



FRESHTROP FRUITS LIMITED

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SEVENTH ANNUAL REPORT 1998 - 99

**BOARD OF DIRECTORS**

- Mr. Ashok V. Motiani - Chairman and Mg. Director
- Prof. Vijendra Nath Asopa
- Mr. Arjan J. Advani
- Mr. Bharat A. Bhatt (ICICI Nominee)
- Mrs. Nanita A. Motiani

AUDITORS

M/s. Nitin K. Shah & Co.
3rd Floor, Empire Towers
C.G. Road,
Ahmedabad - 380 006

BANKERS

- ICICI Banking Corporation Ltd.
- Corporation Bank
- Bank of India
- Bank of Maharashtra

REGISTERED OFFICE

103, Pruthvi Apartments,
Judges Bungalow Road,
Bodakdev,
Ahmedabad - 380 015.

PLANT

Gat No.171, Village Jaulke,
Ta:Dindori, Bombay Agra Road,
Dist.Nasik,
Maharashtra.

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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.



FRESHTROP FRUITS LIMITED

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of the Members of FRESHTROP FRUITS LTD. will be held on Wednesday, the 29th December, 1999 at 10.30 A.M. at KARNAVATI CLUB LTD., Sarkhej - Gandhinagar Highway, Ahmedabad - 380 051 to transact the following business with or without modifications :-

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet of the Company as on 30th June, 1999 and the Profit & Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mrs. Nanita A. Motiani who retires by rotation but being eligible offers herself for reappointment.
3. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 17 and other applicable provisions if any, of the Companies Act, 1956 and subject to confirmation of the Company Law Board, the Registered Office of the Company be shifted from 103, Pruthvi Apartments, Near Judges Bungalow Road, Bodakdev, Ahmedabad-380015 to Gat No. 171 Village Jaulke, Ta. Dindori, Bombay Agra Road, Dist : Nasik, Maharashtra and the memorandum of Association of the Company be altered by substituting the words "State of Gujarat" by "State of Maharashtra".

FURTHER RESOLVED THAT Shri Ashok V. Motiani, Managing Director or Smt. Nanita A. Motiani, Director be and is hereby authorized to submit necessary petition to the Company Law Board, Western Region Bench, Mumbai and make necessary application to any other authorities as required for the purpose of obtaining approval to the proposed amendments in the Memorandum of Association and to comply with all the necessary formalities and to take necessary steps and action in this regard."

Registered office :
103, Pruthvi Apartments,
Judges Bungalow Road,
Bodakdev,
Ahmedabad - 380 015

By Order of the Board
For FRESHTROP FRUITS LTD.

ASHOK V. MOTIANI
Chairman & Managing Director

Date : 27th September, 1999

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The proxy form, duly stamped and executed, should reach the Registered Office of the Company atleast 48 hours before the time fixed for the commencement of the meeting.
3. For updating the records of the members of the Company, the Share Transfer Books and Register of Members will remain closed from 10-11-1999 to 24-11-1999 (both days inclusive)
4. Members are requested to quote folio numbers in all their correspondence.
5. Members are requested to inform the Company immediately the changes, if any, in their address specifying full address in Capital Letters with Pin Code of the Post Office.
6. Members are requested to bring their Copy of the Annual Report at the meeting as the same will not be circulated thereat.
7. Members are requested to bring with them the attendance slip and hand it over at the entrance duly signed by them.

**ANNEXURE TO NOTICE****EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACT, 1956****Item No.4 SPECIAL RESOLUTION**

At present the Registered Office of the Company is situated in the State of Gujarat whereas the entire manufacturing and commercial activities are carried out from Nasik where the factory and corporate office are situated. It is felt that with a view to carry out business activities more economically and efficiently the Registered Office of the Company be shifted as stated in the Special Resolution.

Your Directors feel that shifting of Registered Office will enable the company to centralise its operations and will also have administrative advantages. This will also reduce the administrative cost and it will have good impact on the working and profitability of the company.

None of the Directors is concerned or interested in this Special Resolution.

The proposed Special Resolution is recommended for your approval.

Registered office :
103, Pruthvi Apartments,
Judges Bungalow Road,
Bodakdev,
Ahmedabad - 380 015

For and on Behalf of the Board
For FRESHTROP FRUITS LTD.

