



# Necessarily Natural Increasingly Organic





Scan this code with a QR reader app on your smartphone or tablet and know more about us



You can also find this report online: [www.tastybite.co.in](http://www.tastybite.co.in)



**Abhijit Upadhye**  
Managing Director

“At Tasty Bite, we are committed to improving the nutrition experience of our customers. Our progressive transition towards building an organic portfolio reinstates this commitment and is a step forward in creating a long-term sustainable value for all our stakeholders.”

# Contents

**04**



## Corporate Overview

- 04** Key Financial Highlights
- 06** Chairman's Message
- 08** Introducing Tasty Bite
- 10** Healthy Choices. Endearing Value.
- 12** Blending great taste with real convenience
- 20** Expanding 'Tasty Trails' far and wide
- 22** Investing in our people
- 26** Embracing the future of food
- 28** Making an impact
- 30** Fight against Covid
- 31** Corporate Information

**32**



## Statutory Reports

- 32** Notice
- 47** Directors' Report
- 83** Corporate Governance
- 104** Business Responsibility Report

**122**



## Financial Statements

- 123** Independent Auditors' Report
- 132** Balance Sheet
- 133** Statement of Profit and Loss
- 134** Statement of Cash Flows
- 136** Statement of Changes in Equity
- 137** Notes to the Financial Statements

For us,  
**delivering  
'Natural' food**  
is a choice we are proud of.

For us, food is not just a  
blend of tasty ingredients,  
rather it's a culmination of  
**convenience with  
nutrition.**

For us, adopting the organic  
route is a means to fulfil a  
coveted desire – to deliver  
**goodness in  
every bite.**

Tasty Bite continues to set new benchmark in the food service business with its growing range of tasty and innovative products. We use only the finest ingredients in all our creations. Keeping food safety at the core, we consistently dish out natural and preservative-free food that not only offer a diverse range of healthy choices but also fulfils the promise of convenience without compromise.

We realize the importance of encouraging a shift towards natural and organic products. At the heart of our efforts, lies a deep commitment to propagate ingredients that minimize our impact on the environment.



# Key Financial Highlights

(INR in Million)

| Statement of Profit & Loss                 | 2015-16  | 2016-17  | 2017-18  | 2018-19  | 2019-20  | 2020-21         |
|--|----------|----------|----------|----------|----------|-----------------|
| Net Revenue                                | 2,087.60 | 2,568.40 | 3,031.10 | 3,551.58 | 4,548.30 | <b>4,042.89</b> |
| Gross Profit                               | 853.00   | 1,086.50 | 1,316.50 | 1,493.12 | 1,716.69 | <b>1,607.83</b> |
| EBITDA                                     | 343.50   | 458.00   | 543.60   | 640.53   | 737.22   | <b>727.65</b>   |
| Profit Before Tax (PBT)                    | 245.70   | 342.00   | 410.40   | 470.76   | 533.54   | <b>525.75</b>   |
| Profit After Tax (PAT)                     | 161.20   | 219.90   | 264.60   | 300.63   | 408.62   | <b>393.42</b>   |
| Earnings Per Share of Face Value of INR 10 | 62.80    | 85.70    | 103.10   | 117.20   | 159.24   | <b>153.32</b>   |
| Dividend Per Share of Face Value of INR 10 | 2.00     | 2.00     | 2.00     | 2.00     | 2.00     | <b>2.00</b>     |

| Balance Sheet                        | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21         |
|--------------------------------------|---------|---------|---------|---------|---------|-----------------|
| Cash and Cash Equivalents            | 72.90   | 62.70   | 57.80   | 78.40   | 77.58   | <b>349.06</b>   |
| Fixed Assets (Net)                   | 614.50  | 651.80  | 763.20  | 821.10  | 897.28  | <b>1,121.26</b> |
| Net Current Assets (Working Capital) | 240.10  | 369.50  | 523.70  | 630.40  | 496.57  | <b>795.78</b>   |

| Share Capital                | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21      |
|------------------------------|---------|---------|---------|---------|---------|--------------|
| Equity Shares                | 25.66   | 25.66   | 25.66   | 25.66   | 25.66   | <b>25.66</b> |
| Redeemable Preference Shares | 6.00    | -       | -       | -       | -       | -            |

