



Annual Report 2011-2012



Goa Fruit
Specialities Ltd.

Board of Directors

J. M. Chawla (Managing Director)
Akhil B. Gupta
Tarun Chawla
Maj. J. L. Malik (Retd.)

Registered Office

117-119, Kundaim Industrial Estate,
Kundaim, Ponda, Goa

Works

117-119, Kundaim Industrial Estate,
Kundaim, Ponda, Goa

Company Secretary/ Compliance Officer

Raj Kumar Yadav
New Delhi
gfslinvestors@gmail.com

Auditors

M/s Krishan Kumar Gupta & Associates,
New Delhi

Registrars & Share Transfer Agents

Purva Sharegistry India (P) Ltd.
Mumbai

Notice is hereby given that the 23rd Annual General Meeting of GOA FRUIT SPECIALITIES LIMITED will be held at its registered office 117-119, Kundaim Industrial Estate, Kundaim, Ponda, Goa on Friday, 28th September 2012 at 10.00 am to transact the following Business:

ORDINARY BUSINESS

1. Adoption of Balance Sheet & Audited Financial Results

To consider and if thought fit, to pass with or without modification, the following Resolution:

"RESOLVED THAT the Balance Sheet of the Company as at 31st March, 2012 and the Profit & Loss account for the year ended on that, together with the report of Directors and Auditors thereon be and are hereby received, approved and adopted."

2. Appointment of Director in place of Mr. Akhil B. Gupta

To consider and if thought fit, to pass with or without modification, the following Resolution:

"RESOLVED THAT Mr. Akhil B. Gupta, a Director of the Company, who retires by rotation at this meeting and who being eligible has offered himself for reappointment be and is hereby appointed as Director of the Company."

3. Appointment of Auditors:

To consider and if thought fit, to pass with or without modification, the following Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any of the Companies Act, 1956 M/s Krishan Kumar Gupta & Associates, Chartered Accountants, New Delhi, who retire at this meeting and being eligible and willing to act as auditors be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting at a remuneration plus out of pocket expenses as maybe mutually agreed upon between the Board and M/s Krishan Kumar Gupta & Associates."

SPECIAL BUSINESS

4. Reappointment of Mr. J. M. Chawla as Managing Director:

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

"RESOLVED THAT pursuant to the provisions of Section 198 & 269 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and Articles of Association of the Company, consent of the shareholders of the Company be and is hereby accorded to re-appoint Mr. J. M. Chawla as Managing Director of the Company for a period of three years with effect from 1st October, 2012."

"FURTHER RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force) and subject to such sanctions and approvals as may be necessary, approval of the Company be and is hereby accorded to pay a remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) per annum to Mr. J. M. Chawla, Managing Director of the Company, the details of which are given in the Explanatory Statement annexed hereto."

"FURTHER RESOLVED THAT consent of the shareholders of the Company be and is hereby also accorded that where in any financial year during the currency of tenure of Mr. J. M. Chawla as Managing Director, the Company has no profits or its profits are inadequate, then remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) be paid to him without the prior approval of Central Government or such other amount up to the limit of Rs. 20,00,000/- (Rupees Twenty Lakhs only) as may be permitted by the Central Government, in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 at that time."

"FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

"FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby also authorized to amend, alter, modify or otherwise vary the terms and conditions of appointment of Mr. J. M. Chawla, Managing Director, including the components of the above mentioned remuneration payable to him subject to the over all cap of Rs. 20,00,000/- (Rupees Twenty Lakhs only) per annum."

Place: Panjim, Goa
Date: 04/09/2012

By order of the Board of Directors,
For Goa Fruit Specialities Ltd.,

Tarun Chawla
Director

Notes:-

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company. Proxies in order to be effective must be received at the Registered Office of the Company at least 48 hours before the time fixed for the Annual General Meeting.
2. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 24th September, 2012 to 03rd October, 2012 (both days inclusive).
4. Members are requested to notify any change of address:
To their depository participants (DP) in respect of shares held in dematerialized form, and
To Registrar and Share Transfer Agent of the Company- Purva Shareregistry India (P) Limited, at its office located at Mumbai, in respect of shares in physical form, to notify their change of address/residential status, if any, under their signatures and quoting respective folio number, latest by 24/09/2012.
5. Members are requested to bring their respective copies of the annual report to the Meeting.
6. Members desiring any information on the annual accounts are requested to write to the Company at least 10 days in advance of the AGM to facilitate compilation of the desired information.
7. Members are advised to notify the Company at the earliest regarding any change in their postal addresses.



EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF
SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 4:

Mr. J. M. Chawla is a co-promoter and Managing Director of the Company. He is a post graduate and has attained the age of 70 years. His current term of appointment as a Managing Director of the Company will expire on 30th September, 2012. In view of his qualifications, excellent grasp and thorough knowledge of various laws relating to the Company's affairs and long business experience, the Board of Directors is of the considered opinion that for smooth and efficient running of the business, the services of Mr. J. M. Chawla should be available to the Company for a further period of three years with effect from 1st October, 2012.

In terms of the provisions of the Articles of Association of the Company, the Board of Directors has, at its meeting held on 24th August, 2012, re-appointed him as a Managing Director of the Company for a further period of three years with effect from 1st October, 2012 on remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) per annum.

Since the Company has no profits or its profits are inadequate, then this remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) be paid to him without the prior approval of Central Government or such other amount up to the limit of Rs. 20,00,000/- (Rupees Twenty Lakhs only) as may be permitted by the Central Government, in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 at that time.

