



REAL BOLD.REAL FOOD.

# Tasty Bite Eatables Limited



31<sup>st</sup> Annual Report  
2014-15



## TASTY BITE EATABLES LIMITED

### MISSION STATEMENT

***Purpose*** To be a *socially-responsible* company  
that will *delight* consumers

by offering

***Advantage*** *Great Taste, Good Value, and Real Convenience*

achieved through

***Scope*** Manufacturing & Marketing *Natural, Convenient  
& Specialty Foods*

in a

***Environment*** *Knowledge-driven, Energetic and Fun  
work environment*

**CORPORATE INFORMATION**

**Directors**

Mr. Ashok Vasudevan, *Chairman*  
 Mr. Ravi Nigam, *Managing Director*  
 Mrs. Meera Vasudevan, *Director*  
 Mr. K. P. Balasubramaniam, *Independent Director* (till  
 May 17, 2015)  
 Mr. Kavas Patel, *Independent Director*  
 Dr. V. S. Arunachalam- *Independent Director*  
 Mr. Sohel Shikari, *Alternate Director & CFO*

**Company Secretary**

Ms. Minal Talwar

**Statutory Auditors**

M/s. Kalyaniwalla & Mistry  
 Chartered Accountants, Pune

**Internal Auditor**

M/s. Kirtane & Pandit,  
 Chartered Accountants, Pune

**Cost Auditor**

M/s. A. J. Paranjape & Company,  
 Cost Auditors, Pune

**Secretarial Auditor**

Mr. J N Mavji (till September 15, 2014)  
 Mr. Abhishek Jagdale,  
 Practicing Company Secretary, Pune

**Registered Office**

204, Mayfair Towers, Wakdewadi,  
 Shivajinagar, Pune- 411 005  
 Maharashtra  
 CIN: L15419PN1985PLC037347  
 Tel no: 020 3021 6000  
 Fax no: 020 3021 6035  
 Website: www.tastybite.co.in  
 Email: info@tastybite.com

**Factory**

At Post 490, Village- Bhandgaon,  
 Taluka- Daund, Dist- Pune- 412 214  
 Maharashtra

**Registrar and Transfer Agent**

Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
 Financial District, Nanakramguda,  
 Hyderabad - 500 032.  
 Phone No. :+91 040-67162222; 1800-345-4001  
 Email ID : ravi.shukla@karvy.com

**Bankers**

Kotak Mahindra Bank Limited  
 RBL Bank Ltd  
 Axis Bank Ltd

**Contents**

Financial Highlights .....	2
Message from the Chairman .....	3
Notice .....	5
Directors' Report & Management Discussion Analysis .....	11
Corporate Governance Report .....	35
Independent Auditors' Report .....	48
Balance Sheet .....	52
Statement of Profit & Loss .....	53
Cash Flow Statement .....	54
Notes to Financial Statements .....	56
Proxy Form / Attendance Slip .....	79

**31<sup>st</sup> Annual General Meeting**

Date : Monday, September 14, 2015  
 Time : 11:00 a.m.  
 Venue : Hotel Le Meridien Pune,  
 RBM Road,  
 Pune - 411 001

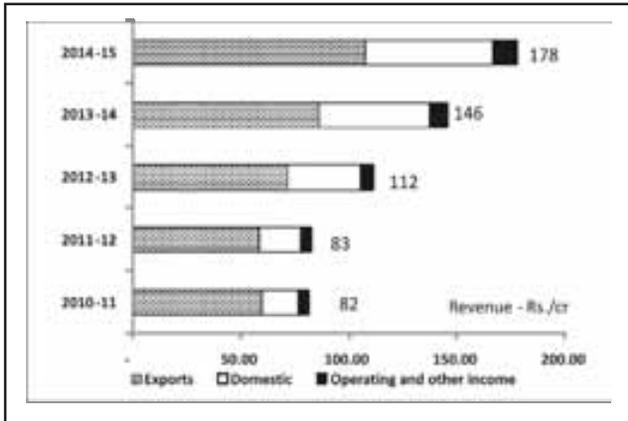
**A Request**

As a measure of economy, copies of annual report will not be distributed at the Annual General Meeting. Shareholders are requested to carry their copies to the meeting.

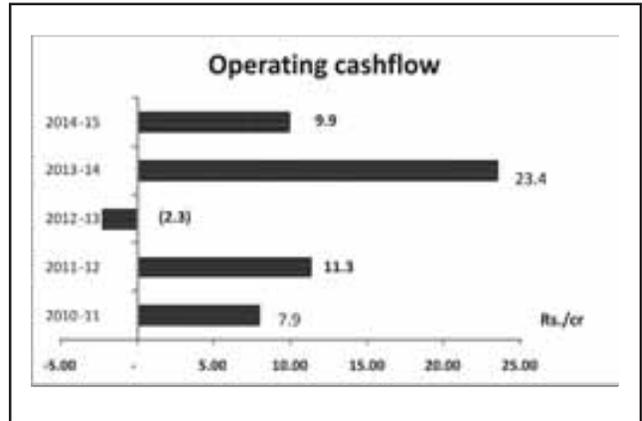


## FINANCIAL HIGHLIGHTS

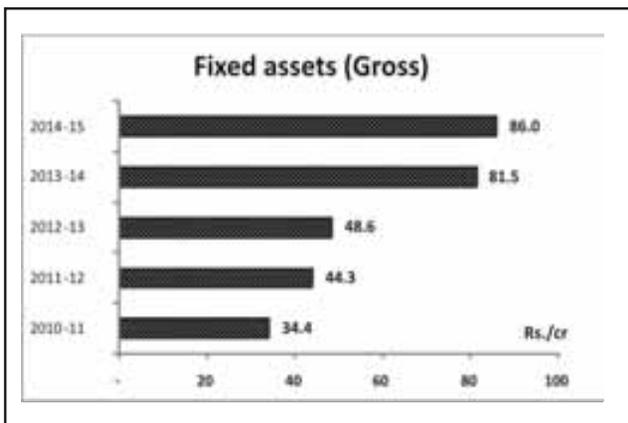
Revenue grows at 17% CAGR over the last 5 years



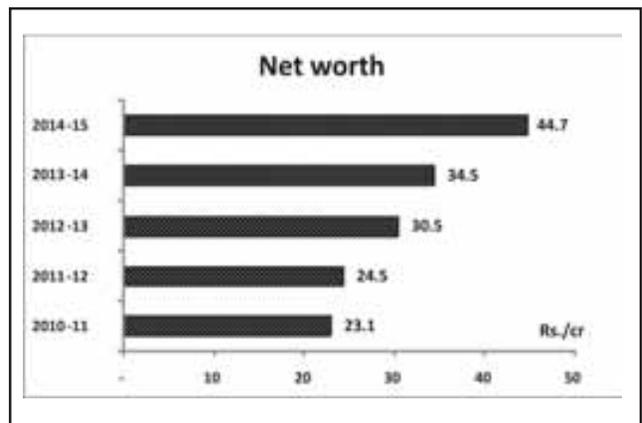
Changes in operating cashflow over the last 5 years



Capex expansion in last 5 years



Steady increase in Net Worth



### Key financial indicators

No.	Particulars	2014-15	2013-14	2012-13	2011-12	2010-11
1	Gross Profit % To Revenue	40.2%	36.8%	42.8%	41.4%	38.7%
2	Net Profit % To Revenue	6.1%	3.0%	5.7%	1.9%	1.1%
3	Earnings Per Share (Rs.)	42.0	16.8	24.6	6.2	3.4
4	Equity Dividend %	10.00	10.00	10.00	10.00	10.00
5	Current Ratio	1.23	0.95	1.42	1.24	1.50
6	Debt Equity Ratio	0.97	1.28	1.42	0.87	0.76

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## **MESSAGE FROM THE CHAIRMAN**

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Dear Shareholders,

This is one of the most exhilarating moments in the history of your company and I know by now you are broadly plugged into developments triggered by our parent company's global alliance with Japanese Food giant Kagome Corporation. In a departure from my style of focusing largely on the year's performance, let me instead speak about this alliance and its implications for your company's future.

After 21 years of uninterrupted growth since its founding, our parent company Preferred Brands International Inc. ("PBI") has agreed to a strategic investment transaction with a leading Japanese food company, Kagome Co. Ltd ("Kagome"). Under the terms of the transaction, approved by the Board of Directors of both companies, Kagome will hold a majority stake in PBI. The founders of PBI will retain a significant stake in the company and continue to run the business from its current headquarters in Stamford CT.

Kagome was founded in 1899 as the first grower of tomatoes in Japan. With revenues of nearly \$2bn, it is Japan's leading manufacturer of condiments, tomato products, vegetable juices and other vegetable based products. Today it has a global footprint in 50 countries and a simple approach of wholehearted collaboration with grower-partners and customers. Kagome is listed on the Tokyo Stock Exchange.

Speaking on this transaction, Mr. Hidenori Nishi, Chairman of the Board of Directors of Kagome in Tokyo, Japan said "We have shared values and a common global vision of promoting our consumers' health and wellness through natural and sustainable practices. This transaction allows us to leverage our respective strengths including immediate access to each others retail and food service channels, R&D centers, manufacturing capabilities and management teams".

"As part of our strategic push to grow our international business, we will work closely with the Tasty Bite management team to create a fully integrated farm-to-fork natural food & beverage company that will participate in key global markets" said Masahiro "Sean" Sumitomo, Managing Executive Officer of Kagome.

With the greater scale and geographic scope of Kagome, Tasty Bite will be now able to serve its existing customers more effectively and we expect to accelerate our product development program and global expansion. Kagome's technology and prodigious quality allows us to design products specifically geared to meet the needs of our diverse consumer base including the rapidly growing millennials in the U.S. and India and to expand on a more global scale.

Now, lets take a quick look at your company's performance. In the year gone by, we once again clocked record revenues of ₹ 1.8 Billion growing 22%. Exports grew even faster at 25% crossing the ₹ 1 Billion mark for the first time and Profit after tax at 6% touched a record ₹10.8 Million. In last year's annual report I said we had entered the third innings in the 30-year history of this company. I think you will agree this is indeed a good way to start a new inning!

While the long-term outlook for the business remains robust, I must express my concern with the recent activism of our food regulators. While public safety must indubitably remain foremost in any Government's priority, so must transparency, predictability and a focus on economic growth. On the one hand, we promote "Make in India" to attract FDI and create millions of manufacturing jobs. On the other, we have



## MESSAGE FROM THE CHAIRMAN

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increased the number of product approvals to be sought, lengthened the time it takes to get them and ponder regulations while thousands of applications by industry await approval. This is unprecedented in the history of the country. Needless to say, this has delayed new launches, resulted in product recalls and created colossal food wastage significantly increasing the cost of doing business in India.

One hopes, this too shall pass and your company, the industry, the regulator and the consumer will all emerge stronger. This can happen only when companies, not just comply with laws and cooperate with the authorities but actively collaborate with the regulator to ensure food safety standards are drafted that are both business and consumer friendly. Your company remains committed to the principle that only through efforts that promote the health and wellness of our consumers do we sustain profitable growth for the company.

Ashok Vasudevan

**Chairman**

**July 25, 2015**

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## NOTICE

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Notice is hereby given that the Thirty-first Annual General Meeting of the Members of Tasty Bite Eatables Limited will be held on Monday, 14th September 2015 at 11.00 a.m. at Hotel Le Meridien Pune, RBM Road, Pune- 411001 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for year ended March 31, 2015 and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on 59,530 1% Non-Cumulative, Non Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2014-15.
3. To declare dividend of Re. 1 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the financial year 2014-15.
4. To appoint a Director in place of Mrs. Meera Vasudevan, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint Auditors and to fix their remuneration and to pass with or without modification, the following Resolution as an Ordinary Resolution.

**"RESOLVED THAT** M/s Kalyaniwalla & Mistry, Chartered Accountants, Pune (Firm Registration No 104607W) who retire at this Annual General Meeting and being eligible, offer themselves for re-appointment, be and are hereby appointed as Auditors of the Company for holding office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors be and is hereby authorised to determine the remuneration payable to the said auditors."

### SPECIAL BUSINESS:

6. Related Party Transactions:

To consider and if thought fit, to pass the following Resolution as **Special Resolution** :

**"RESOLVED THAT** pursuant to Clause 49 of the Listing Agreement and other applicable provisions, if any, including any re-enactment, modification, amendment thereof, consent of the members be and is hereby accorded for ratification of all transactions with Preferred Brands International Inc (PBI), being related party within the meaning of the Listing Agreement, including transactions as disclosed in notes forming part of financial statements, which in the financial year 2014-15 are in aggregate not in excess of Rs. 120 crore.

**RESOLVED FURTHER THAT** pursuant to Clause 49 of the Listing Agreement and other applicable provisions, if any, including any re-enactment, modification, amendment thereof, consent of the members be and is hereby accorded to enter into Related Party Transactions, to be entered into with Preferred Brands International Inc amounting not more than Rs. 500 crore per financial year over the period of next three financial years i.e. 2015-16 till 2017-18, notwithstanding the fact that all transactions within these financial years may exceed 10% of turnover of Company as per Company's last audited financial statement or materiality threshold as may be applicable from time to time under Listing Agreement.

**RESOLVED FURTHER THAT** any Director of the Company, Chief Financial Officer and/or Company Secretary be and are hereby severally authorised to do various acts, deeds and things as may be necessary to give effect to this resolution"

BY ORDER OF THE BOARD OF DIRECTORS OF  
**TASTY BITE EATABLES LIMITED**

Dated : May 13, 2015  
Place : Pune

Ravi Nigam  
**Managing Director**  
DIN: 00024577



**NOTES:**

1. Statement setting out material facts pursuant to Section 102(1) of the Companies Act, 2013 in respect of the business under item no 6 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/ HERSELF 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 not less than 48 hours before the meeting duly stamped and signed. Members are requested to note that a person can act as proxy for not more than 50 members and not exceeding 10% of total share capital share capital.**
3. Members / Proxies should bring duly filled Attendance Slips/ Proxy Forms sent herewith to attend the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Annual General Meeting (AGM).
4. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf, at the AGM.
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting facility by first holder.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 29, 2015 to Monday, September 14, 2015 (both days inclusive) for determining the names of members eligible for dividend on Equity shares, if declared at the meeting.
7. The dividend, upon declaration by the members at the AGM shall be credited / dispatched before October 13, 2015, to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (RTA) on or before Friday, August 28, 2015. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, August 28, 2015. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA.
8. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary so as to reach the Company at least seven days before the date of the AGM so that the required information may be made available at the AGM.
9. Members are requested to bring their own copy of the Annual Report to the meeting. No extra copies of the Annual Report will be distributed at the meeting.
10. All the documents referred to in the Notice and statutory registers are open for inspection at the registered office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of AGM. Notice and Annual Report will be available on Company's website [www.tastybite.co.in](http://www.tastybite.co.in).
11. Shareholders/investors may contact the Company on designated e-mail id: [secretarial@tastybite.com](mailto:secretarial@tastybite.com) for speedy action from Company's end.
12. The Company has paid the annual listing fee to BSE Ltd for financial year 2015-16.
13. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's Registrar and Transfer Agent (RTA)- M/s. Karvy Computershare Services Pvt Ltd at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. (Unit- TastyBite)
14. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2009-10 onwards, are requested to write to the Company or its RTA, mentioning the relevant folio number(s)/ DP ID and Client ID, for issuance of demand draft.

15. SEBI vide circular dated May 20, 2009 has made it mandatory for transferees requesting for transfer of shares of listed companies in physical form, to furnish a copy of their PAN, duly self attested to the RTA, whilst lodgment of such shares.
16. In support of the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Depository Participants/ Company unless the member has specifically requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copy of this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, will be sent to them in the permitted mode.

Members holding shares in physical form are requested to submit their e-mail address to the RTA, duly quoting their Folio number and Members holding shares in electronic form who have not registered their e-mail address with their DP are requested to do so at the earliest so as to enable the Company to send the said documents in electronic form, thereby supporting the green initiative of the MCA. (Ministry of Corporate Affairs)

Please note that the said documents will be uploaded on website of the Company viz. [www.tastybite.co.in](http://www.tastybite.co.in) and made available for inspection at the registered office of the Company during business hours.

**17. Voting through electronic means:**

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other Rule as may be applicable, including amendments thereof member may exercise right to vote by electronic means (remote e-voting) in respect of the Resolutions contained in this notice.
- ii. The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged services of M/s. Karvy Computershare Private Limited ('Karvy') as the authorised agency to provide e-voting facility which is approved by MCA and has also obtained a Certificate from the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India, as pre prescribed under the Companies (Management and Administration) Amendments Rules, 2015.
- iii. The notice calling AGM is placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)) and of website of 'Karvy' (<https://evoting.karvy.com>) agency appointed for conducting the voting by electronic means.
- iv. The members who opt to cast their votes by remote e-voting prior to the meeting, may attend the meeting however, shall not be entitled to cast their vote again.
- v. The Board of Directors has appointed Mr. Abhishek Jagdale, Practicing Company Secretary, Pune as the Scrutinizer for conducting e-voting process in fair and transparent manner.
- vi. Members are requested to carefully read the instructions for e-voting before casting their vote.
- vii. The e-voting module shall be disabled for voting on September 13, 2015 at 5.00 pm. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently. **The voting right of the shareholders shall be in proportion to their share in paid up capital of the Company as on the cut-off date (record date) i.e. September 7, 2015 (end of day)**
- viii. The remote e-voting facility will be available during following voting period after which the portal will be blocked and shall not be available for e-voting:

<b>Commencement of e-voting</b>	<b>September 11, 2015 - from 9.00 am (IST)</b>
<b>End of e-voting</b>	<b>September 13, 2015 - upto 5.00 pm (IST)</b>

- ix. **Contact details for issues relating to e-voting :** M/s. Karvy Computershare Services Pvt Ltd at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032; Toll free no. 1800-345-4001; E-mail- [evoting@karvy.com](mailto:evoting@karvy.com)/ [srikrishna.p@karvy.com](mailto:srikrishna.p@karvy.com). Or visit FAQ's section available at Karvy's website <https://evoting.karvy.com>.

- x. **Details of Scrutinizer:** Mr. Abhishek Jagdale, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in fair and transparent manner.
- xi. The Procedure and instructions for remote e-voting are as under:
- (a) For members who receive Notice of AGM through email i.e. those Members whose Email IDs are registered with the Company/ Depository Participant(s):
1. Launch internet browser and open <https://evoting.karvy.com>
  2. Enter the login credentials (i.e. User ID and password). The Event No.+ Folio No. or DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
  3. After entering the above details click on - Login.
  4. Password change menu will appear. Change the Password with a new Password of your choice. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric (0-9) and a special character (@, #, \$, etc.) The system will also prompt you to update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential. You need to login again with the new credentials.
  5. On successful login, the system will prompt you to select the E-Voting Event
  6. Select the EVENT of Tasty Bite Eatables Ltd. and click on - Submit.
  7. Now you are ready for e-voting as 'Cast Vote' page opens.
  8. Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'OK' when prompted.
  9. Upon confirmation, the message 'Vote cast successfully' will be displayed.
  10. Once you have voted on the resolution, you will not be allowed to modify your vote.
  11. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority Letter, along with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by an e-mail at [abhishek@csjagdale.com](mailto:abhishek@csjagdale.com). They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_EVENT NO."
  12. Any person, who acquires the shares of the Company and becomes a members after dispatch of Notice of AGM (cut-off date for dispatch Annual Report and Notice is July 31, 2015) and is holding shares as on the cut-off date for voting i.e. September 7, 2015, may obtain the user id and password by sending a request at Karvy's e-mail id [evoting@karvy.com](mailto:evoting@karvy.com)/[srikrishna.p@karvy.com](mailto:srikrishna.p@karvy.com) or at Company's e-mail id [secretarial@tastybite.com](mailto:secretarial@tastybite.com) or by writing to the Company or Karvy. However, if you are already registered with Karvy for remote e-voting, you shall use your existing User Id and password for casting your vote without any need for obtaining any new User Id or Password.
  13. **The Members who have casted their vote electronically shall not be allowed to vote again at the meeting.**
  14. The Srutinizer shall after conclusion of voting at the Annual General Meeting first count the voting at the meeting and then unblock the votes cast through e-voting in presence of atleast two (2) witnesses not in the employment of the Company and he shall forthwith make a Consolidated Scrutinizers Report of the total votes cast in favour or against, if any, to the Chairman of the Company or person authorised by Chairman who shall countersign the same.

