,61,685	12,600	6,41,970
Debtors/Consignee	EURO	19,49,249	11,80,46,519	13,30,360	8,97,72,693
	GBP	2,47,273	1,68,22,675	1,98,124	1,44,35,513

15. Segment information as per Accounting Standard 17 on Segment Reporting for the year ended 31st March 2010

a. Information about Primary Business Segment

Amount in ₹

PARTICULARS	BUSINESS SEGMENTS		Unallocated	GRAND TOTAL
	Fresh Fruits	Processed Fruits & Vegetables		
Segment Revenue				
External Revenue	45,42,55,128	4,90,76,898	—	50,33,32,026
Inter-segment Revenue	—	—	—	—
Total Revenue	45,42,55,128	4,90,76,898	—	50,33,32,026
Results				
Segment Result	8,26,24,695	(2,36,52,224)	—	5,89,72,471
Unallocated Expenses	—	—	1,08,08,189	1,08,08,189
Operating Profit/(Loss)	8,26,24,695	(2,36,52,224)	(1,08,08,189)	4,81,64,282
Less: Interest Expenses	—	—	1,79,79,626	1,79,79,626
Add: Other Income	—	—	10,63,939	10,63,939

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Amount in ₹

PARTICULARS	BUSINESS SEGMENTS			GRAND TOTAL
	Fresh Fruits	Processed Fruits & Vegetables	Unallocated	
Less: Income Tax (including Deferred Tax)	—	—	95,36,549	95,36,549
Less: Exceptional Items	—	—	—	—
Net Profit/(Loss)	8,26,24,695	(2,36,52,224)	(3,72,60,425)	2,17,12,046
Segment Assets	36,44,29,780	35,38,31,768	—	71,82,61,548
Unallocated Corporate Assets	—	—	3,47,65,029	3,47,65,029
Total Assets	36,44,29,780	35,38,31,768	3,47,65,029	75,30,26,577
Segment Liabilities	23,08,64,219	16,67,76,934	—	39,76,41,153
Unallocated Corporate liabilities	—	—	3,07,08,777	3,07,08,777
Total Liabilities	23,08,64,219	16,67,76,934	3,07,08,777	42,83,49,930
Capital Expenditure	16,31,510	5,66,22,942	92,490	5,83,46,942
Depreciation, Impairment and amortization	85,50,631	1,21,06,232	8,20,356	2,14,77,219
Non-Cash Expenditure (excluding depreciation and impairment)	99,822	—	—	99,822

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

b. Information about Secondary Segment

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

Amount in ₹

Geographical Segment	31-03-2010	31-03-2009
Revenue by Geographical segment – Turnover		
India	3,34,07,531	—
Outside India	46,99,24,495	38,87,96,306
Total	50,33,32,026	38,87,96,306
Carrying Amount of Segment Assets		
India	67,21,88,716	58,23,95,013
Outside India	4,60,72,832	1,87,13,561
Total	71,82,61,548	60,11,08,574
Segment Capital Expenditure		
India	5,82,54,452	25,04,85,977
Outside India	—	—
Total	5,82,54,452	25,04,85,977

16. Expenditure incurred on employees in receipt of remuneration of not less than ₹ 24,00,000/- P.A. or ₹ 2,00,000/- P.M. if employed for a part of the year.

	Employed throughout The year		Employed for part of The year	
	2009-2010	2008-2009	2009-2010	2008-2009
Salary & Wages	45,24,830	44,99,944	NIL	NIL
No. of Employees	1	1	NIL	NIL

17. Payment to Statutory Auditor's

	2009-2010	2008-2009
i) Audit Fees	1,93,025	1,93,025
ii) Tax Audit Fees	27,575	27,575
iii) Taxation Matters	27,575	27,575

18. Managerial Remuneration

	2009-2010	2008-2009
Remuneration	51,90,000	50,40,000
Perquisites	84,830	59,944

Note: Remuneration includes ₹ 1,66,500/- (P.Y. ₹ 22,20,000/-) capitalised during the year

19. Value of Imports calculated on CIF basis.

	2009-2010	2008-2009
Packing Material	1,54,00,323	1,41,93,316
Consumables	4,44,787	—
Capital Goods	6,05,785	10,74,14,080

20. Expenditure in Foreign Currency:

	2009-2010	2008-2009
Foreign Selling Expenses	10,70,47,217	8,89,32,434
Foreign Travelling Expenses	5,36,193	4,53,879
Interest on Foreign Currency Loan	12,72,746	29,20,321
Foreign Sea Freight	93,02,980	—
Other Expense	4,67,660	28,785

21. Earning in Foreign Currency

	2009-2010	2008-2009
Sales of Fresh Fruits	45,33,43,615	37,53,95,387

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22. Licensed and Installed Capacity

Per Annum

	2009-2010		2008-09	
	Licensed	Installed	Licensed	Installed
Fresh Fruits	N.A.	35,400 M.T.	N.A.	31,200 M.T.
Fruit Juice Concentrate Plant	N.A.	31,600 M.T.	N.A.	—

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.