Following are the details of the annual salary (payable monthly) proposed to be paid to Mr. J. M. Chawla, Managing Director: -

Consolidated Salary, Perquisites and Performance Bonus, etc- Rs. 12,00,000/- (Rupees Twelve Lakhs only) per annum. In addition to the above, he shall be entitled to receive the following: -

- a) Gratuity as per the rules of the Company.
- b) Encashment of leave at the end of tenure.
- c) House rent in lieu of company accommodation
- d) Provision of car for use on Company's business.
- e) Free landline telephone facility at residence along with free mobile telephone facility. Long distance personal calls to be recovered by the Company.
- f) Entitlement for reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company.

The Board recommends this resolution for approval by the members of the Company. The draft agreement to be entered between the Company and Mr. J. M. Chawla, Managing Director is available for inspection by Members of the Company at the registered office of the Company from 11:00 A.M. to 01:00 P.M on any working day up to the date of Annual General Meeting.

None of the Directors, except Mr. J. M. Chawla himself and Mr. Tarun Chawla, Director is concerned or interested in the resolution. This may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

Place: Panjim, Goa
Date: 04/09/2012

By order of the Board of Directors,
For Goa Fruit Specialities Ltd.,

Tarun Chawla
Director

Your Directors have Pleasure in Presenting the 23rd Annual Report together with audited statement of accounts for the year ended 31st March, 2012.

WORKIING RESULTS

During the period under review your Company spent Rs. 49.80 Lakhs as Pre-operative expense. No Income was generated during the year under review. The working results for the Financial Year 2011-12 and 2010-11 are as under:

(Amount in Rs)		
Particulars	31-3-2012	31-03-2011
Total Income	Nil	Nil
Depreciation	Nil	Nil
Profit(Loss) before Tax	Nil	Nil
Provision for Tax-FBT	Nil	Nil
Profit (loss) after Tax	Nil	Nil

Note: The Company incurred an expenditure of Rs. 49.80 Lacs as Pre- operative Expenses during the year.

OPERATIONS AND FUTURE PLANS

Your Directors are pleased to report that a study for the revival of the Company is already underway. The listing of Shares of the company is approved for Revocation of Suspension and Trading is likely to begin within a short time. The Company plans to raise more funds to augment resources which have been necessitated due to afflux of time and cost overrun and foreign exchange rate fluctuations since 1998 when the commercial production was to commence.

The Company had completed construction of 30,000 sq. ft RCC building and had purchased imported and indigenous machines. The Company was about to commence production but could not do so due to ban on power connections by the High Court of Bombay (Goa Bench) imposed in the year 1997-98 which resulted into lapse of LOP of 100% EOU. The Company has been making frantic efforts to get the Extension of LOP from the Ministry of Commerce & Industry, New Delhi but the request of the Company was not acceded to by the Board of Approvals. For the past five years the Company was in the process of seeking review and Extension to LOP through SEEPZ & the Ministry. The Company even approached the High Court of Mumbai (Goa Bench) but the Hon'ble High Court declined to interfere. The direct impact of this non extension of LOP was requirement of payment of Excise & Custom Duties. Hon'ble High Court, however, allowed the Appeal pending with CESTAT to be admitted on payment of Rs. 15 Lacs. The said appeal is lying pending with CESTAT.

Your Directors are also looking and examining other business options including acquisition of running businesses as well as other good viable opportunities where some value and synergies can be perceived. It is our Objective that we commence activities in the next few months and consolidate our position by 2013.

DIVIDEND:

Since the Company could not generate any profits, management does not propose any dividend for the year 2011-2012.

DIRECTORS

Mr. Akhil B. Gupta, Director retires at the ensuing Annual General Meeting, and being eligible offers himself for reappointment. The Board commends his reappointment.

The term of Mr. J. M. Chawla, Managing Director of the Company, ends on September 30, 2012. In terms of the provisions of the Articles of Association of the Company, the Board of Directors has, at its meeting held on 24th August, 2012, re-appointed him as a Managing Director of the Company

For a further period of three years with effect from 1st October, 2012 on remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) per annum. In case the Company has no profits or its profits are inadequate, then this remuneration of Rs. 12,00,000/- (Rupees Twelve Lakhs only) be paid to him without the prior approval of Central Government or such other amount up to the limit of Rs. 20,00,000/- (Rupees Twenty Lakhs only) as may be permitted by the Central Government, in accordance with the provisions of Section II of Part II of Schedule XIII of the Companies Act, 1956 at that time. The Board commends his reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors' state:

- i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departure;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) That the Directors had prepared the annual accounts on a going concern basis.

FIXED DEPOSITS

Your Company has neither invited nor accepted any Fixed Deposits from the public during the financial year under review.

CORPORATE GOVERNANCE AND COMPLIANCE CERTIFICATE:

Separate notes on Corporate Governance and Management Discussion and Analysis Report are set out as Annexure "A" and "B" respectively. A Certificate from the Auditors of the Company certifying compliance conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is attached to this report.

LISTING AGREEMENT REQUIREMENTS:

The securities of your Company are listed at Bombay Stock Exchange. Trading in Company's securities was suspended at the Bombay Stock Exchange for various reasons including non-submission of documents. The Management had submitted all compliance and is pleased to inform you that the Company has received In-Principle Approval for revocation of suspension of trading of shares of the Company and is in the process of complying with certain post sanction formalities. Your Directors are confident that the shares of your Company will be traded shortly.

BUY-BACK OF SHARES

There was no buy-back of shares by the Company during the year under review.

PARTICULARS OF THE EMPLOYEES:

None of the employees employed during the year was in receipt of remuneration in excess of the Prescribed limit specified in section 217 (2A) of the Companies Act, 1956 Hence, furnishing of particulars under the Companies (Particulars of Employees) 1975 does not arise.

AUDITORS

M/s Krishan Kumar Gupta & Associates, Auditors of the Company retire at the ensuing Annual General Meeting. They have expressed their willingness for reappointment. The Board commends their reappointment.