15. The Scrutinizer's decision on the validity of the vote shall be final and binding.
  16. The Chairman or person authorised by Chairman shall immediately/forthwith declare the result of the voting.
  17. The result on Resolutions shall be declared on or after the AGM and the Resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of Resolutions.
  18. The results declared along with the Scrutinizer's Report shall be placed on website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)) and on website of the Karvy (<https://evoting.karvy.com>) immediately after result is declared by the Chairman and forwarded to Stock Exchanges where the shares of the Company are listed.
18. **Brief resume of the director, proposed to be re-appointed vide item No 4 as mentioned in the Notice calling AGM, pursuant to the provisions of Clause 49 of the Listing Agreement:**

Mrs. Meera Vasudevan, wife of Mr. Ashok Vasudevan, Chairman of the Company, has been a Non Executive Director since March 1999. She is proposed to be re-appointed as a Director.

A brief profile of Mrs. Meera Vasudevan is as follows:

Date of Birth & Age	August 26, 1958- 57 years
Date of Appointment	March 31, 1999
Qualifications	Mrs. Vasudevan holds a Bachelor's Degree in English and Post Graduate qualifications in Marketing and Advertising from the University of Madras, India and Advanced Marketing from INSEAD, France.
Expertise in specific functional areas	Mrs. Vasudevan is the co-founder of ASG-Omni LLC, a strategic consulting firm that designs entry strategies for large US corporations looking to do business in India. Prior to this, she co-founded Quantum Market Research, India's first specialist and now largest qualitative research company. She has conducted global brand research for leading consumer companies such as Unilever, Colgate, Cadbury, Mars, Citibank, Pepsi, Estee Lauder, Johnson & Johnson. She has also worked closely with Government departments and UNICEF on social research projects.
Directorship in other Companies as on March 31, 2015 (including Private limited companies and excluding foreign companies)	Preferred Brands Foods (India) Pvt Ltd- Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

She is a director of Preferred Brands International Inc., USA which in turn is the holding Company with 100% shareholding of Preferred Brands Foods (India) Private Limited, the holding Company of Tasty Bite Eatables Limited. She is also the Director of Preferred Brands Foods (India) Private Limited, Preferred Brands Australia Pty. Ltd. and is a Member of ASG Omni LLC, which is the holding Company of Preferred Brands International Inc. She does not hold any shares of the Company.

Her husband, Mr. Ashok Vasudevan is also a Non-Executive Promoter Director of the Company. He does not hold any shares of the Company. She attended 1 board meeting in FY 2014-15, however, Mr. Sohel Shikari, who acts as Alternate director to her attended 3 other meetings on her behalf.



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**ANNEXURE TO NOTICE**

**STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF  
THE COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS**

**Item No 6:**

As per Clause 49, a transaction with a related party shall be considered as material if the transaction/transactions to be entered into individually or taken together with previous transactions during any financial year exceed 10% of the annual consolidated turnover of the company as per the last audited financial statements.

The Company manufactures and exports ready-to-eat food products to Preferred Brands International Inc (PBI) in USA. PBI is a marketing and distribution company which in turn sells products to various customers in US, Canada, etc. This arrangement is approved by Audit Committee and the Board of Directors as required under the Companies Act, 2013. Also, the Company has availed External Commercial Borrowing from PBI of USD 1 Million & USD 1.3 Million in 2011 & 2008 respectively after due approval of Reserve Bank of India. ECB amounting to USD 1.3 Million repaid to PBI as per the schedule.

Management seeks approval of shareholders for Material Related Party Transaction to be entered in financial years from 2015-16 till 2017-18 and also ratification for transactions entered in financial year 2014-15. The transactions in financial years from 2015-16 till 2017-18 (including the transactions so far in this financial year) are expected to exceed the limits mentioned in the Listing Agreement.

The above transactions are at arms' length and also in ordinary course of business and hence exempt from provisions of section 188 (1) of the Companies Act, 2013. The Audit Committee and the Board have granted approval for the transactions proposed to be entered into with PBI for financial year 2015-16.

Accordingly, consent of the members is being sought for item no 6 to be passed as Special Resolution. Mr. Ravi Nigam, Mr. Sohail Shikari, Mr. Ashok Vasudevan & Mrs. Meera Vasudevan being Directors in PBI are interested in the Resolution. None of the other directors, key managerial personnel and their relatives are interested in this Resolution.

The Members may please note that in terms of the provisions of Listing Agreement, the related parties as defined thereunder will need to abstain from voting on Resolution under item no. 6.

BY ORDER OF THE BOARD OF DIRECTORS OF  
**TASTY BITE EATABLES LIMITED**

Dated : May 13, 2015

Place : Pune

Ravi Nigam  
**Managing Director**  
DIN: 00024577

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## DIRECTORS' REPORT

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To

The Members,

Your Directors are pleased to present the Thirty-first Annual Report together with Audited Statement of Accounts for the year ended 31<sup>st</sup> March 2015.

### 1. KEY FINANCIAL HIGHLIGHTS

(Rs. Lacs except per share data)

Highlights	FY 2014-15	FY 2013-14
Revenue from operations	17,815.72	14,592.29
Profit before Depreciation, Interest and Tax	2,614.59	1,192.90
Profit after tax	1,079.37	432.88
Earnings per share (Rs./share - Basic and diluted)	42.04	16.84
Net Cashflow from Operations	991.87	2,345.62
Net Fixed Assets	6,096.82	6,415.28
Long term borrowings (excluding current portion)	2,122.52	2,387.36
<b>Appropriations</b>		
Dividend on Preference Shares	0.60	0.60
Dividend on Equity shares	25.66	25.66
Tax on Dividend	5.25	4.46
Profit/ (Loss) transferred to Balance Sheet	2,845.66	1,820.00

### 2. FINANCIAL PERFORMANCE & OPERATIONS :

Your Company grew at a healthy Y-O-Y rate of 22% to achieve revenues of over Rs. 178 Crore during the year by both the exports led Consumer Business and the India focused Tasty Bite Food Service ( TFS) business.

Tasty Bite continued to be a market leader in all its consumer markets in the US, Canada, Australia and New Zealand through the year. Steps are now being taken to increase our footprint also in Japan and the United Kingdom. The Consumer Business grew by 25% for the year, at Rs. 107.80 Crore against Rs. 86.33 Crore in the previous year.

TFS business comprising sale of products to leading Quick Service Restaurants (QSR's) and Institutional customers registered a growth of 15% with revenues of Rs. 58.70 Crore against Rs. 51.06 Crore in the previous year.

Profit after Tax for the year ended at Rs. 10.79 Crore against Rs. 4.32 Crore in FY 14.

**3. DIVIDEND :**

The Board of Directors at their meeting held on May 13, 2015 recommended a final dividend of Re. 1 per Equity share (10% on the face value of Rs. 10 each), subject to the approval of shareholders at the ensuing Annual General Meeting.

In addition to the above, the Company has provided for a preferential dividend of Rs. 59,530/- on its 59,530 1% Non Cumulative Non Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2014-15.

The total dividend payout would involve a cash outgo of Rs. 31.51 lacs including dividend tax of Rs. 5.25 lacs.

Upon declaration by the members at the ensuing Annual General Meeting, dividend shall be paid to those members, whose names appear on the Register of Members of the Company after effecting all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents on or before Friday, 28 August 2015. In respect of shares held in dematerialised form, dividend will be paid on the basis of particulars of beneficial ownership furnished by Depositories as on the closing hours of business on Friday, 28 August 2015.

The Company has not carried forward any amount to general reserve or any other reserve in the financial year.

**4. RESEARCH AND DEVELOPMENT :**

Tasty Bite Research Centre (TBRC), located within the factory campus and the jewel in our crown continues to be a huge source of strength in being able to offer unique food solutions to all our consumers. In keeping with its mission, TBRC continues to focus towards being a centre of excellence in Product, Process and Ingredient innovation.

The Department of Science & Industrial Research (DSIR) of the Union Ministry of Science & Technology renewed its accreditation to TBRC during the year.

New products developed at TBRC in the last 2 years contributed to 27% of the company's revenue.

**5. ALLIANCE OF PARENT COMPANY WITH KAGOME CO LTD :**

Preferred Brands International Inc (PBI), our parent company entered into a strategic global alliance with Kagome Co Ltd (Kagome), a leading Japanese food company on April 14, 2015. As per the transaction, Kagome would acquire a major stake in PBI. As on the date of this report, there are no changes in structure of the Company or the holding company. Under Regulation 3, 4, 5, 13 & 15 of SEBI (Substantial Acquisition of Shares and Takeover Code), Regulation 2011 Kagome is required to make an 'Open Tender Offer' to shareholders of the Company.

**6. FINANCE :**

Your Company continues to have stable long term and working capital funding in place. The management is pleased to inform that ICRA Limited has upgraded its previously assigned long term rating of ICRA BBB (pronounced as ICRA triple B) with a stable outlook to ICRA BBB+ (pronounced as ICRA triple B plus) with stable outlook and short term rating of ICRAA2 (pronounced as ICRA A two) to ICRAA2+ (pronounced as ICRA A two plus).

Further, the Company has successfully pre-paid ECB-1 amounting to USD 1.3 Million availed from its parent, Preferred Brands International Inc. and ECB-3 amounting USD 4.0 Million availed from World Business Capital Inc, USA (WBC) during the year under report. As on March 31, 2015, the Company has ECB-2 amounting to

USD 1 Million in its books and the Company continues to successfully repay as per schedule of USD 50,000 per quarter. Final payment of this ECB will be completed by December 2016.

During the year, Company availed a Foreign Currency Term Loan from Kotak Mahindra Bank Limited (Kotak) of Rs. 24.20 Crore, to repay ECB-3 to WBC. Kotak also took over the existing working capital facility from Axis Bank Ltd of Rs. 14.80 Crore. The Company continues its relationship with Ratnakar Bank Limited (RBL) for working capital requirements of Rs. 10.00 Crore.

Total long term borrowing (excluding current portion) stood at Rs. 21.22 Crore as of 31<sup>st</sup> March 2015 against Rs. 23.80 Crore as of 31<sup>st</sup> March 2014.

### 7. FIXED DEPOSITS :

The Company has not accepted or invited any deposits from the public during the year under review.

### 8. DELISTING OF EQUITY SHARES FROM REGIONAL STOCK EXCHANGES :

As reported last year, the Company had applied for delisting of its equity shares from Regional Stock Exchanges - The Calcutta Stock Exchange Limited (CSE) and The Delhi Stock Exchange Limited (DSE), and has successfully delisted its shares from CSE & DSE during the year on May 8, 2014 and October 8, 2014 respectively.

### 9. DIRECTORS :

Members in their General Meeting held on September 10, 2014 had appointed 3 independent directors namely Mr. K. P. Balasubramaniam, Dr. V S Arunachalam and Mr. Kavasa Patel for a period of 5 years as Independent Directors. All independent directors have provided declaration stating their independence under the provisions of section 149(2) of Companies Act, 2013 and Clause 49 of the Listing Agreement.

In accordance with the provisions of the Companies Act, 2013 and Memorandum and Articles of Association of the Company, Mrs. Meera Vasudevan, retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered herself for reappointment.

Mr. Sohail Shikari was appointed as an Alternate Director to Mrs. Meera Vasudevan during the year due to absence of Mrs. Meera Vasudevan from India.

#### ● **Board evaluation:**

Pursuant to provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board carried out evaluation of its own performance, individual performance of the directors as well as the respective Committees. The manner of evaluation is mentioned in Corporate Governance Report.

#### ● **Remuneration & Evaluation Policy:**

The Board on recommendation of Remuneration & Nomination Committee adopted 'Remuneration and Evaluation Policy' for selection, appointment and remuneration of Directors and Senior Management Personnel. Necessary diversity in the board was ensured. Detailed policy has been stated in Corporate Governance Report.

#### ● **Meetings:**

There were six Board Meetings held during the financial year ended March 31, 2015. These were held on May 8, 2014, August 14, 2014, November 10, 2014, December 19, 2014, February 11, 2015 and March 25, 2015. The maximum interval between any two meetings was not more than 120 days. Details of these meetings have been stated in Corporate Governance Report.



Till the date of this report, none of the Directors or Key Managerial Personnel has joined or resigned from Company. None of directors are related to each other except Mr. & Mrs. Vasudevan (Husband & Wife).

### 10. EXTRACT OF ANNUAL RETURN :

The extract of Annual Return as provided under Section 92(3) in Form MGT - 9 is annexed herewith as "**Annexure A**".

### 11. DIRECTORS' RESPONSIBILITY STATEMENT :

Directors confirm that:

- (a) in the preparation of the annual financial statements for year ended March 31, 2015, applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b) the directors have selected and consistently applied such accounting policies, judgments and estimates that are reasonable and prudent to ensure a true and fair view of the state of affairs of the company at the end of the financial year and of the **profit** of the company for that period;
- (c) the 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;
- (d) the directors have prepared the financial statements on a going concern basis;
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### 12. CORPORATE GOVERNANCE :

Your Company places great significance to good Corporate Governance as an important step towards building investors' confidence, improve investors' protection and maximize long-term shareholders' value. Accordingly, it has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchange are complied with. A certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance is in "**Annexure B**" to this Report. A detailed report on Corporate Governance forms a part of this Annual Report.

### 13. AUDITORS:

#### • **Statutory Auditors :**

M/s Kalyaniwalla & Mistry, Chartered Accountants, Pune, retire as the Auditors of the Company at the forthcoming Annual General Meeting and are eligible for re-appointment. The Directors recommend that M/s Kalyaniwalla & Mistry, Chartered Accountants, Pune, be re-appointed as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that their appointment, if made, will be in accordance of the provisions of Companies Act, 2013.

#### • **Secretarial Auditor :**

Pursuant to section 204 of the Companies Act, 2013, the Company has appointed Mr. Abhishek Jagdale, Company Secretary in Practice, Pune as Secretarial Auditor for FY 2015-16. Based on the Audit Committee recommendations, Board has approved the appointment of Secretarial Auditor for FY 2015-16. The Secretarial Audit Report is in "**Annexure C**" of this report.

**14. WHISTLE BLOWER & VIGIL MECHANISM POLICY :**

In compliance with the provisions of Section 177(9) of the Companies Act 2013, the Company has established Whistle Blower and Vigil Mechanism Policy for its directors and employees to report their genuine concerns and also to deal with the instances of fraud and mismanagements, if any. The details of the Policy are explained in the Corporate Governance Report and the policy is available on the website of the Company [www.tastybite.co.in](http://www.tastybite.co.in).

**15. AUDIT COMMITTEE :**

In compliance with the provisions of Section 177 of the Companies Act, 2013, the Company has a duly constituted Audit Committee in place. The composition and other relevant details of the Audit Committee are given in the Corporate Governance Report annexed herewith. All suggestions of Audit Committee during the year were accepted by the Board.

**16. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS :**

During the year under review, there is nothing to be reported under the heads loans, guarantees or investments covered under the provisions of Section 186 of the Companies Act, 2013.

**17. SHARE CAPITAL :**

The share capital of the Company as on March 31, 2015 stands as under.

<b>Authorised Share Capital</b>	4,400,000 equity shares of Rs. 10/- each	Rs. 44,000,000/-	
	60,000 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each.	Rs. 6,000,000/-	Rs. 50,000,000/-
<b>Issued, Subscribed and Paid up capital</b>	2,566,000 Equity shares of Rs. 10/- each fully paid up	Rs. 25,660,000/-	
	59,530 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each fully paid up.	Rs. 5,953,000/-	Rs. 31,613,000/-

During the year under review, the Company has neither issued any shares with differential voting rights nor issued sweat equity shares. Further, the Company did not grant any stock options during the year under review. As on March 31, 2015, details of the shares or convertibles held by Directors in the Company are as under.

<b>Name of Director</b>	<b>No. of Equity Shares held</b>	<b>No. of Covertibles held</b>
Mr. Ashok Vasudevan	---- NIL ----	---- NIL ----
Mrs. Meera Vasudevan	---- NIL ----	---- NIL ----
Mr. K. P. Balasubramaniam	2291*	---- NIL ----
Dr. V. S. Arunachalam	---- NIL ----	---- NIL ----
Mr. Ravi Nigam	200@	NIL
Mr. Kavas Patel	---- NIL ----	---- NIL ----

\*Out of which 1500 as joint holder

@out of which 100 as joint holder



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**MANAGEMENT DISCUSSION AND ANALYSIS****A. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

Your Company operates in a business segment-Prepared Foods which comprises-Consumer business and Tasty Bite Food Service (TFS). During the year, Consumer Business grew 25% YOY, while TFS grew 15% in the same period.

Tasty Bite is in a Natural, Convenient and Specialty foods business. The marketing and distribution of these products is through Preferred Brands International Inc, (PBI), the Parent company, in the US, Canada, UK and Japan and Preferred Brands Australia Pty Ltd (PBA) in Australia and New Zealand. Tasty Bite continued to be the #1 brand in terms of market share for shelf stable Indian foods, and the fastest growing brand for Asian Noodles and Organic Ready to eat rice in North American mainstream markets. Overall distribution grew by 15% system wide.

Tasty Bite operates at the intersection of three major trends, natural, convenient and ethnic or specialty foods. The natural foods industry is today a \$110 billion industry in the U.S. and is expected to grow ~14% annually from 2013 to 2018. Presently, 18% of consumers contribute 50% of sales in this segment leaving room for significant growth. Nearly 17% of all U.S. grocery food sales are either natural or organic and this number is growing rapidly. Sales of gluten-free products have increased from \$5.4 billion to \$8.4 billion in the past two years. Your Company's products are all-natural with a clean label, vegetarian, non-GMO and many products are gluten-free. Our range of RTE rices and grains are organic and all products are manufactured using sustainable manufacturing practices.

The convenience foods industry is over \$24 billion and is expected to grow 10% between 2013-2018. Convenience has been a major long-term trend in the U.S. with consumers now seeking convenience of authentic, tasty and better for you convenient meal solutions. Tasty Bite has been developing products and process technologies that provide convenient meals without compromising taste or nutrition.

The ethnic Indian and Asian food market is experiencing the highest percentage of growth of any segment and is expected to reach a size of ~\$4.0 billion in the U.S. by 2018. This segment has grown 27% between 2008 and 2013 and is currently at a size of \$3.5 billion. These cuisines popularized by the increasing number of restaurants are becoming more popular amongst the millennial consumers who are more eager to try new foods and diversify eating habits. Market studies show that 36% of consumers in the U.S. have had Asian/Indian food at their homes in the past 3 months. Your Company is well positioned to benefit from this trend with its established range of Indian entrées and its growing range of Asian noodles and RTE rices and grains.

Tasty Bite's domestic food service business operates in an attractive backdrop of a foodservice market in India. This industry is mainly driven by an increase in the average spending on eating out by middle class households. Food service operators are experimenting with value for money products to incentivize consumers to eat away from home. Various Quick-Service restaurant chains are entering and expanding their footprint in this fast growing market. Your Company strives to be the partner of choice to all leading QSR and HORECA (hotels, restaurants and caterers) players. It develops innovative food products that suit Indian palates and address vegetarian preferences.

Products manufactured and sold in India require approval by the food regulator FSSAI. The Company is licensed and all its products are fully in compliance with relevant food laws and good manufacturing practices. The Company has applied for product approval for its proprietary products and is awaiting approval for many of them. As FSSAI is besieged with several thousand applications the process of approvals have been delayed. This in turn has the potential of delaying new market launches. The Company is actively in engagement with FSSAI in answering all queries and expects all its products to be cleared in due course of time.