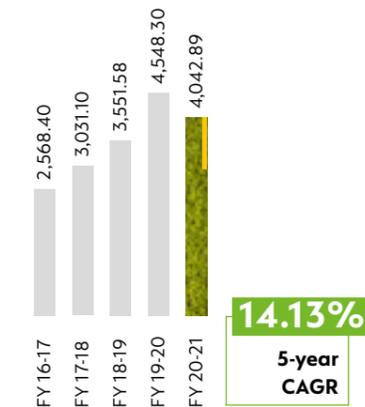
| Reserves and Surplus                            | 2015-16 | 2016-17 | 2017-18 | 2018-19  | 2019-20  | 2020-21         |
|---|---------|---------|---------|----------|----------|-----------------|
| Reserve for Premium of Preference Share Capital | 116.10  | -       | -       | -        | -        | -               |
| Others  | 460.70  | 718.70  | 967.10  | 1,294.30 | 1,605.72 | <b>2,040.54</b> |
| Long Term Borrowings                            | 197.40  | 360.40  | 305.70  | 258.10   | 207.84   | <b>496.76</b>   |

| Key Ratios                        | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21       |
|-----------------------------------|---------|---------|---------|---------|---------|---------------|
| EBITDA (% of Revenue)             | 16.50%  | 17.80%  | 17.90%  | 18.00%  | 16.21%  | <b>18.00%</b> |
| PAT / Revenue %                   | 7.70%   | 8.60%   | 8.70%   | 8.50%   | 8.98%   | <b>9.73%</b>  |
| Fixed Assets Turnover Ratio       | 3.40    | 3.90    | 4.00    | 4.30    | 5.10    | <b>3.61</b>   |
| Current Ratio                     | 1.50    | 1.70    | 2.00    | 2.10    | 1.50    | <b>1.66</b>   |
| Debt Equity Ratio                 | 0.70    | 0.80    | 0.50    | 0.30    | 0.37    | <b>0.51</b>   |
| Return on Capital Employed (RoCE) | 34.10%  | 35.80%  | 33.80%  | 33.60%  | 31.06%  | <b>21.13%</b> |

| Cash Flows                        | 2015-16 | 2016-17  | 2017-18  | 2018-19  | 2019-20  | 2020-21         |
|-----------------------------------|---------|----------|----------|----------|----------|-----------------|
| Net Cash provided by / (used in): |         |          |          |          |          |                 |
| Operating Activities              | 148.80  | 71.20    | 211.70   | 555.45   | 368.30   | <b>400.63</b>   |
| Investing Activities              | (73.70) | (197.50) | (70.90)  | (300.66) | (516.15) | <b>(561.07)</b> |
| Financing Activities              | (63.90) | 118.30   | (118.10) | (233.92) | 147.05   | <b>431.85</b>   |

| Others  | 2015-16  | 2016-17   | 2017-18   | 2018-19   | 2019-20   | 2020-21          |
|---|----------|-----------|-----------|-----------|-----------|------------------|
| TBEL Share Price on BSE (INR per share of face value of INR 10) | 1,690.50 | 4,658.50  | 7,463.20  | 8,358.60  | 8,999.80  | <b>14,391.15</b> |
| Market Capitalisation   | 4,337.82 | 11,953.71 | 19,150.57 | 21,448.17 | 23,093.49 | <b>36,927.69</b> |
| Net Worth   | 608.40   | 744.40    | 992.80    | 1,319.99  | 1,631.38  | <b>2,066.20</b>  |

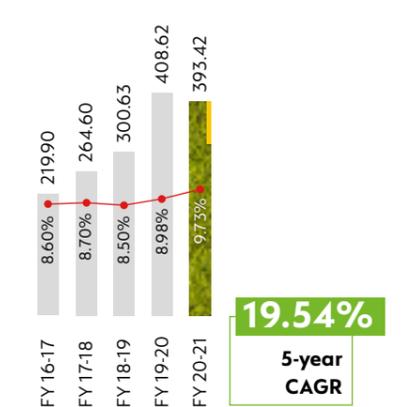
Revenue from operations  
(INR in Million)



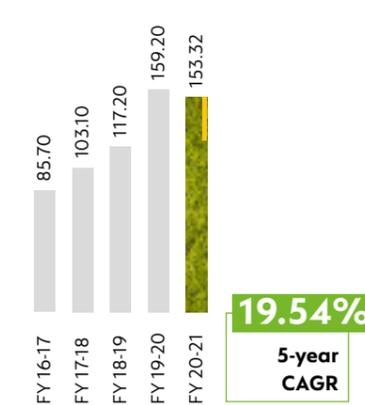
EBITDA (INR in Million)  
EBITDA Margin (in %)



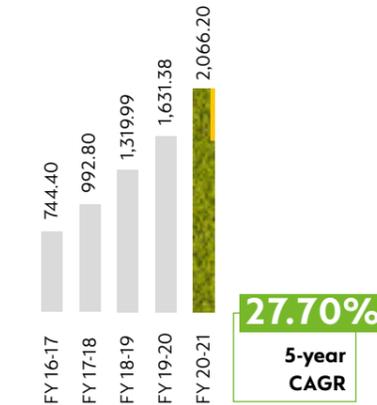
PAT (INR in Million)  
PAT Margin (in %)



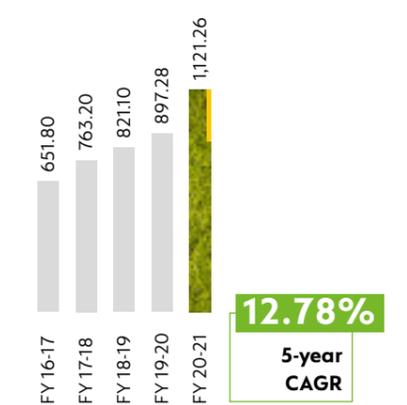
EPS  
(in INR)



