



27th Annual Report 2018-2019



FRESHTROP FRUITS LIMITED



Cut Fruit



Fresh Grapes



Aseptic Fruit Purees & Concentrates



Cold Extracted Juice Bottling



High-Pressure Processing



Frozen Purees



Global Food Safety Standards



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ANNUAL REPORT 2018 - 2019

CORPORATE INFORMATION

BOARD OF DIRECTORS

| | |
|------------------------|------------------------------------|
| Mr. Ashok V. Motiani | Chairman & Managing Director |
| Mrs. Nanita A. Motiani | Whole-Time Director |
| Mr. Mayur J. Shah | Non-Executive/Independent Director |
| Mr. Dinesh Oza | Non-Executive/Independent Director |
| Mr. Anil Sharma | Non-Executive/Independent Director |

KEY MANAGERIAL PERSONNEL

Mr. Sanjay Prajapati

Chief Financial Officer

Mr. Ronak Dhruve (w.e.f. 07.01.2019)

Company Secretary

STATUTORY AUDITORS

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

SECRETARIAL AUDITOR

Manoj Hurkat & Associates

BANKERS

Axis Bank Limited
Citibank, N.A.

REGISTERED OFFICE

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

PLANT - I

Gat No. 171, Village Jaulke,
Mumbai 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 - IV

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

FRESHTROP FRUITS LIMITED

(CIN: L15400GJ1992PLC018365)

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of FRESHTROP FRUITS LIMITED will be held on 26th September 2019 at 10.00 a.m. at Rajpath Club, S. G. Road, Ahmadabad– 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive and adopt audited financial statements of the Company for the financial year 2018-19 and to pass the following resolution, with or without modification, as an ORDINARY RESOLUTION:

“RESOLVED THAT audited financial statements of the Company for the financial year 2018-19 comprising of Balance Sheet as on 31st March, 2019 and Statement of Profit & Loss and cash flow for the Financial year ended on 31st March, 2019 together with all annexure and attachment thereto including the Directors’ Report and Auditors’ Report thereon, which have already been circulated to the Members and as laid before this meeting, be and are hereby approved and adopted.”

2. To appoint a Director in place of Mr. Ashok Motiani (DIN:00124470), who retires by rotation and being eligible, offers himself for re-appointment and to pass following resolution, with or without modification, as an ORDINARY RESOLUTION:

“RESOLVED THAT the retiring Director, Mr. Ashok Motiani (DIN: 00124470), be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

SPECIAL BUSINESS:

3. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:**

Re-appointment of Mr. Mayur Jashvantlal Shah as an independent director of the Company for second term of 5 consecutive years.

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 5th August, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Mayur Jashvantlal Shah (DIN 00124633) as an Independent Director of the Company, whose current period of office up to 21st September 2019 and who has submitted a declaration confirming that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and the Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company with effect from 20th September 2019 to 19th September 2024.

“RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

4. **To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:**

Re-appointment of Mr. Anil Sharma as an independent director of the Company for second term of 5 consecutive years.

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 5th August, 2019 and pursuant

to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Anil Sharma (DIN 06688634) as an Independent Director of the Company, whose current period of office up to 21st September 2019 and who has submitted a declaration confirming that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and the Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company with effect from 20th September 2019 to 19th September 2024.

“RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

Re-appointment of Mr. Dineshbhai Shankerlal Oza as an independent director of the Company for second term of 5 consecutive years.

“RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 5th August, 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Dineshbhai Shankerlal Oza (DIN 01307881) as an Independent Director of the Company, whose current period of office up to 21st September 2019 and who has submitted a declaration confirming that he meets the criteria of Independence under Section 149(6) of the Companies Act, 2013 as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013 and the Rules made thereunder and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years on the Board of the Company with effect from 20th September 2019 to 19th September 2024.

“RESOLVED FURTHER THAT any one Director of the Company be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this Resolution.”

6. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

Approval of repricing of options in the “Freshtrop Employee Stock Option Plan 2018”:

“RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, the provisions of Regulation 7(2) of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and relevant provisions of Circular No. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 issued by the Securities and Exchange Board of India (collectively referred to as “SEBI SBEB Regulations”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant provisions of the Memorandum and Articles of Association of the Company and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the members’ of the Company be and is hereby accorded to the amended “Freshtrop Employee Stock Option Plan 2018” (“ESOP 2018/“ESOP Plan”) which is updated with a view to ensure better efficiency and administration of the ESOP 2018 by repricing the options as defined under the ESOP 2018.”

“RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include the Nomination and Remuneration Committee of Directors (“NRC”) which has been duly constituted by the Board, inter alia, to act as the Compensation Committee under Regulation 5 of SEBI SBEB Regulations and to exercise its powers, including the powers conferred by this resolution) be and is hereby authorised on behalf of the Company to make any / further modifications, changes, variations, alterations or revisions in the Plan from time to time as permitted under and in due compliance with provisions of the Companies Act, 2013 and the SEBI SBEB Regulations and to do all such acts, deeds, matters and things and sign deeds, documents, letters and such other papers as may be necessary, desirable and expedient, as it may in its absolute discretion deem fit or necessary or desirable for such purpose including giving effect to the aforesaid resolution and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company.”

7. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

Approval of Restructuring of the Processing Business of the Company:

“RESOLVED THAT based on approval by Board of Directors and the Audit committee of the Company and pursuant to the applicable provisions under the Companies Act, 2013 and rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), relevant provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consent, observations, including approvals of various regulatory or government bodies/tribunals and any other appropriate statutory or regulatory authority to implement the aforesaid Resolution, the consent of the Company be and is hereby accorded, accorded to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute for this purpose or any person(s) authorized by the Board of the Company, to re-structuring company’s business in order to streamline processing unit located at Janori, Dist. Nasik.”

“RESOLVED FURTHER THAT Mr. Ashok Motiani, Managing Director and Mrs. Nanita Motiani Wholtime Director of the Company be and are hereby severally authorized to take all to do all such acts, deeds, matters and things as it may, including but not limited to prepare restarting plan, to authorized senior management and to appointment of legal , financial, tax advisor, valuer, merchant banker and other consultant / intermediaries / agencies for the implementation of restructuring of processing business.”

8. To consider and if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL RESOLUTION:

Approval for Buyback of Equity Shares of the Company:

“RESOLVED THAT pursuant to the provisions of Clause 73 of the Articles of Association of the Company and the provisions of Sections 68, 69, 70 and 110 and any other applicable provisions, if any, of the Companies Act, 2013, as amended (the “Companies Act”), the Companies (Share Capital and Debentures) Rules, 2014, as amended, and the Companies (Management and Administration) Rules 2014, as amended and to the extent applicable and other applicable rules made under the Companies Act, 2013 and in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “Buyback Regulations”), including any amendments, statutory modifications or re-enactments for the time being in force, and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the Securities and Exchange Board of India (“SEBI”), the stock exchanges on which the Equity Shares of the Company are listed (the “Stock Exchanges”) and other authorities, institutions or bodies (the “Appropriate Authorities”) while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board”, which expression shall include any Committee constituted/ to be constituted by the Board to exercise its powers, including the powers conferred by this resolution) and on the terms and conditions set out in the explanatory statement (which may be modified based on regulatory requirements), the approval of the shareholders be and is hereby accorded for the buyback by the Company of up to 10,00,000 (Ten Lacs Only) fully paid-up equity shares of face value of ₹10 (Rupees Ten Only) each of the Company (“Equity Shares”) representing 8.23% of the total number of Equity Shares in the paid-up share capital of the Company as at March 31, 2019 at a price of ₹110 (Rupees One Hundred

Ten Only) per Equity Share ("Buyback Price") payable in cash for an aggregate consideration amount not exceeding ₹ 11,00,00,000 Crores (Rupees Eleven Crores only) ("Maximum Buyback Size") (excluding any expenses incurred or to be incurred for the Buyback like filing fee payable to SEBI, advisors'/legal fees, public announcement publication expenses, printing and dispatch expenses, other transaction costs viz. brokerage, applicable taxes such as securities transaction tax, GST, stamp duty, other incidental and related expenses, etc.), being 14.47 % of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited financial statements of the Company for the financial year ended March 31, 2019, on a proportionate basis through the "tender offer" route as prescribed under the Buyback Regulations, from all the shareholders who hold Equity Shares as of the record date (the process being referred hereinafter as "Buyback").