TFS has an increased share of business with most customers, and has had some important customer acquisitions on the strength of strong customer service and product and process innovations at TBRC.

Margins during the financial year remained robust and were not heavily impacted because of muted inflation in raw materials - vegetables, pulses, edible oils, dairy etc. Tasty Bite's Supply Chain team pursued a finely tuned purchase strategy for key ingredients mitigating risks whenever there were shortages in the market. The team ensured that advance purchase contracts were honored.

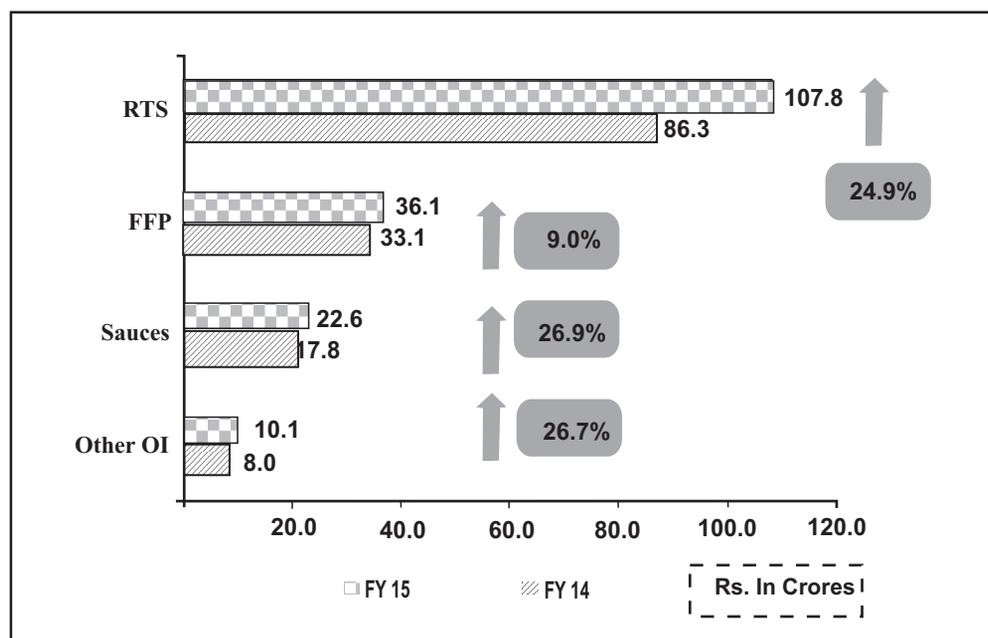
Gross Margins also improved on account of operational efficiencies in manufacturing.

Sustainability remains a key focus area of the Company. The Company has implemented 'Rain Water Harvesting' technique to increase ground water level. Company uses simple techniques such as crop rotation, use of natural

fertilizers and pest control methods and green composting in its farm. Chemical fertilizers are not used anywhere in the farm. Several measures are underway for improving the quality of air, soil and water in the company eco-system. Specific initiatives have also been undertaken for constant monitoring and conservation of water and power.

**B. REVENUES:**

FY 15 revenues are broken up as under.:



RTS - Ready to Serve

FFP - Formed Frozen Products

Other OI - Other Operating Income

Exports to the US market grew by 24.9% on account of increased penetration across all retail markets. New product launches, notably organic rice and Asian range of products also positively impacted sales. Higher exports resulted in better export linked incentives to the company.

Food Service Business in India comprising of 'Formed Frozen Products'(FFP) and 'Sauces' continued to witness growth crossing Rs. 58 crores in FY15, a growth of over 15%. This is in the backdrop of a declining 'Same Store Sales Growth'(SSSG) witnessed across the QSR industry in India through the entire year. The ability to rapidly create a library of new innovative food solutions for the industry helped us acquire additional marquee customers. The company is confident of sustaining momentum in the business and is looking forward to continued strong performance in domestic as well as exports markets.

**C. MARGIN ANALYSIS:**

During the year, your Company saw healthy expansion in margins. Profit before tax grew from 4.3% last year to 9.3% this year.

Few favourable factors helped your Company keep materials costs under control. While prices of some vegetables and dairy products remained relatively stable during the year the Company also took early steps on advance purchase contracts for several volatile commodities to mitigate risk of impending commodity inflation.

The year also saw significant improvement in productivity as a result of investment made in new production facilities. The state-of-the-art production facilities are now able to generate consistently better productivity. Key production indices improved, positively impacting operating margins.

Economy of scale and better control over fixed costs helped further improve our margins.



**D. STRENGTHS, OPPORTUNITIES, CHALLENGES:**

Strengths :

1. Experienced and successful entrepreneurs leading the Company.
2. Tasty Bite is the dominant brand in key international markets for the 'Indian prepared meals' category.
3. Tasty Bite is the fastest growing brand of organic rice and noodles in key markets.
4. Tasty Bite is in the centre of 3 mega trends - consumer preference for all natural foods, specialty foods and convenient foods.
5. Strong supply chain - from farm to fork. Secure availability of supplies of all important ingredients.
6. Experienced R&D team and Consumer led Product Development.
7. State of art, versatile and scalable manufacturing capabilities.

Opportunities :

1. Having succeeded in North American and Australian markets, there is a strong platform to scale up the businesses in other parts of the globe.
2. Alliance with Kagome will create opportunities to explore new markets and product segments. New technologies and R&D capabilities from Kagome will provide strength to existing capabilities.

Challenges :

1. Several raw materials are commodities prone to rapid price fluctuations, and inconsistent availability of materials through the year.
2. Export business is exposed to foreign exchange risk.
3. With a dominant share of the Indian category there is always a threat from new entrants that can potentially reduce our market share.
4. Delays in getting product approvals by the Indian food regulator, FSSAI, for the domestic market have the potential to delay new product launches and impact the near term growth of the food service business.

**E. OUTLOOK :**

Going forward, revenue growth will be driven by a combination of increasing width of distribution in key markets as well as increasing velocity in existing distribution. Width of distribution will be through acquisition of new supermarket distribution, new product and new category launches in existing markets. Velocity, which is increasing the frequency of product usage by our consumers, will happen as a result of constant engagement with them through various promotional events, digital media as well as live product demo's across a large number of stores through the year.

In the Indian market, your Company will continue to add on its existing base of customers and products focused on the food service industry. The company will continue to focus on forging strong customer partnerships with leading players in the QSR industry and will initiate entry into the large HORECA sector to grow the market.

**F. SEGMENT WISE OR PRODUCT WISE PERFORMANCE/ NATURE OF BUSINESS :**

The Company operates in one segment: Prepared Foods consisting of ready to serve products and intermediate food products such as prepared meals, frozen finger foods and sauces. There is no change in nature of business of the Company.

**18. THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has been making significant efforts to ensure conservation of energy. The details of energy conservation, technology absorption, research and development and Foreign exchange earnings and outgo are as per “Annexure D.”

**19. RISK MANAGEMENT POLICY :**

In compliance with the provisions of Section 134 of the Companies Act 2013, the Company has identified the elements of the risks, industry specific and in general as well, which in the opinion of the Board may threaten the existence of the Company. The Company has developed and implemented a 'Business Contingency Plan for Risk Mitigation' for the Company.

**20. CORPORATE SOCIAL RESPONSIBILITY :**

The Company has developed a policy and set up a Committee on Corporate Social Responsibility in compliance with the provisions of Companies Act, 2013. The details about the Policy and the Committee are given in Corporate Governance Report annexed to this report.

As per the provisions of Section 135 of the Companies Act, 2013, every Company falling under the applicability of Corporate Social Responsibility is required to spend 2% of its net profits on the activities given under Schedule VII of the Companies Act, 2013 and CSR policy adopted by the Board of Directors. The Company was required to spend 2% of its net profits during the year under review. However, the Company wishes to identify the areas where the thrust shall be given and which are also in line with the corporate philosophy of the Company towards community at large. The Board is in the process of identifying thrust areas and it is committed towards the upliftment of the society and the stakeholders.

As per calculations, Company was required to spend Rs. 8.21 lakh in financial year 2014-15. However, no amount has been spent in financial year 2014-15 on CSR activities. This amount shall be carried forward to be spent in next financial year i.e. 2015-16, after due identification of areas by the Company.

The Board has agreed to spend the amount collectively in next financial year on CSR activities, after recommendation by the Corporate Social Responsibility Committee.

**21. FORMAL EVALUATION OF PERFORMANCE OF THE BOARD OF DIRECTORS, COMMITTEES AND INDIVIDUAL DIRECTORS :**

The formal annual evaluation of performance of the Board of Directors, Chairman of Board, Committees and Individual Directors has been made by the Directors in their meeting dated March 25, 2015. The manner of such evaluation took place is mentioned in Corporate Governance Report.

**22. STANDALONE FINANCIAL STATEMENTS AND POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES :**

During the year under review, the Company neither has a Subsidiary Company, Associate Company nor a Joint Venture company. Hence, comments and details on preparation of financials on standalone basis or report on the performance of subsidiary company or Associate Company or a Joint Venture company are not required to be offered.

**23. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES :**

The particulars of contracts or arrangements with related parties in Form AOC - 2 are annexed herewith as "**Annexure E**". The Board hereby informs that the Company has duly complied with the Accounting Standard 18 related to transactions with related parties of the Company. Company has adopted policy on Related Party Transactions and same is posted on website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in))

**24. SIGNIFICANT/MATERIAL ORDERS PASSED BY COURTS/ REGULATORS IMPACTING GOING CONCERN STATUS OF THE COMPANY :**

There are no significant or material orders or awards passed by the Courts or any other Regulators or Tribunals which would effect the going concern status and Company's future operations.

**25. APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL :**

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2014-15:

(Rs. in Lacs)

Name of Director	Remuneration of Director (1)	Median remuneration of employees (2)	Ratio (3) =1/2
Mr. Ashok Vasudevan	---- NIL ----	---- NIL ----	---- NIL ----
Mrs. Meera Vasudevan	---- NIL ----	---- NIL ----	---- NIL ----
Mr. K. P. Balasubramaniam	---- NIL ----	---- NIL ----	---- NIL ----
Dr. V. S. Arunachalam	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Ravi Nigam	60.77	2.85	21.32
Mr. Kavas Patel	---- NIL ----	---- NIL ----	---- NIL ----



2. The percentage increase in remuneration of each director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year; **(Rs. in Lacs)**

Name	Designation	Remuneration in FY 2013-14	Remuneration in FY 2014-15	Increase (in %)
Mr. Ravi Nigam	Managing Director	58.57	# 60.77	** 3.75% (Increase in salary was made w.e.f. January 1, 2015)
Mr. Sohel Shikari	Chief Financial Officer	56.92	59.06	**3.75% (Increase in salary was made w.e.f. January 1, 2015)
Ms. Minal Talwar	Company Secretary	5.75	6.15	***6.96%

Increase based on cost to company basis. # Remuneration excluding perquisite

\*\* Salary for the period from April 2014-December 2014 as that of previous financial year.

\*\*\*increment on proportionate basis (joined on September 2, 2013)

3. The number of permanent employees are 197 on the roll of Company as on March 31, 2015.
4. The remuneration paid to the employees is in affirmation with Remuneration & Evaluation Policy of the Company.
5. During the year, increase in remuneration of Managing Director was approved by the Board on recommendation of Remuneration and Nomination Committee in February 11, 2015 meeting at 15% p.a. (effective January 1, 2015 i.e. 3.75% for FY 2014-15) cost to company basis. The approved increase in salary is within the limit approved by the shareholders in General Meeting on September 10, 2014. Increase in salary is based on performance of the Company, general industry standard, contribution by MD in enhancement of performance of Company and various other factors considered appropriate by the Board and Remuneration Committee.
6. During the year, increase in remuneration of Chief Financial Officer was also approved by the Board on recommendation of Remuneration & Nomination Committee and also by the Audit Committee in its meeting held on February 11, 2015 at 15% p.a. (effective January 1, 2015 i.e. 3.75% for FY 2014-15) cost to company basis. Increase in salary is based on performance of the Company, general industry standard, contribution by CFO in enhancement of performance of Company and various other factors considered appropriate by the Board and Remuneration Committee. None of the employee receives remuneration higher than that of Managing Director (Managerial Personnel).
7. During the year increment was also made in salary of Company Secretary basis annual appraisal by the management on proportionate basis by 6.96% for FY 2014 (date of joining - September 2, 2013).
8. Average percentile increase in salaries of employees other than the managerial personnel in the last financial year was 19.03%. Percentile increase in the managerial remuneration in FY 2015 was 3.75%. Increase in remuneration of MD and CFO made in February 11, 2015 meetings w.e.f. January 1, 2015. Increase in salary of employees is based on performance of Company, general industry standard, contribution by employee in enhancement of performance of company and various other factors considered appropriate by the Management.
9. The Company does not have a variable pay compensation structure.
10. Statement of employees receiving remuneration under Section 197(12) of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as “**Annexure F.**”
11. Variations in market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over/decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

Particulars	Issued capital	Closing Market price per share	Earnings per share	Price Earnings Ratio	Market capitalization (in Rs)
As on 31.03.2014	2,566,000	238.95	16.84	14.19	613,145,700
As on 31.03.2015	2,566,000	605.00	42.04	14.39	1,552,430,000
Increase/ decrease	NIL	366.05	25.20	0.2	939,284,300
% Increase/ Decrease	NIL	153.19	149.64	1.41	153.19

The Company made Public Offering in February, 1987 of 7,50,000 equity shares at Rs. 10 each. The market quotation of the Equity shares of the Company as on March 31, 2015 was Rs. 605 for shares of face value of Rs. 10/- each, representing a increase of 5,950% over the period.

**26. INVESTMENTS IN ITS OWN SHARES BY COMPANY, ITS SUBSIDIARIES, ASSOCIATES ETC) :**

The Company during the period under review has not made investments in its own shares. The Company neither has any subsidiary company nor associate company in terms of the provisions of Companies Act, 2013 hence the comments are not required to be offered.

**27. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON-EXECUTIVE DIRECTORS :**

During the period under review, there were no pecuniary relationships or pecuniary transactions between the Company and its Non-Executive Directors.

**28. INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

Your Company is an equal opportunity employer and safety of all employees and all other persons while within the premises is of utmost importance to your Company. The Company has been practicing safety of women at workplace as part of its formally adopted Code of Conduct. In order to strengthen it and also in compliance to newly enacted Act for protection of women, your Company has formed Internal Complaints Committee and adopted "Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace". The Committee's mandate is to bring awareness about ensuring safe workplace for women; receive and take appropriate decision on complaints, if any.

The Committee as appointed by the Management consists:

- Ms. Anila Thomas- Presiding Officer
- Ms. Minal Talwar- Member
- Mr. Rajendra Jadhav- Member
- Ms. Suman Bhagwat - Member
- Mr. Kuldeep Joshi- Independent Member

No complaints have been received during the year.

**29. INTERNAL CONTROL SYSTEMS**

Your Company attaches significant importance on having proven internal control systems. The internal control structure has been designed to operate as a well synchronized system consisting of regular risk assessment and mitigation and monitoring by external set of auditors, both statutory auditors and internal auditors. Your Company has an elaborate system of identifying key business risks and taking mitigating steps.

Some significant aspects covered in the internal control framework include:

- End to end integration of ERP system across supply chain, manufacturing and sales processes;
- Review and approval of annual operative and capital expenditure budget and monthly monitoring of actual spends;
- Audit Committee finalizes the scope of the internal audit which is carried out by an experienced and respected firm of Chartered Accountants;
- Regular review of key business risks such as new product development, foreign exchange management, commodity inflation risk management, financial reporting.

**30. HUMAN RESOURCE**

During the year under review, the industrial relations of the Company continued to be cordial and peaceful. The Company signed 'Memorandum of Settlement' for 3 years period with the workers of the Company. Total personnel employed by the Company are 197 as on March 31, 2015.

Your Company continues to have comfort of very cordial and productive relations with its workforce. Several programs, including "Direct communication of people with the MD" allow continuous communication with work force enabling a transparent and engaging work environment.

Each year your Company participates in the Great Place to Work survey - a survey jointly conducted by the Economic Times of India and Great Places to Work Institute, India. Such participation allows your Company to continuously refine its HR practices to be able to provide motivating and fulfilling work culture.

The management records its sincere appreciation of the efforts of all its employees.

**31. QUALITY**

The Company's stated mission for quality is to "rise beyond certifications". Consequently the company's own Quality Management system calls for higher standards than what is specified in various 3rd party certifications.

In keeping with Industry requirements, the Company continues to be certified for the following certifications:

- ISO-14001:2004 (Environmental Management Systems)
- OHSAS 18001:2007 (Occupational Health and Safety)
- ISO 22000 (Food Safety Management System)
- BRC v6 ( Global Standard for Food Safety)
- SQF code- 7.2 (Safe Quality Food)
- Organic
- Kosher
- Halal

The Company also adheres to the highest levels of compliance with CT-PAT (Customs Trade Partnership against Terrorism) standards, which gives the company an advantage for smooth exports to US, our most important market.

**32. CAUTIONARY STATEMENT**

Statements in Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities law and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to results include economic conditions affecting demand/ supply, price conditions in domestic and overseas markets in which the Company operates, competitive pressures in these markets, changes in government regulations, tax laws and other statutes and incidental factors.

**33. ACKNOWLEDGEMENT**

Your Directors acknowledge the efforts and contribution of its employees at all levels during the year and seek their continued commitment in the years to come.

Your Directors also would like to acknowledge the contribution of its parent, Preferred Brands International in the role of the marketing company in growing and developing the business in all international markets.

Finally, the Board places its appreciation for the confidence reposed on it by its customers, suppliers, investors, bankers and all other stakeholders that are its partners in growth.