ASHOK V. MOTIANI
CHAIRMAN AND MANAGING DIRECTOR

Date : 27th September, 1999

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FRESHTROP FRUITS LIMITED

DIRECTORS' REPORT

To,
Dear Members,

Your Directors present before you their Seventh Annual Report on the affairs and working of the Company together with the audited Final Accounts for the year ended 30th June, 1999 :

FINANCIAL RESULTS :

The working results of the Company for the year ended 30th June, 1999 are as follows:

	1998-99 (Rs.)	1997-98 (Rs.)
Total Income	4,21,13,471	3,01,78,729
Gross Profit/(Loss) before depreciation and tax.	(78,52,159)	(45,08,662)
(Less)/ Add : Depreciation	25,20,233	27,37,297
Net Profit/(Loss) after depreciation	(103,72,392)	(72,45,959)
Less : Provision for Taxation	Nil	Nil
Profit/(Loss) after Taxation	(103,72,392)	(72,45,959)
Add/(Less): Balance of (Loss) of previous year.	(1,90,21,064)	(1,17,75,105)
Balance of (Loss) carried to Balance Sheet	(2,93,93,456)	(1,90,21,064)

OPERATIONS:

The business of exports of Fresh Produce from India to developed countries is still in the nascent stage. Nature has a very important part to play in this business and it is most unpredictable.

While in the month of January last year the Crop of grapes looked healthy and was blooming in abundance all over Maharashtra in subsequent months the berry size did not increase, rendering the product unworthy of exports.

Since comparatively better quality grapes were available around Sangli area, larger quantities had to be purchased from there. This resulted in gross underutilization of our Nasik plant. The cost of clearing and forwarding also went up and lower availability of good grapes in Nasik kept the price in and around Sangli higher than in the past all through the season.

The selling price of grapes in Europe in the first week of April was encouraging. This resulted in a considerable increase in exports of grapes from India especially from the Nasik area during the middle of April. However the quality of this product was not good. This had a bad effect on all Indian grapes. The consumption during this period dropped. The supermarkets did not take the promised deliveries. The Company was therefore compelled to sell substantial quantities in the wholesale markets at a very low price.

Despite initial difficulties, the company expects to do much better in the coming year. It has knowledge, organization and logistics to compete in the international markets. We are confident that the change in the Millenium would usher in a new life in your Company.

**DIVIDEND :**

In view of loss incurred during the year under report, your Directors regrettably do not recommend any dividend.

DIRECTORS :

Mrs. Nanita Motiani retires by rotation as director of the company but being eligible, offers herself for reappointment.

FIXED DEPOSIT :

The Company has not accepted any deposit to which the provisions of Section 58-A of the Companies Act, 1956 are applicable.

EROSION OF NET WORTH :

The accumulated losses of the Company as at 30th June, 1999 have resulted into erosion of more than 50% of its peak net worth during the immediately preceding five financial years. Hence the provisions of section 23 of chapter IV of the Sick Industrial Companies (Special Provisions) Act, 1985 relating to potentially sick industrial companies have become applicable to the Company.

PARTICULARS REGARDING EMPLOYEES :

There is no employee who is in receipt of remuneration exceeding the limit specified under Section 217 (2A) of the Companies Act, 1956.

POLLUTION AND ENERGY CONSERVATION ETC :

The Company has installed automatic Power factor controller. All the machines are energy efficient. All refrigeration equipments are thermostatically controlled.

Foreign Exchange earnings during the year amounts to Rs. 396,13,235/-.

and Foreign Exchange outgoings during the year amounts to Rs. 2,65,811/-.

RESEARCH & DEVELOPMENT :

The Company had undertaken project for research & development in agricultural products. For the purpose, the Company had made capital expenditure of Rs. 23192/- on cultivation of fruits on trial basis. Further, Rs. 66.00 Lacs were advanced for purchase of agricultural land. However due to certain discrepancies the Company has not been able to obtain necessary land. Hence the research & development project has been abandoned.

Y2K COMPLIANCE :

None of the Plant & Machinery are operated or supported by computer. The Computers of the Company are Y2K compliant. The software used for financial accounting has been upgraded to make it Y2K compliant.

INSURANCE :

The properties of the company except furniture at Ahmedabad office are insured against various perils.

AUDITORS

You are requested to appoint auditors from the conclusion of Annual General Meeting upto the conclusion of the next Annual General Meeting and fix their remuneration. The present Auditors M/s. Nitin K. Shah & Co., Chartered Accountants, are eligible for reappointment.

AUDITORS' REPORT :

With reference to the observations made in the Auditors' Report and the Notes on Accounts as contained in Schedule 'O' of the Annual Accounts, necessary explanations are given hereunder :