"RESOLVED FURTHER THAT all of the shareholders of the Company will be eligible to participate in the Buyback, including promoters and promoter group of the Company (including members thereof) and persons in control (including persons acting in concert), who hold Equity Shares as of the record date to be subsequently decided by the Board or a committee of the Board ("Record Date")."

"RESOLVED FURTHER THAT 15% of the number of equity shares which the Company proposes to buyback or number of equity shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders, as prescribed under proviso to Regulation 6 of the Buyback Regulations."

"RESOLVED FURTHER THAT the Company shall implement the Buyback through the "tender offer" route as prescribed under the Buyback Regulations and the "Mechanism for acquisition of shares through Stock Exchange" notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circulars issued in relation thereto, including the circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 including any amendments or statutory modifications or such other mechanism as may be applicable."

"RESOLVED FURTHER THAT the Buyback from the shareholders who are residents outside India, including non-resident Indians, foreign nationals, foreign corporate bodies (including erstwhile overseas corporate bodies) and qualified institutional buyers including foreign portfolio investors, shall be subject to such approvals, if any, required under the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 and the rules and regulations framed thereunder from the concerned authorities including the Reserve Bank of India, and that such approvals shall be required to be taken by such non-resident shareholders themselves."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the power(s) conferred hereinabove as it may in its absolute discretion deem fit, to any Committee ("Buyback Committee") / any one or more Director(s)/Officer(s)/Authorised Representative(s) of the Company to give effect to the aforesaid resolutions, including but not limited to finalizing the terms of the Buyback like Buyback Size, number of shares to be bought back, record date, entitlement ratio, the time frame for completion of Buyback; appointment of merchant banker, brokers, lawyers, depository participants, escrow agents, bankers, advisors, registrars, scrutinizers, printers, consultants/intermediaries/ agencies, as may be required, for the implementation of the Buyback; preparing, finalizing, signing and filing of the public announcement, the draft letter of offer/ letter of offer with SEBI, the Stock Exchanges where the Equity Shares are listed and other appropriate authorities and to make all necessary applications to the appropriate authorities for their approvals including but not limited to approvals as may be required from the SEBI and RBI; and initiating all necessary actions for preparation and issue of various documents including public announcement, draft letter of offer, letter of offer, opening, operation and closure of necessary accounts including escrow account, special account with the bank, demat escrow account, trading account, entering into escrow agreements as required under the Buyback Regulations, filing of declaration of solvency, obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law, extinguishing dematerialized shares and physically destroying share certificates in respect of the Equity Shares bought back by the Company, and filing such other undertakings, agreements, papers, documents and correspondence, as may be required to be filed in connection with the Buyback with SEBI, RBI, Stock Exchanges, Registrar of Companies, Depositories and/ or other regulators and statutory authorities as may be required from time to time."

“RESOLVED FURTHER THAT nothing contained herein shall confer any right on the part of any shareholders to offer and/or any obligation on the part of the Company or the Board or Buyback Committee to Buyback any shares, and/or impair any power of the Company or the Board or Buyback Committee to terminate any process in relation to such Buyback, if so permissible by applicable law.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board and/or Buyback Committee is hereby empowered and authorised on behalf of the Company to accept and make any alteration(s), modification(s) to the terms and conditions as it may deem necessary, concerning any aspect of the Buyback, in accordance with the statutory requirements as well as to give such directions as may be necessary or desirable, to settle any questions, difficulties or doubts that may arise and generally, to do all acts, deeds, matters and things as the Board and/or any person authorised by the Board may, in its/his/her absolute discretion deem necessary, expedient, usual or proper in relation to or in connection with or for matters consequential to the Buyback without seeking any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

Date: August 23, 2019

By order of the Board
For Freshtrop Fruits Ltd

Registered Office

A-603, Shapath IV,
Opp. Karnavati Club, S. G. Road,
Ahmedabad – 380 015
CIN: L15400GJ1992PLC018365