For and on behalf of the Board of Directors

Date : May 13, 2015  
Place : Pune

Ashok Vasudevan  
**Chairman**

**FORM NO. MGT 9**

**EXTRACT OF ANNUAL RETURN  
(As on financial year ended on 31.03.2015)**

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12 (1) of the Company  
(Management & Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS :**

1 Corporate Identity Number	L15419PN1985PLC037347
2 Registration Date	02/09/1985
3 Name of the Company	TASTY BITE EATABLES LIMITED
4 Category/Sub-category of the Company	Company Limited by Shares / Indian Non-Government Company
5 Address of the Registered office & contact details	204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005 Tel.: 020 3021 6000
6 Whether listed company	Yes
7 Name, Address and contact details of Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE PRIVATE LIMITED Address: Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Phone No.: +91 040-67162222; 1800-345-4001 Email: einward.ris@karvy.com, ravi.shukla@karvy.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated :

S. No.	Name and description of main products / services	NIC Code of Product/Service	Percentage to total turnover of Company
1	Ready-to-eat food products	2008	65%
2	Frozen food products and sauces	2008	35%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

Name and Address of the Company	CIN/GLN	Holding/ Subsidiary	% of shares held	Applicable Section
Preferred Brands Foods (India) Private Limited Regd. off.: 48, Ali Chambers, Tamarind Street, Mumbai - 400023	U15400MH1998PTC 113768	Holding	74.22	2 (46)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**



i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1,904,510	-	1,904,510	74.22	1,904,510	-	1,904,510	74.22	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (1):-</b>	1,904,510	-	1,904,510	74.22	1,904,510	-	1,904,510	74.22	-
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	1,904,510	-	1,904,510	74.22	1,904,510	-	1,904,510	74.22	-
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	1,500	1,500	0.06	-	1,500	1,500	0.06	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	1,500	1,500	0.06	-	1,500	1,500	0.06	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	57,783	301	58,084	2.26	35,758	301	36,059	1.41	(0.85)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	2,27,289	1,44,501	3,71,790	14.49	2,41,963	1,40,701	3,82,664	14.91	0.42
ii) Individual shareholders holding nominal share capital in excess of Rs1 lakh	213,218	-	213,218	8.31	2,27,250	-	2,27,250	8.86	0.55
c) Others	-	-	-	-	-	-	-	-	-
Directors & relatives	4,042	200	4,242	0.17	4,042	200	4,242	0.17	-
Non Resident Indians	12,511	-	12,511	0.49	9,476	-	9,476	0.37	(0.12)
Clearing members	145	-	145	0.01	299	-	299	0.01	0.01
<b>Sub-total (B)(2):-</b>	5,14,988	1,45,002	6,59,990	25.72	5,18,788	1,41,202	6,59,990	25.72	0.00
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	5,14,988	1,46,502	6,61,490	25.78	5,18,788	1,42,702	6,61,490	25.78	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	24,19,498	1,46,502	25,66,000	100	24,23,298	1,42,702	25,66,000	100	-

**ii) Shareholding of Promoter-**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during year
	No. of Shares	% of total total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
Preferred Brands Foods (India) Private Limited	1,904,510	74.22	100.00	1,904,510	74.22	-	-
<b>Total</b>	<b>1,904,510</b>	<b>74.22</b>	<b>100.00</b>	<b>1,904,510</b>	<b>74.22</b>	<b>-</b>	<b>-</b>

**iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	No Change			
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):				
At the end of the year				

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

S.No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	K. Swapna	1,57,900	6.15	1,57,900	6.15
	Tanvi J Mehta	29,808	1.16	31,260	1.22
	Nitin Saxena	15,410	0.60	3,139	0.12
	Damani Estate and Finance Pvt Ltd	13,900	0.54	13,900	0.54
	Sushama Ratnakar Samant	10,100	0.39	10,100	0.39
	Devika Anand	7,947	0.31	7,147	0.28
	Sudha Commercial Company Limited	7,610	0.30	0	0
	Sanjay Kumar Gogia	6,946	0.27	6,440	0.25
	Vora Yogesh Dhirajlal j/w Vora				
	Panna Yogesh	6,875	0.27	6,875	0.27
	Pujit Aggarwal	6,500	0.25	1,000	0.04

**v) Shareholding of Directors and Key Managerial Personnel:**

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	2,491	0.01	2,491	0.01
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	NIL	NIL	NIL	NIL
At the end of the year	2,491	0.01	2,491	0.01

**vi. INDEBTEDNESS-Indebtedness of Company including interest outstanding/accrued but not due for payment**
**(Amount in Rs)**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	-	-	-
i) Principal Amount	439,994,431	-	-	439,994,431
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	439,994,431	-	-	439,994,431
Change in Indebtedness during the financial year	-	-	-	-
Addition	68,18,39,926	-	-	68,18,39,926
Reduction	(68,69,16,644)	-	-	(68,69,16,644)
Net Change	(50,76,718)	-	-	(50,76,718)
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	43,49,17,713	-	-	43,49,17,713
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4,19,506	-	-	4,19,506
<b>Total (i+ii+iii)</b>	435,337,219	-	-	435,337,219

**vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director :**

No	Particulars of Remuneration	Name of MD - Mr. Ravi Nigam
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,910,706
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	340,009
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961-	--
2	Stock Option	--
3	Sweat Equity	--
4	Commission - as % of profit - others, specify	--
5	Others, please specify Car Hire Charges Provident Fund Leave encashment Driver's Salary	240,000 586,441 240,719 240,000
	<b>Total (A)</b>	6,557,875
	Ceiling as per the Companies Act, 2013	8,554,091

**B. Remuneration to other directors:**

S. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Kavas Patel	Mr. K. P. Balasubramaniam	Dr. V. S. Arunachalam	Mrs. Meera Vasudevan	Mr. Ashok Vasudevan	
1	Independent Directors						
	Fee for attending board & committee meetings	2,40,000	2,20,000	1,90,000	--	--	6,50,000
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total (1)	2,40,000	2,20,000	1,90,000	--	--	6,50,000
	Other Non- Executive Directors						
	Fee for attending board & committee meetings	--	--	--	--	--	--
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--	--	--
	Total (2)	--	--	--	--	--	--
	Total (B)=(1+2)	2,40,000	2,20,000	1,90,000	--	--	6,50,000
	Total Managerial Remuneration	--	--	--	--	--	--
	Overall Ceiling as per the Act	NA	NA	NA	NA	NA	NA



**C. Remuneration to Key Managerial Personnel other than MD:**

No.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Minal Talwar Company Secretary	Mr. Sohel Shikari Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	545,436	5,282,760	5,828,196
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	35,000	340,009	375,009
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (provident Fund, Leave encashment, drivers salary) (PF)	34,560	2,83,200	317,760
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5	Others, please specify	--	--	--
	<b>Total</b>	<b>614,996</b>	<b>5,905,969</b>	<b>6,520,965</b>

**viii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

	Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
<b>A.</b>	<b>COMPANY</b>					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA
<b>B.</b>	<b>DIRECTORS</b>					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA
<b>C.</b>	<b>OTHER OFFICERS IN DEFAULT</b>					
	Penalty	NA	NA	NA	NA	NA
	Punishment	NA	NA	NA	NA	NA
	Compounding	NA	NA	NA	NA	NA

Date : May 13, 2015  
Place : Pune

Ashok Vasudevan  
Chairman

**CORPORATE GOVERNANCE CERTIFICATE**

To  
The Members  
**Tasty Bite Eatables Limited**  
204, Mayfair Towers, Wakdewadi,  
Shivajinagar, Pune - 411005

Re: Corporate Governance Certificate

I have examined the compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited (the Company) for the year ended on March 31, 2015 as stipulated in Clause 49 of the Listing Agreement entered into with BSE Limited.

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

In my opinion and to the best of my information and according to the explanations given to me and representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

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

**Abhishek Jagdale**

Company Secretary in Consulting  
Membership No. 25025  
Certificate of Practice No. ACS 8967

Date: 13 May 2015  
Place: Pune



**Form No. MR - 3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Tasty Bite Eatables Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tasty Bite Eatables Limited** (hereinafter called 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 the **Tasty Bite Eatables 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 March 31, 2015, 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 the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder 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, 2011;
  - (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 Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;~~
  - (e) ~~The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;~~
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) ~~The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;~~
- (vi) Law specifically applicable to the Company
  - 1. Food Safety and Standards Act, 2006 and rules made thereunder.

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 BSE Limited and the Delhi Stock Exchange Limited and the Calcutta Stock Exchange Limited - up to the date of de-listing of its securities.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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 Act.

Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance, and 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 and there was no instance of capturing and recording dissenting members' views as part of the minutes.

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.

I further report that during the audit period, the Company has

- (i) De-listed its equity shares from the Delhi Stock Exchange Limited and the Calcutta Stock Exchange Limited.
- (ii) Pre-paid its External Commercial Borrowing amounting to USD 4 Mn.
- (iii) taken major decisions through the members in pursuance to Section 180(1)(c) of the Companies Act, 2013 to borrow money in excess of aggregate of its paid-up share capital and free reserves and in pursuance to Section 180(1)(a) to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company.
- (iv) managed to upgrade its long term rating to ICRA BBB+ (pronounced as ICRA triple B plus) with stable outlook from ICRA BBB (pronounced as ICRA triple B) with a stable outlook and short term rating of ICRA A2+ (pronounced as ICRA A two plus) from ICRA A2 (pronounced as ICRA A two).

**Abhishek Jagdale**

ACS No.: 25025

C P No.: 8967

Place: Pune

Date: May 13, 2015

**ANNEXURE - D**
**ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO:**
**A. CONSERVATION OF ENERGY:**
**i) Steps taken or impact on Energy Conservation**

- a) Company continues to use briquettes as a measure for energy conservation.
- b) Company has incurred Rs. 130 Lacs for purchase of new boiler to improve operational efficiency and saving the energy.

ii) **Steps taken by the company for utilizing alternate sources of energy:** The Company has started availing wind power energy, a non-conventional source of energy for utilization in operations of the Company.

iii) **Capital investment on energy conservation equipment:** Rs. 130 lacs

**B. TECHNOLOGY ABSORPTION**

i	Efforts made towards technology absorption	Company has an accredited R&D center that is (TBRC) continuously engaged in research on new and innovative products, both for export and domestic market. TBRC's research and expertise ensures that Company is able to provide "Great taste, Good value and Real Convenience" to its customers worldwide. Innovation coupled with expertise, and quality enables to serve natural, convenient and specialty foods to its customers.
ii	Benefits derived like product improvement, cost reduction, product development or import substitution;	Successful development of innovative products in domestic and export market accomplished through expertise and research in specific areas. Technology adoption helped import substitution thereby reducing cost and also product development.
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No imported technology
iv	Expenditure incurred on Research and Development: Capital (in Rs. '000) Recurring (in Rs. '000) Total (in Rs. '000) Total R&D expenditure as % of total turnover	110 14,796 14,906 0.84%

**C. FOREIGN EXCHANGE ACTUAL INFLOWS AND OUTFLOWS**
**(Rs in Lacs)**

Particulars	Current Year	Previous Year
Inflows	9,974.29	8,054.43
Outflows	1,957.21	2,687.22

Date : May 13, 2015

Place : Pune

Ashok Vasudevan

**Chairman**

**Form No. AOC - 2**

**ANNEXURE - E**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2)  
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

**1. Details of contracts or arrangements or transactions not at arm's length basis- NA**

**2. Details of contracts or arrangement or transactions at arm's length basis**

S. No.	Particulars				
1.	Name(s) of the related party and nature of relationship	Preferred Brands International Inc	Preferred Brands Australia Pty Ltd	Mrs. Ruby Nigam	Mrs. Reshma Shikari
2	Nature of contracts / arrangements / transactions	Export sales	Export sales	Contract for car hire	Contract for car hire
3	Duration of the contracts / arrangements / transactions	Purchase Order basis	Purchase Order basis	Yearly	Yearly
4	Salient terms of the contracts or arrangements or transactions including the value, if any	Pricing of the products approved by the Board & Audit Committee	Pricing of the products approved by the Board & Audit Committee	Car hire contract @ Rs. 20,000 per month	Car hire contract @ Rs. 20,000 per month
5	Date(s) of approval by the Board, if any	August 14, 2014	August 14, 2014	August 14, 2014	August 14, 2014
6	Amount paid as advances, if any	Nil	Nil	Nil	Nil
7.	Date on which Special Resolution was passed in General Meeting under section 188	-	-	-	-
8	Justification for entering in contracts	Transactions at arms length and ordinary course of business-export sales.	Transactions at arms length and ordinary course of business-export sales.	Car hire contract at arms length and ordinary course of business	Car hire at arms length and ordinary course of business

Date : May 13, 2015

Place : Pune

Ashok Vasudevan

**Chairman**

**ANNEXURE - F**

Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2015.

Employed throughout the year and were in receipt of remuneration at the rate of not less than `Rs. 6,000,000/- per annum

Name of employee	Remuneration received (Rs.In Lakhs)	Nature of employment	Qualification	Experience	Date of commencement of employment	Age	Last employment	% equity shares held	Whether any employee is relative of director/ Name of director
Mr. Ravi Nigam	65.58	Permanent (Managing Director)	Mr. Ravi Nigam, holds a Degree in Chemistry and a Master Degree in Rural Management from Institute of Rural Management, Anand and an OPM from the Harvard Business School	32	20/07/2001 (Appointed as Managing Director)	55	Ballarpur Industries Limited	0.004 (200 shares amongst which 100 as joint owner)	None
Mr. Sohel Shikari	60.46	Permanent (Chief Financial Officer)	Mr. Sohel Shikari is a Civil Engineer from University of Bombay. He also holds Master in Civil and Environment Engineering from the Massachusetts Institute of Technology	21	08/05/2014 (Designated as CFO_ Key Managerial Personnel)	45	ASG Omni India Pvt Ltd	NIL	None

Date : May 13, 2015

Place : Pune

Ashok Vasudevan  
**Chairman**

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## CORPORATE GOVERNANCE REPORT

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### GOVERNANCE PHILOSOPHY

Your Company is committed to best business practices coupled with excellence in Corporate Governance. The principles of transparency, accountability, integrity and innovation constitute the foundation on which the edifice of the organization is built. Your Company firmly believes in the right of all its stakeholders to information regarding Company's business and financial performance.

Your Company's governance structure basically comprises the Board of Directors and the Committees of the Board at the apex level and the Management structure at the operational level. The Board sets down the overall objectives and provides freedom and guidance to the management to achieve these objectives within a given framework, thereby bringing about an enabling environment for value creation through sustainable profitable growth.

### BOARD OF DIRECTORS

Company's Board plays a pivotal role in ensuing Company runs on sound and ethical business practices. The Board operates in such a manner which effectively enables them to discharge its fiduciary duties of safeguarding the interest of Company, ensuring fairness in decision making process, integrity and transparency while dealing with its members and all its stakeholders.

#### a) Composition of Board

The Board has an optimum combination of executive and non-executive directors. The Company is managed by the Board of Directors with a non-executive, non-independent Promoter Chairman, a non-executive non-independent Promoter Director, who is also a woman director of the Company, as mandated by SEBI and Companies Act 2013, an executive director, three eminently qualified Independent Directors and an Alternate Director to the non-executive Promoter director.

None among the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he/she is a Director. Necessary disclosure regarding Committee positions have been made by all the Directors.

#### b) Board Meetings and information placed before the Board:

There were six Board Meetings held during the financial year ended March 31, 2015. These were held on May 8, 2014, August 14, 2014, November 10, 2014, December 19, 2014, February 11, 2015 and March 25, 2015. The maximum interval between any two meetings was not more than 120 days.

All the Board Meetings were scheduled well in advance and the notice of each Board Meeting to each Director was also sent well in advance. All the items in the agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director. Every Board member is also free to recommend inclusion of any matter for discussion in consultation with the Chairman of the meeting.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every Board Meeting, on the overall performance of the Company, with detailed presentations.



The Board's role, functions, responsibility, accountability and its evaluation framework are clearly defined. In addition to matters statutorily requiring Board's approval including Annexure 1A to Clause 49 and provisions of Companies Act, 2013, all major decisions involving policy formulation, strategy and business plans, annual operating and capital expenditure budgets, new investments, compliance with statutory/regulatory requirements, major accounting provisions and write-offs are considered by the Board. The Board also reviews periodically the risk and mitigation procedure to ensure that executive management controls risk through means of properly defined framework. The minutes of the Board Meeting are circulated in advance to all Directors for their comments and confirmed at subsequent Meeting.

**c) Code of Conduct for Directors and Senior Management:**

The Company has adopted "Code of Conduct (Code) for Board Members and Managerial Personnel", which was duly modified to include duties of Independent directors during the year. The Code of Conduct for Board Members as well as the Managerial Personnel is posted on website of the Company [www.tastybite.co.in](http://www.tastybite.co.in). All Board Members and Managerial Personnel have affirmed compliance with the Code of Conduct. The confirmation from the Managing Director regarding the compliance with the Code by all the Directors and Senior Management is annexed to the Report.

**D) Directors attendance record & directorships in other Companies as on March 31, 2015:**

No.	Name of the Director	Category of Directorship	Attendance in Board Meetings during 2014-15	Attendance at last AGM held on 10.09.14	No. of other Directorships# as on 31.03.15	No. of other Committee <sup>s</sup> position held as on 31.03.15 (Other Companies)	No. of Shares held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. Ashok Vasudevan	N.E.D.	1	Yes	2	NIL	NIL
2.	Mrs. Meera Vasudevan	N.E.D.	1	Yes	1	NIL	NIL
3.	Mr. Ravi Nigam	E.D.	5	Yes	1	NIL	200 <sup>@</sup>
4.	Mr. K. P. Balasubramaniam	I.D.	5	Yes	5	1 (member)	2291 <sup>^</sup>
5.	Dr. V. S. Arunachalam	I.D.	5	Yes	2	NIL	NIL
6.	Mr. Kavas Patel	I.D.	6	Yes	5	3(Chairman of 3)	NIL
7.	Mr. Soheli Shikari	A.D.	3	N.A.	1	NIL	NIL

N.E.D.-Non-Executive Director, E.D. - Executive Director, I.D. - Independent Director,

A.D. - Alternate Director

Mrs. Meera Vasudevan is wife of Mr. Ashok Vasudevan

# including Private limited companies and excluding foreign companies

\$ Audit, Stakeholders' Relationship, CSR, Remuneration & Nomination Committees of Public Limited Companies are considered

@ out of which 100 as joint holder, ^ out of which 1500 as joint holder

Details of the Directors seeking appointment/reappointment at the AGM pursuant to Clause 49 of the Listing Agreement have been given with the notice of Annual General Meeting.

**e) Training of directors:**

The Board of Directors of the Company (Independent and Non-Independent) are provided opportunity to familiarize themselves with the Company, its Management and its operations. The Directors interact with Executive Directors, Senior Management Personnel/ Key Managerial Personnel, as and when required, and are provided all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

In addition to the above, the following measures have been undertaken in this behalf:

- i. The duties and responsibilities of Independent Directors have been incorporated in the Code of Conduct as required by the Companies Act, 2013.
- ii. The amendments / updates in statutory provisions are informed from time to time.
- iii. The information w.r.t. the nature of industry in which the Company operates and business model of the Company, etc. is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board.

### COMMITTEES OF THE BOARD

**a) AUDIT COMMITTEE:**

The Audit Committee is properly constituted as per the provisions of Section 177 of the Companies Act, 2013. There were four Audit Committee meetings during the financial year held on May 8, 2014, August 14, 2014, November 10, 2014 and February 11, 2015. The Audit Committee consists four members, three being Independent Non-Executive Directors and one Executive Director i.e. the Managing Director of the Company. All the members of the Audit Committee have adequate accounting and financial knowledge to read, understand and analyse the financial statements. Mr. K. P. Balasubramaniam, an Independent Director is Chairman of the Committee.

The constitution of the Committee & the attendance by the committee members are as follows:

Name of the Director	Position	Independent/ Executive	No. of Meetings	
			Held	Attended
Mr. K. P. Balasubramaniam	Chairman	Independent	4	4
Dr. V.S.Arunachalam	Member	Independent	4	3
Mr. Ravi Nigam	Member	Executive	4	4
Mr. Kavas Patel	Member	Independent	4	4

The C.F.O., Controller Finance, Statutory Auditors and Internal Auditors are invited to attend the meetings. Company Secretary of the Company acts as the Secretary of the Committee.

All Members of the Committee have wide exposure and possess sound knowledge in the areas of accounts, finance, business and internal control. The Chairman of the Audit Committee remained present at the Annual General Meeting held on September 10, 2014. The composition of the Committee is in conformity with the Clause 49 (III) of the Listing Agreement.

**Terms of reference:**

The powers, duties and terms of reference of the Committee are as mentioned in Clause 49 of the Listing Agreement with the BSE Limited and Section 177 of the Companies Act, 2013 which are:

- (a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
- (b) Recommend appointment, remuneration and terms of appointment of Auditors of the Company and review and monitor Auditors independence and performance, and effectiveness of Audit Report.
- (c) Approval or any subsequent modification of transactions of the Company related parties.
- (d) Review the quarterly, half yearly and annual financial statements before submission to the Board or to the Members.
- (e) Review the adequacy and quality of internal control systems and seek information from any employee.
- (f) In addition to the above, all items listed in clause 49(III) of the Listing Agreement and Section 177(4) of the Companies Act, 2013.

The minutes of the Audit Committee Meeting(s), circulated in advance to the Committee members and approved at the subsequent committee meeting(s) are noted by the Board of Directors at subsequent Board Meeting(s).

**b) STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee was duly reconstituted (erstwhile Shareholders' Grievance Committee) as per the provisions of Section 178(5) of the Companies Act, 2013 at Board's meeting held on May 8, 2014. During the financial year under consideration, there were four meetings held on May 8, 2014, August 14, 2014, November 10, 2014 and February 11, 2015. The Stakeholders Relationship Committee looks into the redressal of grievances of security holders of the Company.