23. Additional information pursuant to the Provisions of para 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956:

[A] (I) RAW MATERIAL CONSUMPTION

Sr. No.	Raw Materials	31-03-2010		31-03-2009	
		Qty. MT.	₹ in Lacs	Qty. MT.	₹ in Lacs
	FRESH FRUITS				
1	Grapes	4069.03	1886.62	3513.13	1355.34
2	Pomegranates	233.22	184.46	297.22	208.20
	PROCESSED FRUITS				
3	Mangoes	1302.73	285.41	—	—
4	Guava	1015.67	51.18	—	—
5	Pomegranates	197.36	42.24		
	Total		2449.91		1563.54

	31-03-2010 ₹ in Lacs	31-03-2009 ₹ in Lacs
(II) PACKING MATERIAL CONSUMED	530.55	478.73
(III) CONSUMABLES CONSUMED	29.15	10.24

[B] COMPOSITION OF CONSUMPTION

Raw Materials	31-03-2010		31-03-2009	
	₹ in Lacs	In %	₹ in Lacs	In %
Imported	0.00	0%	0.00	0%
Indigenous	2449.91	100%	1563.55	100%
TOTAL	2449.91	100%	1563.55	100%

Packing Materials	31-03-2010		31-03-2009	
	₹ in Lacs	In %	₹ in Lacs	In %
Imported	146.37	27.38%	148.07	30.93%
Indigenous	384.18	72.62%	330.66	69.07%
TOTAL	530.55	100.00%	478.73	100.00%

Consumables	31-03-2010		31-03-2009	
	₹ in Lacs	In %	₹ in Lacs	In %
Imported	5.59	19.18%	0.00	0.00%
Indigenous	23.56	80.82%	10.24	100.00%
TOTAL	29.15	100.00%	10.24	100.00%

[C] TURNOVER (Figures for Previous year are given in brackets)

(I) DETAILS OF MANUFACTURING TURNOVER

Mfg. GOODS SALES	OPENING STOCK				PRODU -CTION	SALES			Q.C/ Repro -cess	CLOSING STOCK			
	In Factory		In Transit			Qty. MT.	Qty. MT.	₹ in Lacs		In Factory		In Transit	
	Qty. MT.	₹ in Lacs	Qty. MT.	₹ in Lacs						Qty. MT.	₹ in Lacs	Qty. MT.	₹ in Lacs
Fresh Fruits													
Grapes	71.72 (81.17)	44.05 (57.03)	2189.49 (1932.00)	1394.25 (1365.71)	3623.52 (3172.38)	3406.48 (2922.97)	3951.63 (3195.06)	1.98 (1.37)	96.66 (71.72)	66.48 (44.05)	2379.61 (2189.49)	1753.93 (1394.25)	
Pomegranates	9.03 (39.05)	8.55 (32.27)	81.51 (205.13)	85.30 (201.44)	233.22 (287.73)	319.34 (441.27)	425.11 (558.90)	0.02 (0.10)	0 (9.03)	0 (8.55)	4.40 (81.51)	4.78 (85.30)	
Mango Pulp	0 (0)	0 (0)	0 (0)	0 (0)	619.42 (0)	557.93 (0)	325.46 (0)	0 (0)	61.49 (0)	34.64 (0)	0 (0)	0 (0)	
Pomegranates Concentrate	0 (0)	0 (0)	0 (0)	0 (0)	19.16 (0)	1.35 (0)	3.92 (0)	0 (0)	17.81 (0)	46.76 (0)	0 (0)	0 (0)	
Guava Pulp	0 (0)	0 (0)	0 (0)	0 (0)	649.95 (0)	613.62 (0)	103.75 (0)	2.52 (0)	33.81 (0)	8.28 (0)	0 (0)	0 (0)	
TOTAL		52.60 (89.30)		1479.55 (1567.15)			4809.87 (3753.96)			156.16 (52.60)		1758.66 (1479.55)	