Ashok Motiani
Chairman & Managing Director
(DIN: 00124470)

NOTES:

1. The relative Explanatory Statements, pursuant to Section 102 of the Companies Act, 2013, in respect of the business under Items No. 3 to 7 of the accompanying Notice is annexed hereto.
2. A statement giving additional details of the Directors seeking appointment /re-appointment as set out at Item Nos. 3, 4 and 5 are annexed herewith as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and para 1.2.5 of Secretarial Standard on General Meeting (SS-2) notified under the Companies Act, 2013.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
In order that the appointment of a proxy is effective, the instrument appointing a proxy must be received at the Registered Office of the Company not later than forty-eight hours before the commencement of the meeting.
4. A person can act as a proxy on behalf of members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total paid-up Share Capital of the Company carrying voting rights. A member holding more than ten percent of the total paid up share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as a proxy for any other Member.
5. Corporate Members intending to send their authorized representatives to attend the Annual General Meeting pursuant to Section 113 of the Companies Act 2013, are requested to send the Company, a certified copy of the relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the Meeting.
6. Members, proxies and Authorized representative are requested to bring to the meeting, the attendance slips enclosed herewith duly completed and signed mentioning therein details of their DP ID and Client ID / Folio No.
7. In case of joint holders attending the Meeting, the joint holder who is higher in the order of names will be entitled to vote at the meeting.

8. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours upto the date of the Meeting.
9. The Register of Members and Share Transfer Books of the Company shall remain closed from **18th September 2019 to 26th September 2019** (both days inclusive).
10. Pursuant to Section 101 of the Act read with Rule 18 of the Companies (Management and Administration) Rules, 2014, the Annual Report for the financial year 2018-19 is being sent through electronic mode to all the Members whose E-mail IDs are registered with the Company/ Depository Participants for communication purposes, unless any members has requested for physical copy of the same. For Members who have not registered their E-mail IDs with the Company/Depository Participants, a physical copy of the Annual Report for the year 2018-19 is being sent by the permitted mode.

The Notice of AGM and the Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's website and may be accessed by the Members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days.

11. Pursuant to Section 107 of the Act read with the Rule 20 of the Companies (Management and Administration) Rules, 2014, voting through polling paper shall also be made available to those Members who attend the Annual General Meeting and have not already cast their vote by remote e-voting.

The Members who have cast their votes by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

12. The Board of Directors in their Meeting held on 5th August, 2019 appointed Mr. Manoj Hurkat, Practicing Company Secretary, Ahmedabad of M/s Manoj Hurkat & Associates (Membership No.4287 & CP No. 2574) or failing him any other Practicing Company Secretary, as may be appointed by authorised officials, as a Scrutinizer for overseeing the ballot voting and remote e-voting process in a fair and transparent manner.
13. The Scrutinizer shall submit his report to the Chairman or any other person authorised by him. Results declared alongwith report of the Scrutinizer shall be placed on the website of the Company www.freshtrop.com and on the website of CDSL www.evotingindia.com immediately after declaration of result by the Chairman or any person authorized by him in this behalf.

The resolution shall be deemed to be passed on the date of AGM, subject to the receipt of requisite votes.

14. Trading in the shares of the Company to be done compulsorily in dematerialized form only. Dematerialization would facilitate paperless trading through state-of-the-art technology, quick transfer of corporate benefits to members and avoid inherent problems of bad deliveries, loss in postal transit, theft and mutilation of share certificate and will not attract any stamp duty. It also substantially reduces the risk of fraud. Hence, we request all those members who have still not dematerialized their shares to get their shares dematerialized at the earliest.
15. Pursuant to SEBI Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, Members are hereby requested to update their PAN and Bank details with the Registrar and Share Transfer Agent.
16. Members holding shares in physical form are requested to forward all applications for transfers and all other share related correspondence (including intimation for change of address) to the Share Transfer Agents of the Company.
17. Pursuant to Section 72 of the Companies Act, 2013, shareholders holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. Members holding shares in the dematerialized form may contact the Depository Participant for recording nomination in respect of their shares.