The composition of the Committee and the attendance by the Committee Members are as follows:

Name of the Director	Position	Independent/ Executive	No. of Meetings	
			Held	Attended
Mr. K. P. Balasubramaniam	Chairman	Independent	4	4
Dr. V.S. Arunachalam	Member	Independent	4	3
Mr. Kavay Patel	Member	Independent	4	4

Company Secretary is the Compliance Officer of the Company. The Chairman of the Committee or in Chairman's absence, any member of the Committee attends the General Meeting of the shareholders.

As on March 31, 2015, 94.44% shares of the Company were traded in dematerialized form. To expedite the transfer, transmission, removal, deletion of name, issue of duplicate share certificate, etc a Committee of executives of Company have been formed. The Committee comprises the following executives:

- Mr. Ravi Nigam- Managing Director
- Mr. Sohel Shikari- Chief Financial Officer
- Ms. Minal Talwar- Company Secretary

The share transfers approved by the Committee are placed before the Board of Directors in their meeting from time to time.

At beginning of the year under review, there were no investor complaints that remained unresolved. During the year, the Company has received 15 (fifteen) complaints which were resolved and no complaint is pending as on March 31, 2015.

**c) NOMINATION AND REMUNERATION COMMITTEE :**

The Board of Directors reconstituted the Nomination and Remuneration Committee (erstwhile Remuneration Committee) at its meeting dated May 8, 2014. The Committee formulates criteria to determine qualification, positive attributes and independence of directors and recommend, from time to time, a policy relating to compensation structure for Directors, Key Managerial Personnel and Employees and succession plan.

The Committee also formulates the criteria for evaluation of individual directors. The Chairman of the Committee remains present at the General Meeting to answer shareholders queries.

Three meetings of Remuneration & Nomination Committee were held during the year on May 8, 2014, February 11, 2015 and March 25, 2015.

The composition of the Committee and the attendance by the Committee Members are as follows:

Name of the Director	Position	Independent/ Executive	No. of Meetings	
			Held	Attended
Mr. K. P. Balasubramaniam	Chairman	Independent	3	3
Dr. V.S. Arunachalam	Member	Independent	3	3
Mr. Kavass Patel	Member	Independent	3	3

**DETAILS OF REMUNERATION OF THE BOARD OF DIRECTORS**

All decisions related to the remuneration of the Directors, both executive and non executive, are decided by the Board of Directors of the Company in accordance with the shareholders' approval and/or Central Government, wherever necessary and in compliance with the provisions of applicable laws. Details of remuneration paid to the Executive and Non executive directors for the year 2014-15 are as follows:

(Rs.)

Name of the Director	Basic Salary	Allowance & Perquisites*	Performance linked Incentive / Commission / Bonus	Company Contribution to Provident Fund & Pension	Sitting fees**	Total
Mr. Ashok Vasudevan	---	---	---	---	---	---
Mrs. Meera Vasudevan	---	---	---	---	---	---
Mr. K. P. Balasubramaniam	---	---	---	---	2,20,000	2,20,000
Dr. V.S. Arunachalam	---	---	---	---	1,90,000	1,90,000
Mr. Kavass Patel	---	---	---	---	2,40,000	2,40,000
Mr. Ravi Nigam	49,10,706	3,40,004	---	8,27,162	---	60,77,872
Mr. Sohail Shikari	---	---	---	---	---	---

\* Perquisites include leave encashment

\*\* excluding service tax

**Notes :**

- Mr. Ravi Nigam was re-appointed as Managing Director of the Company w.e.f. July 20, 2011 for a period of 5 years. The agreement with Mr. Ravi Nigam, Managing Director is for a period of five years which is expiring on July 19, 2016. The shareholders, subject to the approval of the Central Government, had approved the remuneration payable to Mr. Ravi Nigam for a period of 3 years upto July 19, 2014 at the AGM held on September 5, 2011 and further as detailed in the notice and the explanatory statement of the Annual General

Meeting held on September 5, 2011. The Central Government, vide its letter dated May 1, 2012, approved minimum remuneration of Rs. 41, 80,991/- for the period. The Board of Directors at their meeting held on May 8, 2013 revised the remuneration within the limits approved by the shareholders in the AGM held on September 5, 2011 and within the limits provided under applicable provisions of the Companies Act, 1956.

2. On account of profits calculated in terms of provisions of Section 349 and Section 350 of the Companies Act 1956, for the financial year 2013-14, the Company has applied to Central Government for waiver of the excess remuneration paid over and above the limits approved by Central Government dated May 1, 2012.
3. Agreement with the Managing Director can be terminated by giving three month notice in writing by either party. He is not eligible for any commission or performance bonus as per the terms of appointment.
4. No stock option scheme has been framed by the Company for directors and other executives.
5. No other director receives any remuneration, commission or any other incentive from the Company.

**c) Remuneration Policy :**

The Board of Directors has revised the remuneration of the Managing Director as recommended by the Remuneration & Nomination Committee in their meetings held on February 11, 2015. The revised remuneration is within the limit approved by shareholders in their meeting held on September 10, 2014. The revision is based on various factors such as qualification, experience, expertise and contribution of Managing Director, prevailing remuneration in Indian corporates, financial position of the Company, etc. The Non-Executive Directors do not draw any remuneration from the Company, except sitting fees for each meeting of the Board and Committees thereof paid to the Independent Directors only.

The Board adopted Remuneration & Evaluation Policy on recommendation of Remuneration and Nomination Committee covering Board diversity, evaluation criteria, qualifications, etc under the provisions of Companies Act, 2013 and Listing Agreement.

The following criteria shall be followed for selection, appointment, evaluation and remuneration of directors:

1. The directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
2. The Board and Nomination & Remuneration Committee to satisfy themselves before recommending any person for directorship that he is not disqualified being appointed as director under Companies Act, 2013.
3. In case of appointment of independent director, the Committee to also satisfy itself that person satisfies all criteria of being appointed as Independent director.
4. The Committee shall evaluate the performance of directors basis their engagement with the management, contribution and participation level. Also the Committee shall consider the time and energy devoted by individual director for performing the duties and responsibilities.
5. The remuneration of the Managing Director or any other director of the Company shall be reviewed and recommended by the Nomination and Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis à- vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations and decided by the Board of Directors.
6. Sitting Fee shall be in accordance with approval by the Board of Directors and within statutory limits.
7. The remuneration of Key Managerial Personnel and Senior Managerial Personnel shall also be reviewed by the Committee. The Remuneration of employees may largely consist of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration may vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, short and long term performance objectives appropriate to the working of the Company, etc.

**Performance evaluation:**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration, Stakeholders Relationship and Corporate Social Responsibility Committees. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture and performance of duties and governance.

Individual directors including the Chairman of the Board were also evaluated on parameters such as level of engagement and contribution, independence of judgement. The performance evaluation of the Independent Directors was carried out by the entire Board. The Directors expressed their satisfaction with the evaluation process.

**d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :**

The Board of Directors constituted the Corporate Social Responsibility Committee under the provisions of Section 135 of the Companies Act, 2013, at its meeting dated May 8, 2014. The Committee is responsible for formulation and recommendation to the Board the CSR Policy and activities to be undertaken under such policy, the amount of expenditure to be incurred and monitoring of the Policy from time to time.

Board adopted Corporate Social Responsibility (CSR) Policy in its meeting held on August 14, 2014 after recommendation by CSR Committee. The Policy adopted is suited to Company's corporate philosophy. The policy is available at Company's website [www.tastybite.co.in](http://www.tastybite.co.in).

The composition of the Committee and the attendance by the Committee Members are as follows :

Name of the Director	Position	Independent/ Executive	No. of Meetings	
			Held	Attended
Mr. K. P. Balasubramaniam	Chairman	Independent	2	2
Mr. Kavas Patel	Member	Independent	2	2
Mr. Ravi Nigam	Member	Executive	2	2

**f) SEPARATE MEETING OF INDEPENDENT DIRECTORS :**

As per the provisions of the Companies Act, 2013 and Listing Agreement, a separate meeting of independent directors was held on March 25, 2015 for evaluation of performance of entire Board and Chairman of the Company. All 3 Independent Directors attended the meeting. They also assessed the quality, contents and timeline of flow of information between the Management and the Board.

**GENERAL BODY MEETINGS**

**Details of the last three Annual General Meetings are as follows:**

Financial year ended	Date & Time	Venue	Special Resolution
2013-14	September 10, 2014 11.00 a.m.	Registered Office	1. Authority to Board of Directors to borrow money. 2. Authority to Board of directors for creation of charges. 3. Approval of remuneration of Mr. Ravi Nigam, Managing Director of the Company for 2 years
2012-13	September 10, 2013 11.00 a.m.	Registered Office	None
2011-12	September 6, 2012 12.00 noon	Registered Office	None



- The Registered Office of the Company is situated at 204, Mayfair Towers, Shivajinagar, Wakdewadi, Pune - 411005.
- All resolutions moved at the last Annual General Meeting were passed through e-voting facility & Poll at meeting venue (in 2014) made available to the shareholders and by show of hands by members present in the meeting (2013 & 2012).

### DISCLOSURES

1. The transactions with related parties do not have potential conflict with the interests of the Company at large. A comprehensive list of related party transactions as required by the Accounting Standards (AS) 18 issued by Institute of Chartered Accountants of India, forms part of Note No. 35 of the Accounts in the Annual Report.
2. The Company has complied with the formalities as laid down by BSE Ltd, SEBI and other statutory authorities on matter related to capital market.

The Board of Directors in its meeting held on March 6, 2014 approved voluntarily delisting the equity shares of the Company from Regional Stock Exchanges under Regulation 7 of the 'SEBI (delisting of Equity Shares) Regulations, 2009'. Consequently, the Company has successfully delisted its equity shares from Calcutta Stock Exchange vide its Order dated May 7, 2014 and Delhi Stock Exchange dated October 7, 2014.

3. The Company is committed to high standard of Corporate Governance and stakeholder's responsibility. The Company has framed Whistle Blower and Vigilance Mechanism Policy to enable reporting unethical or improper activity to the Management/ Board. The Whistle Blower Policy and the Vigilance Mechanism are available at Company's website [www.tastybite.co.in](http://www.tastybite.co.in). Every employee/ whistle blower has access to the Chairman of the Audit Committee. While protected disclosures are under investigation, high level confidentiality is maintained. Details of Chairman of Audit Committee are as under-

Name- Mr. K. P. Balasubramaniam

Address- 231, Uppar Place Orchard, 18th Cross, Bangalore- 560080

Phone: +91 9880009400 E-mail: [balanraji7@gmail.com](mailto:balanraji7@gmail.com)

4. The Company has laid down procedures to inform Board members about the risk assessment and mitigation process. The Company has identified major and minor risks like market risk, fluctuation in foreign exchange, interest rate, commodity (raw materials etc.) price risks, packaging material prices and other business risks. These risks are analyzed from time to time by the executive management team and reviewed by the Audit Committee and the Board.
5. There has been no public, rights or preferential issues of shares and debentures during the year.
6. As required by Clause 49 of the Listing Agreement, the Company has obtained a certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure B to the Directors' Report.

The Company has complied with all the mandatory requirements of the Listing Agreement. The extent of adoption of non- mandatory requirements is given below:

### Non Mandatory Requirements:

- The quarterly un-audited results of the Company after being subjected to Limited review by the Statutory Auditors are published in newspapers. These results are not sent to shareholders individually.
- The Auditors have issued an unqualified report on the statutory financial statements of the Company.
- All the non - executive directors have requisite qualification, rich experience and expertise in their respective

functional areas. They attend various programmes in the personal capacities which keep them abreast of relevant developments. There is formal system of evaluating them.

- In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted following codes as prescribed therein:
  1. "Code of Fair Disclosure of Unpublished Price Sensitive Information" for employees and other connected persons.
  2. "Code of Conduct to Regulate Monitor and Report Trading" for its employees and Connected Persons to Directors.

The above mentioned Code of Fair Disclosure of Unpublished Price Sensitive Information is available on the Company's website [www.tastybite.co.in](http://www.tastybite.co.in). Ms. Minal Talwar, Company Secretary, is Compliance Officer under the Codes. The Promoters, Directors and Key Managerial Persons have provided initial disclosures of holding of securities by them. The Company may require any of its connected persons to make disclosure of holding and trading of securities to the Company.

### MEANS OF COMMUNICATION

- The annual, half-yearly and quarterly results of the Company are published in National newspapers viz. Asian Age and local newspaper viz. Punyanagari; or any other equivalent newspaper.
- These newspapers are selected on the basis of having reasonable circulation in the areas where majority of our shareholders are located and also on the basis of cost effectiveness.
- The Company provides information to the BSE Limited as per the requirement of the Listing Agreement.
- The Company promptly updates the quarterly results, shareholding pattern and other official news releases, if any, on its website [www.tastybite.co.in](http://www.tastybite.co.in) which provides all information as required by the Listing Agreement.
- Management Discussion and Analysis forms part of this Annual Report.



### GENERAL SHAREHOLDER INFORMATION

**a) Annual General Meeting**

- Date and Time : September 14, 2015 at 11.00 am
- Venue : Hotel Le Meridien Pune, RBM Road, Pune - 411001

**b) Financial Calendar**

Tentative Financial reporting for

- the quarter ending June 30, 2015 : Second week of August, 2015
- the half year ending September 30, 2015 : Second week of November, 2015
- the quarter ending December 31, 2015 : Second week of February, 2016
- year ending March 31, 2016 : Second Week of May 2016

Annual General Meeting for the year ending March 31, 2016

- : September 2016

**c) Financial Year**

- : April 1 to March 31

**d) Dates of Book Closure**

- : August 29, 2015 to September 14, 2015 (both days inclusive)

**e) Dividend Payment**

- : Re. 1 per equity share of Rs. 10 & Re. 1 per on 1% Non Cumulative, Non Convertible Redeemable Preference shares of Rs. 100 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting.

**f) Listing on Stock Exchange and Stock Code:** BSE Limited (BSE)

Code : 519091

'519091' on BSE Ltd

**g) Demat ISIN Number for NSDL & CDSL**

- : INE 488B01017

**h) Registrar & Share Transfer Agent**

- : M/s Karvy Computershare Pvt. Ltd.  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500 032

Ph: 040-67162222 Fax: 040-23001153

Toll Free No.: 1800-345-4001

e-mail: [srikrishna.p@karvy.com](mailto:srikrishna.p@karvy.com);

[ravi.shukla@karvy.com](mailto:ravi.shukla@karvy.com)

**i) Share Transfer System**

- : In respect of transfer of shares, shareholders are advised to contact M/s. Karvy Computershare Pvt. Ltd. directly.

All transfer request received are processed by the Registrar and Transfer Agent and are approved by the Committee of executives constituted by the Company. Share transfers are registered and returned within maximum of 15 days from date of lodgment, if complete in all aspects.

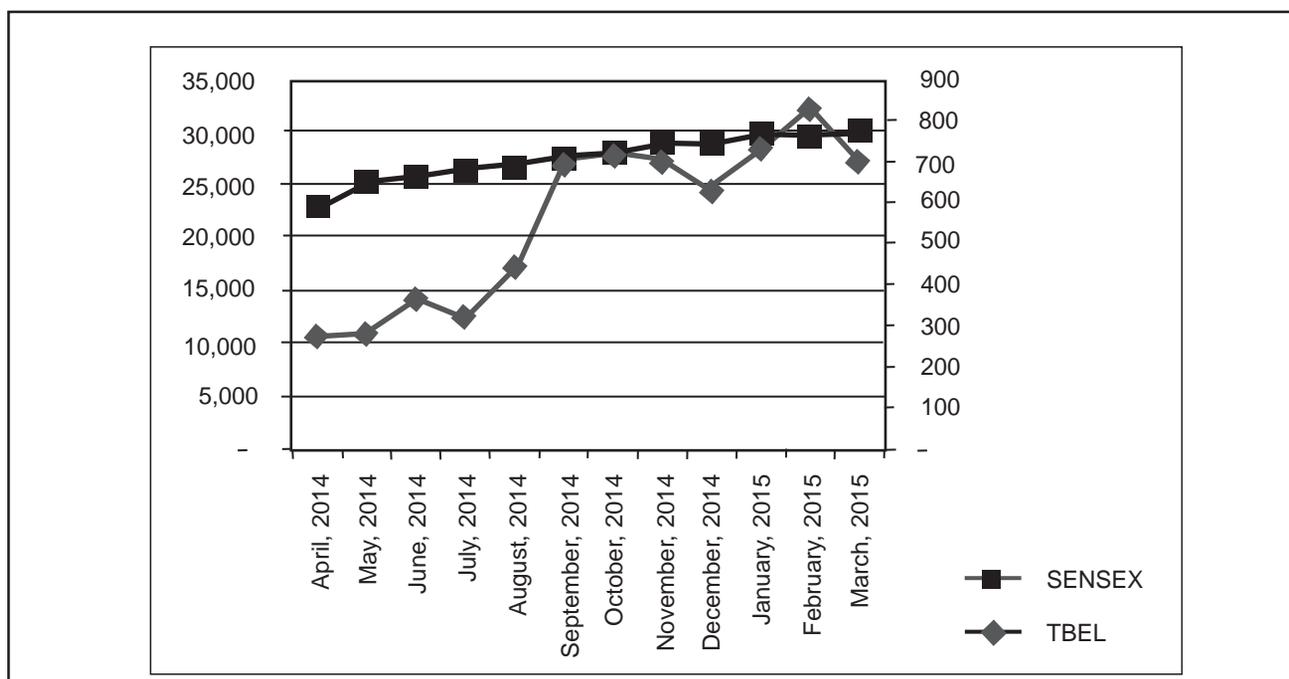
**j) Stock Market data**

The market price and volume of the Company's Equity Shares traded on the BSE Limited; Mumbai during the year 2014-15 is as follows;

Period	TBEL share prices on BSE		BSE Sensex	
	High (Rupees)	Low (Rupees)	High	Low
April, 2014	270.00	229.00	22,939.31	22,197.51
May, 2014	278.15	223.95	25,375.63	22,277.04
June, 2014	364.85	240.00	25,725.12	24,270.20
July, 2014	321.95	285.00	26,300.17	24,892.00
August, 2014	441.85	263.55	26,674.38	25,232.82
September, 2014	709.25	463.90	27,354.99	26,220.49
October, 2014	715.00	531.65	27,894.32	25,910.77
November, 2014	699.95	565.00	28,822.37	27,739.56
December, 2014	630.00	505.00	28,809.64	26,469.42
January, 2015	725.00	556.25	29,844.16	26,776.12
February, 2015	828.25	631.50	29,560.32	28,044.49
March, 2015	700.00	575.00	30,024.74	27,248.45

Note: The above data has been downloaded from the official website of the BSE Limited.

**Stock performance Vs BSE Sensex:**





**k) Reconciliation of Share Capital Audit Report**

The Securities and Exchange Board of India (SEBI) has, vide its circular dated 31st December, 2002, made it mandatory for listed companies to subject themselves to Reconciliation of Share Capital Audit to, inter alia, confirm that the total of the shares held in National Securities Depository Limited (NSDL), Central Depository Services Limited (CDSL) and in physical form tally with the issued / paid up capital listed with the Stock Exchanges. This audit is carried out every quarter and the report thereon is submitted to the stock exchanges and is placed before the Board of Directors.