(II) DETAILS OF FINISHED GOODS TRADED

ITEM	OPENING STOCK		PURCHASE		SALES		CLOSING STOCK	
	Qty. MT.	₹ in Lacs	Qty. MT.	₹ in Lacs	Qty. MT.	₹ in Lacs	Qty. MT.	₹ in Lacs
Mango Pulp	0 (0)	0 (0)	68.80 (0)	35.90 (0)	68.80 (0)	41.91 (0)	0 (0)	0 (0)
TOTAL	0 (0)	0 (0)	68.80 (0)	35.90 (0)	68.80 (0)	41.91 (0)	0 (0)	0 (0)

(III) DETAILS OF RAW MATERIAL & PACKING MATERIAL TRADED

ITEM	₹ in Lacs	
	31-03-2010	31-03-2009
Packing Material	12.46	0
TOTAL	12.46	0

[D] DETAILS OF JOB WORK CHARGES RECEIVED

ITEM	JOBWORK			
	Qty. MT.		₹ in Lacs	
	31-03-2010	31-03-2009	31-03-2010	31-03-2009
Guava Pulp	34.65	0	3.27	0
TOTAL	34.65	0	3.27	0

24. Capital Work-in-progress includes –

	Amt in ₹	
Capital Work-in-progress	31-03-2010	31-03-2009
Computers	—	3,89,616
Factory Building	15,68,147	6,13,29,533
Factory Electrification	4,04,815	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	2,97,44,907	16,89,08,914
Pollution Control Equipments	—	19,58,000
Erection & Commissioning	11,58,150	—
Total ₹ (A)	3,28,76,019	23,71,25,178
Expenditure during Construction Period		
Interest Expenses	6,80,601	1,08,92,741
Other Expenses	12,16,871	1,37,79,676
Total ₹ (B)	18,97,472	2,46,72,417
TOTAL ₹ (A+B)	3,47,73,491	26,17,97,595

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

26. Balance Sheet abstract and the Company's General Business Profile:

I. Registration Details

Registration No.	L15400GJ1992PLC018365		
State Code	04	Balance Sheet Date	31-03-2010

II. Capital Raised During the Year (Amt. In ₹ Thousand)

Public Issue	NIL	Bonus Issue	NIL
Right Issue	NIL	Private Placement	5000

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

Total Liabilities	592165	Total Assets	592165
--------------------------	--------	---------------------	--------

Sources of Funds

Paid up Capital	105450	Reserves & Surplus	141509
Optionally Convertible warrants	2425	Deferred Tax Liability	22515
Secured Loans	244073	Deferred Govt. Grant	75968
Unsecured Loans	225		

Application of Funds

Fixed Assets	436430	Investments	397
Net Current Assets	154662	Miscellaneous Expenditure	676

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

Total Turnover (Incl. other Income)	518101	Total Expenditure	486852
Profit/Loss Before Tax	31249	Profit/Loss After Tax	21712
Earning Per Share	2.14	Dividend Rate	NIL

V. Generic Name of Three Principal Products/Services of the Company (As per monetary terms)

Item Code (ITC Code)	Product Description:
801610.00	Fresh Grapes
081090.00	Fresh Pomegranates
080450.40	Mango Pulp

Signature to Schedule A to T

As per our Report of even date attached
For **Mayank Shah & Associates**
Chartered Accountants
(Firm Reg. No. 106109W)
(M. S. Shah)
Partner
Mem. No. : 44093
Date : 18-08-2010
Place : Ahmedabad

For and on behalf of the Board of Directors
Ashok V. Motiani *Managing Director*
Nanita A. Motiani *Executive Director*
Mayur J. Shah *Director*
Bharti M. Hingorani *Company Secretary*
Date : 18-08-2010
Place : Ahmedabad

FRESHTROP FRUITS LIMITED

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

ATTENDANCE SLIP

18th Annual General Meeting

Monday, 27th September, 2010 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 - 380015.

FORM OF PROXY

I/We _____

of _____ being member/s of Freshtrop Fruits Ltd.

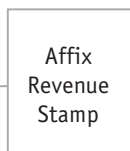
hereby appoint _____ of _____

or failing him _____ of _____

as my/our Proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company, to be held on Monday, 27th September, 2010 and/or at any adjournment thereof.

Signed the _____ day of _____ 2010.

Signature _____



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.



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

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