**l) Distribution of Shareholding as on 31st March 2015**

As of March 31, 2015, the distribution of the Company's shareholding was as follows:

Category (Amount)	No. of Cases	% of Cases	Amount (Rs.)	% of Amount
1 - 5,000	1,595	91.88	1,942,680	7.57
5,001 - 10,000	70	4.03	538,860	2.10
10,001 - 20,000	38	2.19	579,090	2.26
20,001 - 30,000	8	0.46	210,920	0.82
30,001 - 40,000	8	0.46	271,400	1.06
40,001 - 50,000	5	0.29	232,340	0.91
50,001 - 1,00,000	6	0.35	428,110	1.67
1,00,001 & Above	6	0.35	21,456,600	83.62
<b>Total</b>	<b>1,736</b>	<b>100</b>	<b>25,660,000</b>	<b>100</b>

**m) Shareholding Pattern as on March 31, 2015**

Category	No. of Holders	Total Shares	% To Equity
Banks	1	1,500	0.06
Clearing Members	3	299	0.01
Directors and Their Relatives	5	4,242	0.17
H U F	21	6,364	0.25
Bodies Corporates	57	36,059	1.41
Non Resident Indians	25	9,476	0.37
Promoter Companies	1	1,904,510	74.22
Resident Individuals	1,623	603,550	23.52
<b>Total</b>	<b>1,736</b>	<b>2,566,000</b>	<b>100.00</b>

**n) Dematerialization of shares and liquidity as on 31.03.2015**

Description	No. of cases	Total Shares	% to equity
Physical	722	1,42,702	5.56
NSDL	696	22,86,239	89.10
CDSL	318	1,37,059	5.34
<b>Total</b>	<b>1,736</b>	<b>25,66,000</b>	<b>100.00</b>

## CORPORATE GOVERNANCE REPORT

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- m) **Outstanding GDR/ADR/Warrants or any convertible instruments** : Not Applicable
- n) **Factory Location** : At Post 490, Bhandgaon Village, Taluka - Daund, Dist- Pune - 412214, Maharashtra
- o) **Investors Correspondence** : Ms. Minal Talwar  
Company Secretary  
204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005  
Ph: 91-020-30216000 Fax: 91-020-30216035  
secretarial@tastybite.com
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### CEO/ CFO Certification:

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A Certificate by Mr. Ravi Nigam, Managing Director and Mr. Sohel Shikari, Chief Financial Officer, in terms of Clause 49 (V) of Listing Agreement with Stock Exchanges was placed before the Board at its meeting held on May 13, 2015.

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### Certificate for compliance with Code of Conduct

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I, confirm that all Directors and members of the Senior Management have affirmed compliance with the code of conduct for the year ended March 31, 2015.

Place: Pune  
Date: May 13, 2015

Ravi Nigam  
**Managing Director**



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## INDEPENDENT AUDITOR'S REPORT

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TO

**THE MEMBERS OF TASTY BITE EATABLES LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **TASTY BITE EATABLES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### **Emphasis of Matter**

We draw attention to the following matters in the Notes to the financial statements:

- a) Note 46 to the financial statements, wherein, it has been stated that the approval of the Central Government for the excess remuneration paid to the Managing Director for the year ended March 31, 2014 is awaited.
- b) Note 12 to the financial statements, consequent to Schedule II to the Companies Act, 2013 becoming applicable with effect from April 01, 2014, depreciation for the year ended March 31, 2015 has been provided on the basis of the useful lives as prescribed in Schedule II. This has resulted in the depreciation expense for year ended March 31, 2015 being higher by ₹17,611,014. Depreciation of ₹ 2,219,800 (net of Deferred Tax) on account of assets whose useful life is already exhausted as on April 01, 2014, has been adjusted to Surplus in Statement of Profit and Loss.

Our opinion is not modified in respect of these matters.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. The Company was required to spend an amount of Rs. 821,120 being 2% of the average net profits of the three immediately preceding financial years on the Corporate Social Responsibility ('CSR') as per the provisions of section 135 of the Act. The Company has not spent any amount on CSR during the year.
3. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on March 31, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 31 to the financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No.: 104607W)**

Ermin K. Irani  
**Partner**  
Membership No : 35646

Date : May 13, 2015  
Place : Pune

**ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the financial statements of **Tasty Bite Eatables Limited** for the year ended March 31, 2015

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- ii. (a) The Management has conducted physical verification of inventory at reasonable intervals.
- (b) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. The discrepancies noticed on physical verification have been properly dealt with in the books of account.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Accordingly sub-clauses (a) and (b) of clause (iii) of paragraph 3 of the Order are not applicable to the Company for the current year.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and the nature of its business, for the purchases of inventory and fixed assets and for the sale of goods and services. In our opinion and according to information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Act, for the activities of the Company.
- vii. (a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues with the appropriate authorities.  
According to the information and explanations given to us, there are no arrears of outstanding statutory dues in respect of above as at the last day of the financial year for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the books of account and records, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, or Cess on account of any dispute, other than the following:

<b>Name of Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs.)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Central Sales Tax Act, 1956	Tax, Interest and Penalty	788,036	1999 -2000	Sales Tax Tribunal
Bombay Sales Tax Act, 1959	Interest and Penalty	41,778	1999 -2000	Sales Tax Tribunal

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Delhi Sales Tax Act, 1975	Tax, Interest and Penalty	48,702	2003 - 2004	Deputy Commissioner of Sales Tax (Appeal)
The Finance Act, 1994 (Service Tax)	Tax and Penalty	2,716,214	2005 to 2010	The Customs, Excise and Service Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	5,183,624	2006 - 2007	The Income Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	24,504,930	2007- 2008	The Income Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	22,412,640	2008 - 2009	The Income Tax Appellate Tribunal

Of the above, the Company has deposited ₹ 491,778 towards sales tax, ₹ 800,000 towards service tax. Out of disputed dues of Income Tax, the Company has deposited ₹ 9,080,000 and has requested the Income Tax Department to adjust ₹ 4,183,624 out of income tax refunds of subsequent periods.

Further, the Company has disputed certain additions and disallowances under the Income Tax Act, 1961 for the year 2003-2004 and 2005-2006 before the Commissioner of Income Tax (Appeals), for the year 2004-2005 before the Income Tax Appellate Tribunal and for the year 2009-2010 before the Dispute Resolution Panel. There is no demand for these cases.

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The Company does not have accumulated losses as at the end of the financial year. Further, it has not incurred any cash losses in the current financial year and immediately preceding financial year.
- ix. According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to financial institutions or banks. There are no dues to debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- xii. Based on the audit procedures performed and according to the information and explanations given to us by the Management, we report that no fraud on, or by the Company has been noticed or reported during the year.

**For KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
**(Firm Registration No.: 104607W)**

Ermin K. Irani  
**Partner**  
 Membership No.: 35646

Date : May 13, 2015  
 Place : Pune



## BALANCE SHEET AS AT 31ST MARCH, 2015

Particulars	Note	As at	As at
		31st March, 2015	31st March, 2014
		Rs. '000	Rs. '000
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) SHAREHOLDER'S FUNDS</b>			
(a) Share Capital	3	31,613	31,613
(b) Reserves and Surplus	4	415,858	313,292
<b>(2) NON-CURRENT LIABILITIES</b>			
(a) Long-term Borrowings	5	212,252	238,736
(b) Deferred Tax Liabilities (Net)	6	40,400	38,985
(c) Long Term Provisions	7	11,443	8,259
<b>(3) CURRENT LIABILITIES</b>			
(a) Short-term Borrowings	8	171,577	127,686
(b) Trade Payables	9	170,091	231,369
(c) Other Current Liabilities	10	58,474	88,748
(d) Short-term Provisions	11	14,925	9,433
<b>Total</b>		<b>1,126,633</b>	<b>1,088,121</b>
<b>II. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Fixed assets			
(i) Tangible Assets	12	608,874	635,559
(ii) Intangible Assets	13	-	160
(iii) Capital Work-in-Progress		808	5,809
(b) Long Term Loans and Advances	14	5,722	12,010
(c) Other Non-current Assets	15	-	-
<b>(2) CURRENT ASSETS</b>			
(a) Current Investments	16	8,500	-
(b) Inventories	17	140,472	139,337
(c) Trade Receivables	18	180,979	143,550
(d) Cash and Bank Balances	19	62,542	44,816
(e) Short-term Loans and Advances	20	118,341	106,546
(f) Other Current Assets	21	395	334
<b>Total</b>		<b>1,126,633</b>	<b>1,088,121</b>

See accompanying notes 1 to 47 to the financial statements.

The notes referred to above form an integral part of the Balance Sheet.

As per our report of even date  
For **KALYANIWALLA & MISTRY**

**CHARTERED ACCOUNTANTS**  
(Firm Registration No.: 104607W)

Signatures to the Balance Sheet and notes thereto  
For and on behalf of the Board of Directors

**For TASTY BITE EATABLES LIMITED**

*Ermin K. Irani*  
**PARTNER**  
Membership No. 35646

*Ravi Nigam*  
**Managing Director**

*Sohel Shikari*  
**Alternate Director  
& CFO**

*Minal Talwar*  
**Company Secretary**

Date : May 13, 2015  
Place : Pune

Date : May 13, 2015  
Place : Pune

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	Note	For the Year Ended 31st March, 2015	For the Year Ended 31st March, 2014
		Rs. '000	Rs. '000
I Revenue from Operations (Gross)	22	1,680,155	1,385,433
Less: Excise Duty		<u>12,656</u>	<u>11,434</u>
Revenue from Operations (Net)		1,667,499	1,373,999
II Other Operating Income	23	101,043	79,860
III Other Income	24	13,030	<u>5,370</u>
<b>IV Total Revenue</b>	<b>(I + II + III)</b>	<b><u>1,781,572</u></b>	<b><u>1,459,229</u></b>
<b>V Expenses:</b>			
a) Cost of Raw Materials / Packaging Materials consumed	25	1,067,360	940,819
(b) Changes in Inventories of Finished Goods and Work-in-Progress	26	<b>(1,151)</b>	(18,209)
(c) Employee Benefit Expenses	27	177,119	169,484
(d) Interest and Finance Costs	28	27,753	16,673
(e) Depreciation and Amortization Expenses	29	68,685	40,079
(f) Other Expenses	30	<u>276,785</u>	<u>247,845</u>
<b>Total Expenses</b>		<b><u>1,616,551</u></b>	<b><u>1,396,691</u></b>
<b>VI Profit before tax</b>	<b>(IV - V)</b>	<b><u>165,021</u></b>	<b><u>62,538</u></b>
<b>VII Tax expense:</b>			
(a) Current tax		54,603	13,003
(b) MAT credit Entitlement		-	(13,003)
(c) Deferred tax		<u>2,481</u>	<u>19,250</u>
<b>VIII Profit for the year</b>	<b>(VI - VII)</b>	<b><u>107,937</u></b>	<b><u>43,288</u></b>
<b>IX Earning per equity share</b>			
Basic and Diluted (Face value: Rs.10 per share)		<b>42.04</b>	16.84
See accompanying notes 1 to 47 to the financial statements.			

The notes referred to above form an integral part of the Statement of Profit & Loss.

As per our report of even date  
For **KALYANIWALLA & MISTRY**

**CHARTERED ACCOUNTANTS**  
(Firm Registration No.: 104607W)

Signatures to the Statement of Profit and Loss and notes thereto  
For and on behalf of the Board of Directors

**For TASTY BITE EATABLES LIMITED**

*Ermin K. Irani*  
**PARTNER**  
Membership No. 35646

*Ravi Nigam*  
**Managing Director**

*Sohel Shikari*  
**Alternate Director  
& CFO**

*Minal Talwar*  
**Company Secretary**

Date : May 13, 2015  
Place : Pune

Date : May 13, 2015  
Place : Pune



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the Year Ended		For the Year Ended
	31st March, 2015		31st March, 2014
	Rs. '000	Rs. '000	Rs. '000
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>			
Net Profit Before Tax		<b>165,021</b>	62,538
Adjustment for:			
Depreciation and Amortisation	68,685		40,079
Interest and Finance Costs	27,753		16,673
Interest Income on Bank deposits shown in Finance Activities	(2,127)		(4,731)
Loss / (Gain) on Foreign Exchange Transactions	288		(1,934)
Provision for Retired Assets	-		(1,805)
Provision for Mark to Market Losses on Derivatives	1,452		1,956
(Profit) / Loss on fixed assets sold / written off (Net)	207		1,584
		<b>96,258</b>	51,822
Operating Profit Before Working Capital Changes		<b>261,279</b>	114,360
<u>Changes in Working Capital</u>			
Increase / (Decrease) in Trade Payables	(61,410)		105,715
Increase / (Decrease) in Other Current Liabilities	(7,913)		34,057
Increase / (Decrease) in Provisions	2,025		355
(Increase) / Decrease in Loans and Advances	(13,367)		12,214
(Increase) / Decrease in Inventories	(1,135)		(41,631)
(Increase) / Decrease in Trade Receivables	(36,961)		31,973
(Increase) / Decrease in Other Current Assets	34		1,243
		<b>(118,727)</b>	143,926
Cash Generated from Operations		<b>142,552</b>	258,286
Income Tax Paid		<b>(43,365)</b>	(23,724)
Net Cash Flow from Operating Activities		<b>99,187</b>	234,562
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Purchase of Fixed Assets	(29,093)		(212,089)
Sale of Fixed Assets	203		28
Investments made during the year	(9,000)		-
Investments sold during the year	500		-
Cash Flow from Investing Activities		<b>(37,390)</b>	(212,061)
		<b>61,797</b>	22,501
	<i>Balance carried forward</i>		

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	For the Year Ended		For the Year Ended
	31st March, 2015		31st March, 2014
	Rs. '000	Rs. '000	Rs. '000
<i>Balance Brought Forward</i>		<b>61,797</b>	<b>22,501</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>			
Increase in Borrowings	(17,211)		(56,514)
Interest and Finance Costs	(26,011)		(16,673)
Interest Income	2,127		4,731
Dividend Paid on Equity Shares	(2,470)		(2,472)
Dividend Paid on Redeemable Preference Shares	(60)		(60)
Dividend Distribution Tax Paid	(446)		(446)
Cash Flow from Financing Activities		<b>(44,071)</b>	(71,434)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:</b>		<b>17,726</b>	(48,933)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING		<b>44,816</b>	93,749
CASH AND CASH EQUIVALENTS AS AT THE ENDING		<b>62,542</b>	44,816
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		-	-
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:</b>		<b>17,726</b>	(48,933)
Cash and Cash equivalents comprise of:			
Cash on hand		<b>99</b>	180
Balances with banks*		<b>62,443</b>	44,636
		<b>62,542</b>	44,816
* includes following balances which are not available for use by the Company			
- Unpaid dividend account		<b>431</b>	335
- Margin money deposit		<b>1,800</b>	-
- Deposits held as lien		<b>925</b>	22,112
- Deposits with more than three months maturity but less than twelve months maturity		<b>23,955</b>	853

### NOTES

- The Cash Flow statement has been prepared following the indirect method except in case of taxes and dividend paid which have been considered on the basis of actual movement of cash.
- Purchase of fixed assets includes movements in Capital Work-in-process between the beginning and the end of the year.
- Change in borrowings are shown net of receipts and payments.
- Previous year's figures have been regrouped / reclassified wherever necessary.
- Figures in brackets represent outflows.

As per our report of even date  
For **KALYANIWALLA & MISTRY**  
**CHARTERED ACCOUNTANTS**  
(Firm Registration No.: 104607W)

For and on behalf of the Board of Directors  
For **TASTY BITE EATABLES LIMITED**

*Ermin K. Irani*  
**PARTNER**  
Membership No. 35646

*Ravi Nigam*  
**Managing Director**

*Sohel Shikari*  
**Alternate Director  
& CFO**

*Minal Talwar*  
**Company Secretary**

Date : May 13, 2015  
Place : Pune

Date : May 13, 2015  
Place : Pune



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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

### Note : 1 General Information

Tasty Bite Eatables Limited ('the Company') is in the business of manufacturing and selling 'Prepared Foods'. It includes a range of Ready-to-Serve ('RTS') ethnic food products under the brand name 'Tasty Bite' and Frozen Formed Products ('FFP'). The Company has manufacturing facility near Pune in India. The Company is a public limited company and is listed on the Bombay Stock Exchange Limited.

### Note : 2 Significant Accounting Policies

#### a) Basis of Accounting:

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of The Companies Act, 2013 ('the Act') / The Companies Act, 1956, as applicable.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

#### b) Use of Estimates:

The preparation of financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The differences between the actual results and estimates are recognized in the period in which the results materialize / are known.

#### c) Fixed Assets and Depreciation:

Tangible and intangible fixed assets are stated at cost less accumulated depreciation / amortization. Cost includes all expenses related to acquisition and installation of the concerned assets, any attributable cost of bringing the asset to the condition of its intended use and exchange differences arising on reporting of long-term foreign currency monetary liability at the rates prevailing on the balance sheet date on account of option exercised by the Company as per Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates.

Depreciation is provided under the straight-line method as per useful life specified in Schedule II to the Companies Act, 2013 except as stated below:

- i. Assets installed on leasehold premises are depreciated over the period of lease.
- ii. Assets costing less than Rupees five thousand are depreciated fully in the year of capitalisation.
- iii. Form plates are depreciated over the useful life of 2 years.

Computer software is amortised over its estimated useful economic life of five years.

#### d) Inventories:

Raw materials, packing materials, stores and spares are valued at cost.

Work-in-progress and finished goods are valued at cost or net realisable value, whichever is lower. Cost comprises of direct material, direct labour and factory overheads.

Trading goods are valued at lower of cost or net realisable value.

#### e) Investments:

Long-term investments are valued at cost less provision for diminution in value, if the diminution is other than temporary.

Current Investments are stated at lower of cost or fair value.

#### f) Borrowing Costs:

Borrowing Costs directly attributable to the acquisition, construction or production of qualifying assets are capitalized till the date the asset is ready to use, as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which these are incurred.

#### g) Foreign Exchange Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year-end, are stated at the year-end rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

assets or liabilities are also translated at the year end exchange rates. Exchange gains / losses are recognized in the Statement of Profit and Loss except for exchange differences arising on reporting of long-term foreign currency monetary liability at the rates prevailing on balance sheet date on account of option exercised by the Company as per Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates. The premium / discount on forward exchange contracts is amortised over the life of the contract.

h) **Revenue Recognition:**

Sale of goods is recognized when the risks and rewards of ownership are passed on to the customers, which is generally on dispatch. Export sales are accounted for on the basis of date of bill of lading. Sales are net of returns and sales tax.

Interest income is recognised on the time proportion method.

Dividend income on investments is accounted for when the right to receive the income is established.

i) **Research and Development Expenditure:**

Revenue expenditure on research and development is charged to the Statement of Profit and Loss in the year in which it is incurred.

j) **Export Incentives:**

Export incentives receivable under various schemes are accounted for on accrual basis as on the date of bill of lading to the extent the management is certain of income.

k) **Government Grants:**

Government grants are recognized when there is reasonable assurance that the same will be received. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets.

l) **Employee Benefits:**

Employee benefits comprise payments under defined contribution plans like provident fund and family pension. Payments under defined contribution plans are charged to the Statement of Profit and Loss. The liability in respect of defined benefit schemes like gratuity on retirement is provided on the basis of actuarial valuation at the end of each year. The liability for retirement gratuity is funded through a trust created for the purpose. Other long term liabilities such as leave encashment benefit are provided on actuarial valuation.

m) **Taxes on income:**

Income taxes are computed using the tax effect accounting method, where taxes are accrued in the same period as the related revenue and expenses arise. Minimum alternate tax (MAT) credit entitlement is recognized as an asset for the expected entitlement of credit in future only to the extent management is virtually certain as to the sufficiency of future tax liability against which the assets can be realized.

Deferred tax assets and liabilities are recognised for the expected future tax consequences attributable to timing differences between the taxable income and accounting income for a period. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the timing differences are expected to be recovered or settled. The effect of changes in tax rates on deferred tax assets and liabilities will be recognised in the statement of profit and loss in the period of change. Deferred tax assets are recognised only to the extent management is reasonably certain as to the sufficiency of future taxable income against which the tax assets can be realised.

n) **Impairment of Assets:**

Carrying amount of cash generating units / assets is reviewed at balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.

o) **Provisions and Contingencies:**

A provision is recognised when the company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the same. Provisions are determined based on best estimates required to settle the obligation at the balance sheet date.

Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Where no reliable estimate can be made as to the outcome of an event, a disclosure is made as contingent liability. Contingent assets are not recognised in the accounts.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### p) Derivative contracts

Derivative contracts have been marked to market and losses on mark to market have been charged to the statement of profit and loss.

### q) Earnings Per Share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the year. Diluted earnings per share is computed using the weighted average number of common and dilutive common equivalent shares outstanding during the year, except where the results would be anti-dilutive.

	As at 31st March, 2015 Rs. '000	As at 31st March, 2014 Rs. '000
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#### Note : 3 Share Capital

##### (a) AUTHORISED SHARE CAPITAL :

4,400,000 (Previous Year : 4,400,000) Equity Shares of Rs. 10/- each	44,000	44,000
60,000 (Previous Year: 60,000) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each.	6,000	6,000
	<b>50,000</b>	<b>50,000</b>

##### (b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL :

2,566,000 (Previous Year : 2,566,000)		
Equity shares of Rs. 10/- each fully paid up	25,660	25,660
59,530 (Previous Year: 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each fully paid up.	5,953	5,953
<b>Total Issued, Subscribed and Fully Paid-up Share Capital</b>	<b>31,613</b>	<b>31,613</b>

##### (c) Reconciliation of shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	2,566,000	25,660	2,566,000	25,660
Issues during the year	-	-	-	-
Outstanding at the end of the year	2,566,000	25,660	2,566,000	25,660

1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	As at 31st March, 2015		As at 31st March, 2014	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	59,530	5,953	59,530	5,953
Issues during the year	-	-	-	-
Outstanding at the end of the year	59,530	5,953	59,530	5,953

##### (d) Details of shares held by Holding Company

Out of above 1,904,510 (Previous Year: 1,904,510) Equity shares and 59,530 (Previous Year: 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares are held by Preferred Brands Foods (India)

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014 (Contd.)

Private Limited, the immediate Holding Company, the subsidiary of Preferred Brands International Inc., USA, the subsidiary of ASG Omni LLC, the Ultimate Holding Company.

Preferred Brands International Inc. USA, the Holding Company has pledged its 100% holding in its wholly owned subsidiary, Preferred Brands Foods (India) Private Limited, which is the immediate holding company of the Company. These shares have been released subsequent to the Balance Sheet date.

### (e) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at 31st March, 2015		As at 31st March, 2014	
	% holding	No. of shares	% holding	No. of shares
Preferred Brands Foods (India) Private Limited	74.22	1,904,510	74.22	1,904,510
K. Swapna	6.15	157,900	6.15	157,900

### (f) Terms attached to Equity Shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

### (g) Rights, Preferences and Restrictions attaching to each class of shares including restrictions on the distribution of dividends and repayment of capital.

1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares are redeemable on or before August 31, 2018 at a premium of Rs. 1,950 per share. The preference shareholder reserves the right to demand for redemption of preference shares during the period upto 31st August, 2018.

	As at 31st March, 2015 Rs. '000	As at 31st March, 2014 Rs. '000
<b>Note : 4 Reserve and Surplus</b>		
(a) <b>Securities Premium Account</b>	9,475	9,475
(b) <b>Capital Reserve</b>	5,734	5,734
(c) <b>Reserve for Premium of Preference Share Capital</b>	116,083	116,083
(d) <b>Surplus in the Statement of Profit and Loss</b>		
Balance as per last financial statements	182,000	141,784
Add : Transferred from Statement of Profit and Loss	107,937	43,288
Less: Carrying value recognised in opening balance where remaining useful life of assets is 'Nil' as per Schedule II to the Companies Act, 2013 (net of deferred tax)	2,220	-
Less : Appropriations		
Proposed Dividend on Equity Shares	2,566	2,566
Dividend on Redeemable Preference Shares	60	60
Tax on dividend	525	446
<b>Net surplus in the statement of profit and loss</b>	<b>284,566</b>	<b>182,000</b>
<b>Total Reserves and Surplus</b>	<b>415,858</b>	<b>313,292</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

	As at 31st March, 2015 Rs. '000	As at 31st March, 2014 Rs. '000
<b>Note : 5 Long-Term Borrowings</b>		
<b>Secured Loans</b>		
(a) <b>Term Loans</b>		
- from Financial Institutions	-	217,715
- from Banks	<b>202,902</b>	-
- from Related Parties	<b>9,350</b>	21,021
<b>Total Long-Term Borrowings</b>	<b><u>212,252</u></b>	<b><u>238,736</u></b>

(b) The term loan (External Commercial Borrowing /ECB) from financial institution had been approved by the Reserve Bank of India. ECB was secured by way of charge over certain immovable properties and movable fixed assets of the Company that were acquired out of the proceeds of ECB. The ECB was also secured by all assets of Preferred Brands International Inc. ('PBI'), ASG OMNI LLC's interest in PBI, PBI's ownership interest in Preferred Brands Foods (India) Private Limited (PBFIP), personal guarantees of the owners of ASG OMNI LLC and their ownership interest in ASG OMNI LLC. Term loan carried interest at 3 months LIBOR plus 275 bps per annum. The loan was repayable in 32 quarterly equal instalments commencing from the third year.

(c) During the year, the Company has replaced ECB taken from financial institution by Foreign Currency Term Loan (FCTL) taken from Bank. Such replacement of ECB has been approved by the Reserve Bank of India vide its letter No. FED.CO.ECBD/8765/03.02.755/2014-15 dated 1st December, 2014. The FCTL is secured by way of first priority charge over all present and future current assets and movable fixed assets of the Company. FCTL is collaterally secured by present and future immovable properties and corporate guarantee issued by Preferred Brands International Inc., the Holding Company ('PBI') and personal guarantees of directors of Preferred Brands Foods (India) Private Limited, the Holding Company. FCTL carries interest at 6 months LIBOR plus 425 bps per annum. The loan is repayable in 8 years by way of quarterly instalments commencing from June 2015.

(d) Term loans from related parties (External Commercial Borrowings / ECB) have been taken from Preferred Brands International Inc. USA, (PBI). ECBs are secured by way of first priority charge and mortgage over all present and future movable and immovable properties, tangible and intangible properties except for current assets and fixed assets acquired out of the loans taken from banks.

The Company had taken ECB of USD 1,300 thousand from PBI, for capacity expansion and modernisation of the existing manufacturing infrastructure. The Company has received the Reserve Bank of India (RBI) approval ref. FED.CO.ECBD./03.02.766/2005-06 dated 9th November, 2005. The loan carried interest at LIBOR plus 3.5%. First draw down date was December 30, 2005. As per the terms of the loan agreement, the loan is repayable at any time after the third anniversary of the date of first disbursement upon written demand by the lender. In absence of a written demand, the Company has to repay the principal sum in approximately eight quarterly installments commencing with the first payment date occurring eight years after the date of drawdown. The said ECB has been fully repaid during the year.

The Company has been sanctioned an additional ECB of USD 1,000 thousand by PBI in the year 2008-2009 for modernization and up-gradation of existing manufacturing facility. The Company has received the RBI approval ref. FED.CO.ECBD/13748/03.02.766/2008-09 dated 17th November, 2008. The loan carried interest at LIBOR plus 2%. As per the terms of the loan agreement, the loan is repayable at any time after the third

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

anniversary of the date of first disbursement upon the written demand by the lender. In absence of a written demand, the Company has to repay the principal sum in twenty equal installments of USD 50 thousand each on quarterly basis commencing from 31st March, 2012.

Above ECBs are not prepayable.

(e) There is no default as on 31st March, 2015 and as on 31st March, 2014 in repayment of principal and interest.

	As at 31st March, 2015	As at 31st March, 2014
	Rs. '000	Rs. '000

### Note : 6 Deferred Tax Liability

In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities / assets. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are:

<b>Deferred Tax Liability</b>		
Depreciation on fixed assets	51,296	48,635
<b>Deferred Tax Asset</b>		
Provision for employee benefits	6,666	4,992
Others	4,230	4,658
<b>Deferred Tax Liabilities (Net)</b>	<u>40,400</u>	<u>38,985</u>

### Note : 7 Long-Term Provisions

Provision for Employee Benefits (Also refer note no. 27)

- Gratuity	4,599	3,002
- Leave Encashment	6,844	5,257
<b>Total Long-Term Provisions</b>	<u>11,443</u>	<u>8,259</u>

### Note : 8 Short Term Borrowings

#### Secured Loans

Working Capital Loans repayable on demand from banks

Cash Credit	171,577	127,686
<b>Total Short Term Borrowings</b>	<u>171,577</u>	<u>127,686</u>

(a) Cash credits have been taken from three banks. Cash credits taken from two banks are secured by first pari passu hypothecation charge on present and future current assets of the company. Cash credits are collaterally secured by hypothecation of second pari passu charge on movable fixed assets of the Company both present and future, negative lien over land and buildings of the Company and corporate guarantee of Preferred Brands International Inc., the Holding Company. Cash credit of one of the banks is also collaterally secured by recurring deposit in addition to above.

Cash credit from third bank is secured by way of first priority charge over all present and future current assets



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

and movable fixed assets of the Company and collaterally secured by present and future immovable properties and corporate guarantee issued by Preferred Brands International Inc., the Holding Company and personal guarantees of directors of Preferred Brands Foods (India) Private Limited, the Holding Company.

Cash credits, obtained in the foreign currency in the form of packing credit are repayable on demand and carry interest rate ranging from base rate plus 1.5% to 3% per annum. (Previous year: base rate plus 2.5% to 3%).

Cash credits include facilities of working capital demand loan, pre and post shipment credit, letters of credit, buyer's credit as sub-limits of cash credit limit.

- (b) There is no default as on 31st March, 2015 and as on 31st March, 2014 in repayment of principal and interest.

<b>As at 31st March, 2015 Rs. '000</b>	<b>As at 31st March, 2014 Rs. '000</b>
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### Note : 9 Trade Payables

(a) Trade Payables	<b>170,091</b>	231,369
<b>Total Trade Payables</b>	<b>170,091</b>	<b>231,369</b>

- (b) Micro and Small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) have been identified by the Company on the basis of the information available with the Company and the auditors have relied on the same. Trade payables include total outstanding dues of micro enterprises and small enterprises amounting to Rs. NIL (Previous Year: Rs. NIL). The disclosures pursuant to MSMED Act based on the books of account are as under:

Dues remaining unpaid		
Principal	Nil	Nil
Interest	Nil	Nil
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil
Amount of payments made to supplier beyond the appointed day	Nil	Nil
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year without adding interest specified under MSMED Act	Nil	Nil
Amount of interest accrued and remaining unpaid	Nil	Nil
Amount of further interest remaining due and payable in succeeding years for the purpose of disallowance under section 23 of the Act	Nil	Nil

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	As at 31st March, 2015	As at 31st March, 2014
	Rs. '000	Rs. '000
<b>Note : 10 Other Current Liabilities</b>		
(a) Current maturities of long term borrowings (Secured, Refer Note no. 5)	51,115	73,572
(b) Interest accrued but not due on borrowings	420	118
(c) Unpaid dividends	431	335
(d) Payables for fixed assets	374	7,452
(e) Other payables		
- Statutory dues payable	1,634	2,748
- Employee dues payable	4,160	4,523
- Advance from Customers	340	-
<b>Total Other Current Liabilities</b>	<u>58,474</u>	<u>88,748</u>

**Note : 11 Short-Term Provisions**

(a) Provision for Employee Benefits (Also refer note no. 27)		
- Gratuity	3,820	3,242
- Leave Encashment	1,382	1,163
(b) Provision for Taxation	5,120	-
(c) Provision for Mark to Market Losses on Derivatives	1,452	1,956
(d) Proposed Dividend on Equity Shares	2,566	2,566
(e) Proposed Dividend on Redeemable Preference Shares	60	60
(f) Tax on Dividend	525	446
(g) Provision for retired assets	-	-
<b>Total Short-Term Provisions</b>	<u>14,925</u>	<u>9,433</u>

(h) Movement in provisions is as follows:

**i) Provision for Mark to Market Losses on Derivatives**

Balance at the beginning of the year	1,956	1,141
Additions during the year	1,452	1,956
Utilisation / reversal during the year	1,956	1,141
Balance at the end of the year	1,452	1,956

**ii) Provision for retired assets**

Balance at the beginning of the year	-	1,805
Additions during the year	-	-
Utilisation / reversal during the year	-	1,805
Balance at the end of the year	-	-

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 12 - Tangible Assets

Rs. '000

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	As at 1st April 2014	Additions	Adjustments	Deductions	As at 31st March 2015	Upto 31st March 2014	For the Year	On Deductions	Transfer to Retained earning	Upto 31st March 2015	As at 31st March 2014	As at 31st March 2015
Freehold Land	1,255	109	-	-	1,364	-	-	-	-	-	1,255	1,364
Buildings	158,038	5,270	1,880	-	165,188	24,083	7,514	-	976	32,573	1,33,955	132,615
Plant and Machinery	599,122	22,842	9,196	761	630,399	137,307	52,642	436	462	189,975	4,61,815	440,424
Office Equipment	7,085	527	51	-	7,663	1,596	1,754	-	1,230	4,580	5,489	3,083
Computers	8,305	949	1	475	8,780	6,366	825	473	509	7,227	1,939	1,553
Furniture and Fixtures	10,492	2,255	57	59	12,745	4,828	868	19	100	5,777	5,664	6,968
Vehicles	75	-	-	-	75	57	5	-	-	62	18	13
Electrical Installations	28,189	1,049	214	-	29,452	5,031	4,528	-	-	9,559	23,158	19,893
Laboratory Equipments	2,815	1,093	-	-	3,908	549	389	-	9	947	2,266	2,961
(Note (a))	<b>815,376</b>	<b>34,094</b>	<b>11,399</b>	<b>1,295</b>	<b>859,574</b>	<b>179,817</b>	<b>68,525</b>	<b>928</b>	<b>3,286</b>	<b>250,700</b>	<b>6,08,874</b>	<b>6,08,874</b>
Previous Year	486,137	317,295	36,150	24,206	815,376	162,797	39,331	22,311	-	179,817	6,35,559	

(a) Laboratory equipments have been reclassified by transferring Rs.306 thousand and Rs.2,509 thousand from plant and machinery and office equipments respectively from opening balance of gross block. Similarly, opening balance of accumulated depreciation amounting to Rs.297 thousand and Rs.252 thousand have been transferred from plant and machinery and office equipments respectively.

(b) Adjustments include exchange differences arising on reporting of long-term foreign currency monetary liability on account of option exercised by the Company as per Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates.

(c) Depreciation charged to the statement of profit and loss for the year on avallment of above option is Rs.6,086 thousand (Previous Year: Rs.4,897 thousand).

(d) Amount of foreign exchange remaining to be amortised as at March 31, 2015 is Rs.55,349 thousand (Previous Year: Rs.50,036 thousand).

(e) The Company has capitalised borrowing costs (Net) of Rs. Nil (Previous Year: Rs. 3,418 thousand) under fixed assets and capital work in progress.

(f) Consequent to Schedule II to the Companies Act, 2013 becoming applicable with effect from 1st April, 2014, depreciation for the year ended 31st March, 2015 has been provided on the basis of useful life as prescribed in Schedule II. Depreciation for the year is higher by Rs.17,610 thousand due to change in useful life of assets. An amount of Rs.3,286 thousand has been recognised in opening balance of retained earnings for the assets where remaining useful life as per Schedule II was Nil as on 1st April, 2014.

### Note 13 - Intangible Assets

Rs. '000

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 1st April 2014	Additions	Deductions	As at 31st March 2015	Upto 31st March 2014	For the Year	On Deductions	Upto 31st March 2015	As at 31st March 2014	As at 31st March 2015	
Computer Softwares	3,741	-	-	3,741	3,581	160	-	3,741	-	160	
<b>TOTAL</b>	<b>3,741</b>	<b>-</b>	<b>-</b>	<b>3,741</b>	<b>3,581</b>	<b>160</b>	<b>-</b>	<b>3,741</b>	<b>-</b>	<b>160</b>	
Previous year	3,741	-	-	3,741	2,833	748	-	3,581	-	160	



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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	As at 31st March, 2015 Rs. '000	As at 31st March, 2014 Rs. '000
<b>Note : 14 Long-Term Loans and Advances</b>		
(Unsecured, considered good unless otherwise stated)		
<b>(a) Security Deposits</b>		
- Considered Good	4,447	1,215
- Considered Doubtful	2,357	2,357
<b>(b) Export Incentives Receivables</b>		
- Considered Doubtful	-	1,836
(c) Capital Advances	77	1,759
(d) Prepaid Expenses	1,198	1,176
(e) Advance to suppliers		
- Considered Doubtful	2,195	3,034
(f) Advance taxes	-	7,860
Less: Provision for doubtful receivables and advances	4,552	7,227
<b>Total Long-Term Loans and Advances</b>	<u>5,722</u>	<u>12,010</u>

**Note : 15 Other Non-current Assets**

(Unsecured)

**Trade Receivables**

(a) Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered doubtful	907	300
(b) Others		
- Considered doubtful	-	81
(c) Less : Provision for doubtful debts	907	381
<b>Total Other Non-Current Assets</b>	<u>-</u>	<u>-</u>

**Note : 16 Current Investments**

At Cost

Investment in Mutual Funds

Unquoted

38,872.397 (Previous Year: Nil) units of Birla Sun Life

Cash Plus - Growth - Direct Plan

**Total Current Investments**

Aggregate amount of unquoted investments

Aggregate market value of unquoted investments

8,500	-
<u>8,500</u>	<u>-</u>
8,500	-
8,731	-




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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	As at 31st March, 2015	As at 31st March, 2014
	Rs. '000	Rs. '000
<b>Note : 17 Inventories</b>		
(a) Raw Material	53,453	46,693
(b) Stores and Spares	2,646	568
(c) Packing Material	36,802	45,656
(d) Work in Progress	17,688	14,238
(e) <u>Finished Goods</u>		
- Finished Goods on hand	29,883	22,346
- Finished Goods in transit	-	9,836
<b>Total Inventories</b>	<u><u>140,472</u></u>	<u><u>139,337</u></u>
(f) <b>Details of inventory</b>		
(i) Finished Goods		
- Ready to Serve	10,811	15,243
- Frozen Formed Products	13,077	10,392
- Sauces	5,995	6,547
	<u>29,883</u>	<u>32,182</u>
(ii) Work in Progress		
- Ready to Serve	15,610	10,385
- Frozen Formed Products	800	1,127
- Sauces	1,278	2,726
	<u>17,688</u>	<u>14,238</u>
<b>Note : 18 Trade Receivables</b>		
(Unsecured, considered good)		
(a) Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered good	-	7,959
(b) Others		
- Considered good	180,979	135,591
<b>Total Trade Receivables</b>	<u><u>180,979</u></u>	<u><u>143,550</u></u>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	As at 31st March, 2015 Rs. '000	As at 31st March, 2014 Rs. '000
<b>Note 19 : Cash and Bank Balances</b>		
(a) Cash and Cash Equivalents		
(i) Cash on hand	99	180
(ii) Balances with banks	35,332	21,336
	<u>35,431</u>	<u>21,516</u>
(b) Other Bank Balances		
(i) Margin Money	1,800	-
(ii) Deposits with bank held as lien	925	22,112
(iii) Deposits with more than three months maturity but less than twelve months maturity	23,955	853
	<u>26,680</u>	<u>22,965</u>
(c) Earmarked Balances with Banks	431	335
<b>Total Cash and Bank Balances</b>	<u><u>62,542</u></u>	<u><u>44,816</u></u>
 <b>Note 20 : Short-term Loans and Advances</b> (Unsecured, considered good unless otherwise stated)		
(a) Security Deposits	-	2,833
(b) Balances with Government Authorities	33,041	33,636
(c) Prepaid expenses	2,138	2,807
(d) Export Incentives Receivables	78,540	63,049
(e) Employee Advances	221	422
(f) Loans and Advances due by Directors	12	-
(g) Advance to suppliers	4,389	3,799
<b>Total Short-Term Loans and Advances</b>	<u><u>118,341</u></u>	<u><u>106,546</u></u>
 <b>Note 21 : Other Current Assets</b> (Unsecured, considered good unless otherwise stated)		
Assets Held for Disposal (at cost or net realizable value whichever is lower)	240	283
Others	155	51
<b>Total Other Current Assets</b>	<u><u>395</u></u>	<u><u>334</u></u>




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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Note 22 : Revenue from Operations</b>		
(a) Sales (Gross)	1,680,155	1,385,433
Less : Excise Duty	12,656	11,434
<b>Total Revenue from Operations</b>	<u>1,667,499</u>	<u>1,373,999</u>
<b>(b) Details of sales</b>		
Finished Goods		
- Ready to Serve	1,078,151	863,077
- Frozen Formed Products	360,851	331,133
- Sauces	225,764	177,904
Others	2,733	1,885
	<u>1,667,499</u>	<u>1,373,999</u>
<b>Note 23 : Other Operating Income</b>		
Export Incentives	97,552	76,265
Scrap Sales	3,491	3,595
<b>Total Other Operating Income</b>	<u>101,043</u>	<u>79,860</u>
<b>Note 24 : Other Incomes</b>		
(a) Interest		
- on Bank Deposits	2,127	2,011
- on Others	399	2,720
(b) Gain on Foreign Exchange (Net)	10,291	-
(c) Miscellaneous Income	213	639
<b>Total Other Income</b>	<u>13,030</u>	<u>5,370</u>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Note 25 : Cost of raw materials / packaging materials consumed</b>		
(a) Opening Stock	92,349	68,907
(b) Purchases (Net)	<u>1,065,266</u>	<u>964,261</u>
	<b>1,157,615</b>	<b>1,033,168</b>
(c) Less : Closing Stock	<u>90,255</u>	<u>92,349</u>
<b>Total Cost of raw materials / packaging materials consumed</b>	<b><u>1,067,360</u></b>	<b><u>940,819</u></b>

**Note 26 : Changes in inventories of finished goods and work-in-progress**

(a) Opening Stock of :		
Finished Goods	32,182	23,294
Work in Progress	<u>14,238</u>	<u>4,917</u>
	<b><u>46,420</u></b>	<b><u>28,211</u></b>
(b) Closing Stock of :		
Finished Goods	29,883	32,182
Work in Progress	<u>17,688</u>	<u>14,238</u>
	<b><u>47,571</u></b>	<b><u>46,420</u></b>
<b>Changes in inventories of finished goods and work-in-progress</b>	<b><u>(1,151)</u></b>	<b><u>(18,209)</u></b>

**Note 27 : Employees Benefit Expenses**

(a) Salaries, Wages, Bonus and Gratuity	110,767	108,178
(b) Contribution to Provident and Other Funds	6,130	5,206
(c) Labour cost	56,411	51,824
(d) Workmen and Staff Welfare Expenses	<u>3,811</u>	<u>4,276</u>
<b>Total Employee Benefit Expenses</b>	<b><u>177,119</u></b>	<b><u>169,484</u></b>

(e) **Defined Contribution Plan:**

Contribution to defined contribution plans includes contribution to provident fund and are recognized as expense for the year.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

(f) **Defined Benefit Plan:**

The amounts recognized in the Company's financial statements as at the year end as per the certificate issued by actuary in respect of gratuity are as under:

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Change in Present Value of Obligation</b>		
Present value of the obligation at the beginning of the year	16,646	15,506
Current Service Cost	1,148	1,241
Interest Cost	1,546	1,125
Contribution by Plan Participants	-	-
Actuarial (Gain) / Loss on Obligation	2,541	(398)
Foreign Currency exchange rate changes	-	-
Benefits Paid	(888)	(828)
Past Service Cost	-	-
Amalgamations/ Curtailments/ Settlements	-	-
Present value of the obligation at the end of the year	20,993	16,646
<b>Change in Plan Assets</b>		
Fair value of Plan Assets at the beginning of the year	10,402	9,675
Expected return on Plan Assets	905	842
Actuarial Gain / (Loss) on Plan Assets	1,267	713
Foreign Currency exchange rate changes	-	-
Contributions by the Employer	-	-
Contributions by Plan Participants	-	-
Benefits Paid	-	(828)
Amalgamations/ Settlements	-	-
Fair value of Plan Assets at the end of the year	12,574	10,402
<b>Amounts Recognized in the Balance Sheet:</b>		
Present value of Obligation at the end of the year	20,993	16,646
Unrecognized Past Service Cost	-	-
Fair value of Plan Assets at the end of the year	12,574	10,402
Net Obligation at the end of the year	8,419	6,244
<b>Amounts Recognized in the statement of Profit and Loss:</b>		
Current Service Cost	1,148	1,241
Interest cost on Obligation	1,546	1,125
Expected return on Plan Assets	(905)	(842)
Expected return on Reimbursement Right recognised as an asset	-	-
Net Actuarial (Gain) / Loss recognised in the year	1,274	(1,111)
Past Service Cost	-	-
Effect of Curtailment or Settlement	-	-

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## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Expenses recognized in the statement of profit and loss</b>	<b>3,063</b>	413
<b>Actual return on Plan Assets</b>	<b>2,172</b>	1,555
<b>Actuarial Assumptions:</b>		
Discount Rate	7.99%	9.29%
Expected Rate of Return on Plan Assets	7.99%	8.70%
Salary Escalation Rate	7.50%	7.50%
Employee Turnover	10.50%	8.48%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

### Note:

- (i) The estimates of future salary increases, considered in actuarial valuation, have been done on the basis of current salary suitably projected for future taking into consideration the general trend in inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.
- (ii) The discounting rate is considered based on government securities having the term, which is consistent with the expected future service based on the average age.
- (iii) Plan assets are insurer managed fund.
- (g) The liability for leave encashment as at the year end is **Rs. 8,226 thousand** (Previous Year: Rs.6,420 thousand).

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Note 28 : Interest and Finance Cost</b>		
(a) <u>Interest</u>		
- Long Term Borrowings from Banks	<b>420</b>	-
- Long Term Borrowings from Others	<b>9,627</b>	7,863
- Short Term Borrowings from Banks	<b>6,538</b>	3,988
- Interest on Income Tax	<b>1,742</b>	567
- Others	<b>2</b>	673
(b) Other Finance Cost	<b>9,424</b>	3,582
<b>Total Interest and Finance Costs</b>	<b>27,753</b>	16,673

### Note 29 : Depreciation and Amortisation Expense

(a) Depreciation on tangible assets	<b>68,525</b>	39,331
(b) Depreciation on intangible assets	<b>160</b>	748
<b>Total Depreciation and Amortisation Expenses</b>	<b>68,685</b>	40,079




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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	Year ending 31st March, 2015	Year ending 31st March, 2014
	Rs. '000	Rs. '000
<b>Note 30 : Other Expenses</b>		
(a) Stores and Spares Consumed	25,003	26,396
(b) Power and Fuel	58,473	55,719
(c) Repairs and Maintenance:		
- Plant and Machinery	6,302	5,127
- Buildings	5,817	5,620
- Others	625	1,174
(d) Rent, Rates and Taxes	8,193	7,156
(e) Telephone and Postage	3,577	3,492
(f) Travelling and Conveyance	11,882	11,597
(g) Legal and Professional Charges	12,944	11,033
(h) Printing and Stationary	5,997	5,672
(i) Insurance	4,172	3,694
(j) Freight	107,492	77,033
(k) Selling Expenses	791	2,285
(l) Bad Debts Written Off	504	1,006
(m) Provision for Doubtful Debts	526	52
(n) Provision for Doubtful Advances	(2,675)	1,500
(o) Provision for Retired Assets	-	(1,805)
(p) Loss on Fixed Assets Sold / Written Off (Net)	207	1,584
(q) Loss on Foreign Exchange (Net)	-	9,634
(r) Provision for Mark to Market Loss on Derivatives	1,452	1,956
(s) Auditor's Remuneration	1,344	1,413
(t) Miscellaneous Expenses	23,975	16,195
(u) Prior Period Expenses	184	312
<b>Total Other Expenses</b>	<u>276,785</u>	<u>247,845</u>
 (v) <b>Prior period expenses include</b>		
- Short / non provision for expenses	184	312
	<u>184</u>	<u>312</u>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)**

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Note 31 : Contingent Liabilities</b>		
(a) Sales Tax demands disputed by the Company and under appeal	<b>930</b>	930
(b) Service tax demand disputed by the Company and under appeal	<b>2,716</b>	2,716
(c) Income tax liability towards additions / disallowances under dispute	<b>88,254</b>	44,025

The amounts included above, represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible liabilities are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be predicted accurately.

**Note 32 : Capital Commitments**

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs.1409 thousand** (Previous Year: Rs. 761 thousand)

**Note 33 : Derivative Contracts**

The derivative contracts outstanding as at March 31, 2015 are as under:

Forward contracts USD-INR for the purpose of hedging its exposure to foreign currency receivables: **USD 860 thousand** (Previous Year: USD 2,120 thousand).

**Note 34 :** In the opinion of the Board, all current assets have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated in the balance sheet and provisions for all known liabilities and doubtful assets have been made as at the year end.



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note 35 : Related Party Disclosures

(a) Relationships :

**(i) HOLDING COMPANY**

Preferred Brands Foods (India) Private Limited

Preferred Brands International, Inc. USA (Holding company of Preferred Brands Foods (India) Private Limited)

**(ii) ULTIMATE HOLDING COMPANY**

ASG OMNI L.L.C.

**(iii) FELLOW SUBSIDIARY**

Preferred Brands Australia Pty. Ltd.

ASG Omni India Private Limited

**(iv) KEY MANAGEMENT PERSONNEL**

Mr. Ravi Nigam - Managing Director

Mr. Sohel Shikari - Alternate Director

Ms. Minal Talwar - Company Secretary

**(v) RELATIVES OF KEY MANAGEMENT PERSONNEL**

Mrs. Ruby Nigam

Mrs. Reshma Shikari

**(vi) ENTERPRISES OVER WHICH KEY MANAGEMENT PERSONNEL EXERCISE SIGNIFICANT INFLUENCE**

M/s. K. S. Shikari & Associates

(b) Following transactions were carried out with the related parties in the ordinary course of business:

(i) Details Relating to parties referred to in items (a) (i), (ii) and (iii) above (Rupees in Thousand):

Sr. No.	Particulars	Preferred Brands Foods (India) Private Limited		Preferred Brands International, Inc. USA		Preferred Brands Australia Pty. Ltd.		ASG Omni India Private Limited	
		2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1	Sales	-	-	1,016,507	710,586	39,310	82,087	-	-
2	Expenses Charged to Other Companies	-	10	3,140	3,266	1,335	1,112	-	-
3	Expenses Charged by Other Companies	-	-	-	1,738	-	522	-	-
4	Interest on Loan Taken	-	-	1,640	3,504	-	-	-	-
5	Advance given on behalf of the Company	76	-	-	-	-	-	-	-
6	Dividend paid	1,964	1,964	-	-	-	-	-	-
7	Outstanding receivables net of payables	-	-	110,080	61,319	4,598	2,093	(215)	(215)
8	Loan Outstanding	-	-	21,817	72,071	-	-	-	-

(ii) Details Relating to parties referred to in items (a) (iv) and (v) above (Rupees in Thousand):

Sr. No.	Particulars	Ravi Nigam		Sohel Shikari		Minal Talwar	Mrs. Ruby Nigam		Mrs. Reshma Shikari	
		2014-15	2013-14	2014-15	2013-14	2014-15	2014-15	2013-14	2014-15	2013-14
1	Remuneration	6,558	5,654	6,046	5,693	615	-	-	-	-
2	Receiving of Services	-	-	-	-	-	240	240	240	240

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

### Note : 36 Segment Reporting

Disclosure requirements in respect of 'Accounting Standard 17 – Segment Reporting' are as under:

(a) Information about Primary Segments

The Company has a single business segment 'Prepared Foods' in accordance with the criteria for identification of reportable segment specified in the said standard.

(b) Information about Secondary Segments

The Company has identified following geographical segments as secondary reportable segments (Rupees in Thousand):

Particulars	India		Outside India		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Revenue	<b>703,216</b>	595,876	<b>1,078,356</b>	863,353	<b>1,781,572</b>	1,459,229
Carrying amount of segment assets	<b>1,009,151</b>	1,008,682	<b>117,482</b>	79,439	<b>1,126,633</b>	1,088,121
Capital Expenditure	<b>29,093</b>	206,311	-	-	<b>29,093</b>	206,311

(c) Revenue within India includes sales to customers located within India and earnings in India. Revenue outside India includes sales to customers located outside India and earnings outside India

(d) Carrying amount of segment assets are determined by geographical location of assets in India and outside India.

(e) Capital expenditure includes cost incurred during the year to acquire the tangible and intangible fixed assets by geographical location of assets in India and outside India

### Note : 37 Consumption of materials and stores

Item	Year ended 31st March, 2015		Year ended 31st March, 2014	
	Rs. '000	%	Rs. '000	%
a) Raw Materials and Packing Material				
- Imported	<b>202,798</b>	<b>19%</b>	221,243	24%
- Indigenous	<b>864,562</b>	<b>81%</b>	719,576	76%
	<b>1,067,360</b>	<b>100%</b>	940,819	100%
b) Stores and Spare Parts				
- Imported	<b>2,985</b>	<b>12%</b>	3,775	14%
- Indigenous	<b>22,018</b>	<b>88%</b>	22,621	86%
<b>TOTAL</b>	<b>25,003</b>	<b>100%</b>	26,396	100%



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015 (Contd.)

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Note : 38 Value of imports on C.I.F. basis</b>		
a) Raw Materials and Packing Materials	167,914	180,728
b) Plant and Machinery	11,940	68,819
c) Stores and Spares	3,448	3,775
<b>TOTAL</b>	<b>183,302</b>	<b>253,322</b>
<b>Note : 39 Expenditure in foreign currency</b>		
a) Travel	826	1,865
b) Interest (includes interest capitalised)	10,047	11,281
c) Professional fees	994	1,889
d) Others	552	371
<b>TOTAL</b>	<b>12,419</b>	<b>15,406</b>
<b>Note : 40 Earnings in foreign currency</b>		
a) F.O.B. Value of Exports	997,429	805,443
<b>Note : 41 Proposed Dividend</b>		
a) On Equity Shares of Rs. 10 each Amount of Dividend Proposed Dividend Per Equity Share	2,566 Re 1 per share	2,566 Re 1 per share
b) On Preference Shares of Rs. 100 each Amount of Dividend Proposed Dividend Per Preference Share	60 Re 1 per share	60 Re 1 per share
c) There are no arrears of dividends relating to preference shares.		
<b>Note : 42 Amounts paid to Auditors (Excluding Service Tax)</b>		
<b>(A) Statutory Auditors</b>		
a) Audit Fees	770	700
b) Audit under other statutes	165	150
c) Certificates	375	423
d) Out of Pocket Expenses	34	57
<b>TOTAL</b>	<b>1,344</b>	<b>1,330</b>
<b>(B) Cost Auditors</b>		
a) Audit Fees	-	50
b) Certificates	-	30
c) Out of Pocket Expenses	-	3
<b>TOTAL</b>	<b>-</b>	<b>83</b>
<b>TOTAL</b>	<b>1,344</b>	<b>1,413</b>

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**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015(Contd.)**

	Year ending 31st March, 2015 Rs. '000	Year ending 31st March, 2014 Rs. '000
<b>Note : 43 Leases</b>		
The Company has operating leases for office space which will expire over next 1-3 years. The total of future minimum lease payments under non-cancelable operating leases:		
a) Not later than one year	-	-
b) Later than one year and not later than five years	-	-
c) Later than five years	-	-

**Note : 44 Earnings per Share**

Net Profit as per the Statement of Profit and Loss	107,937	43,288
Less: Preference share dividend (including dividend distribution tax)	71	70
Amount available for Equity shareholders	107,866	43,218
Weighted Average No. of Equity shares outstanding	2,566,000	2,566,000
Earning per share - Basic and Diluted (Rs.)	42.04	16.84
Face Value per Equity Share (Rs.)	10	10

**Note : 45 Research and Development Expenditure**

The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India ('the Department') has recognized Tasty Bite Research Center ('TBRC') as an "In-house R&D facility" with effect from June 21, 2011. The Department has granted approval to TBRC upto March 31, 2014 for the purpose of section 35 (2AB) of the Income Tax Act, 1961. The recognition of TBRC has been renewed with effect from April 1, 2014. The renewal of approval from the Department is awaited.

The revenue expenditure amounting to Rs.14,796 thousand (Previous Year: Rs.13,689 thousand) on research and development is charged to the Statement of Profit and Loss. Further, the Company has incurred capital expenditure of Rs.110 thousand (Previous Year: Rs.370 thousand) for research and development facility and is included in company's assets.

**Note : 46 Managerial Remuneration**

The Company had made application with the Central Government for approval of excess remuneration paid to the Managing Director for the year ended March 31, 2014 in excess of the remuneration approved by the Central Government earlier vide letter dated May 1, 2012 as prescribed under section 198 read with Schedule XIII to the Companies Act, 1956. The approval of the Central Government for the same is awaited.

**Note : 47 Previous Year Figures**

Figures for the previous period have been regrouped / restated wherever necessary.

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# TASTY BITE EATABLES LIMITED

CIN: L15419PN1985PLC037347  
Regd. Off: 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005  
Website: www.tastybite.co.in, Email : secretarial@tastybite.com  
Ph : 020 3021 6000 Fax : 020 3021 6035

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014]

### 31st Annual General Meeting - September 14, 2015

Name of the Member(s)		E-mail id
Registered address		Folio no. / *Client ID * DP ID

\* Applicable for Investors holding shares in electronic form.

I/ We being the Member(s) of .....shares of the above named Company, hereby appoint:

- .....of .....having e-mail id:.....or failing him
- .....of ..... having e-mail id:.....or failing him
- .....of .....having e-mail id:.....or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 31<sup>st</sup> Annual General Meeting of the Company, to be held on Monday, September 14, 2015 at 11.00 a.m. at Hotel Le Meridien Pune, RBM Road, Pune 411001, and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	Resolution	Vote *(Optional See Note 2)		
		For	Against	Abstain
<b>ORDINARY BUSINESS:</b>				
1	Adoption of Financial Statements and Reports of the Directors and Auditors thereon			
2	Declaration of dividend on 59,530 1% Non-Cumulative, Non Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2014-15			
3	Declaration of dividend of Re. 1 per Equity share on 25,66,000 Equity shares of Rs. 10 each for the financial year 2014-15			
4	Re-appointment of Mrs. MeeraVasudevan, as Director who retires by rotation			
5	Appointment of Statutory Auditors (M/s Kalyaniwalla&Mistry) and to fix their remuneration			
<b>SPECIAL BUSINESS:</b>				
6.	Related Party transaction approval & ratification			

Signed this..... day of ..... 2015

Signature of the Member

Signature of the Proxy holder(s)

Affix One  
Rupee  
Revenue  
Stamp here

#### Notes:

- This form, in order to be effective, should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.
- A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

## TASTY BITE EATABLES LIMITED

CIN: L15419PN1985PLC037347  
Regd. Off: 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005 Website: www.tastybite.co.in,  
Email : secretarial@tastybite.com Ph : 020 3021 6000 Fax : 020 3021 6035

### ATTENDANCE SLIP (31<sup>st</sup> Annual General Meeting - September 14, 2015)

Folio no. / Client ID/DP ID:.....

No. of Shares:.....

Name of the Member/ Proxyholder (in BLOCK letters): .....

I certify that I am a Member / Proxyholder for the Member of the Company.

I hereby record my presence at the 31<sup>st</sup>Annual General Meeting of the Company held on Monday, the 14th September, 2015 at 11.00A.M. at Hotel Le Meridien Pune, RBM Road, Pune- 411001.

Signature of the Member/Proxyholder (\*\* Strike out whichever is not applicable.)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members arerequested to bring their copies of the Annual Report to the AGM









REAL BOLD.REAL FOOD.

## Tasty Bite Eatables Limited

204, Mayfair Towers, Wakdevadi, Shivajinagar, Pune - 411005