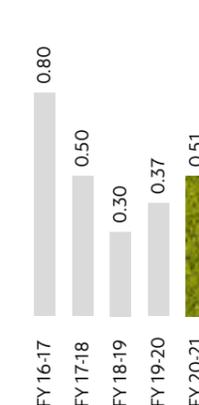
Net Worth  
(INR in Million)



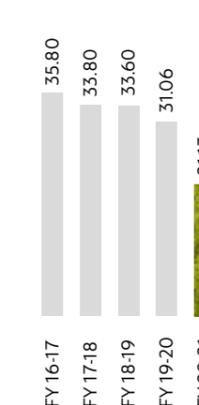
Net Block  
(INR in Million)



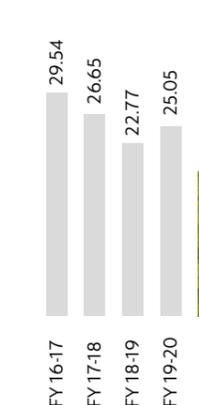
Debt Equity Ratio  
(in times)



RoCE  
(in %)



RoE  
(in %)



Gaurav Gupta  
Chief Financial Officer

Over the years, we have transformed into a value-accretive company built on passion for our customers and strategic long-term resource allocation. We have built a robust operational framework that has allowed us to optimize resource allocation while maximizing corporate value. 🗨️

# Chairman's Message

## Business resilience in a Covid world



Dear Shareholders,

» **LAST YEAR, MY NOTE TO YOU WAS TITLED “GROWTH & INNOVATION IN A POST-COVID WORLD.” THE UNDERLYING ASSUMPTION WAS WE’D BE LOOKING AT THE PANDEMIC IN THE REARVIEW MIRROR, EVEN AS WE ACKNOWLEDGED SOME PERMANENT BEHAVIORAL CHANGES FOR A NEW TOMORROW. «**

Instead, we have seen a global spike from 7 million cases I mentioned in the Annual Report last year to an alarming 173 million cases a year later. Tragically, almost 4 million people have died and even this is acknowledged to be vastly under-reported. The cases in India skyrocketed recently and today we stand 2<sup>nd</sup> only to the US in Covid cases and fatalities.

This has been a very difficult year for the families of our employees, contractors, suppliers and farmers. I know you too dear shareholders, are dealing with more than you planned for. I wish you a safe return to normalcy from this long period of turbulence.

As a company, we have been agile and responsible in dealing with this situation, the best we can. We have, and will be contemplating further measures to deal with this uncertainty but before I get into that let's take stock of the difficult year gone by:

- After a 5-year annual growth rate (CAGR) of over 20%, your company saw net revenues decline for the first time ever by 11% to INR 4.04 billion from INR 4.55 billion.

- Our Consumer business though, represented by exports managed to grow 9% for the year from INR 2.76 billion to INR 3.01 billion. The US continued to reel under Covid most of the year but Tasty Bite sales were up in all channels (grocery, club & private label). Not surprisingly, online sales continued to grow the fastest yet another year.
- Organic Madras Lentils and the range of Organic Grains was followed by the introduction of several new SKUs and today, with 60+ organic SKUs, Tasty Bite has become a largely organic brand in North America.
- The TFS (Tasty Bite Food Service) business which is essentially domestic dropped 44% from INR 1,502 million to INR 842 million as our QSR customers were hit hard.
- ‘TastyBite Xclusive’ launched last year targeting HoReCa has been aborted as restaurants and catering establishments struggled to keep their doors open across our test markets. We are in the process of redesigning this initiative.
- These setbacks did not stop us from continuing our capacity expansion plan through the year despite the physical challenges posed by Covid, adding INR 371 million to our asset base to prepare for the growth ahead.
- It's a tribute to our resilience and discipline that profits after tax (INR 393 million) managed to remain at 96% of last year (INR 409 million) enhancing profitability to 9.7% of revenues, up from 9%. This was driven by cross-the-board improvements in operating efficiencies, cost discipline and incredible dedication of team Tasty Bite.

### Is Covid here to stay?

Every day, we wake up to news of increased infections, new variants, vaccine shortages, poor infrastructure and inadequate preparedness. To a lesser or greater extent this seems to be the situation everywhere in the world. There is a widening acknowledgement that this virus is now endemic - here to stay permanently as our unwelcome guest. How we deal with it as individuals, as a community and as a business will set us apart and determine our future. So far there are no global or corporate

role models - only temporary heroes, shifting fortunes, and the lucky or unlucky ones. The only common denominator the whole world seems to be dealing with is the terrible duo: *unpredictability & uncertainty*. For a business that is unprepared, this can translate to fuzzy forecasting, poor planning, tentative execution and a faulty review. Fortunately, I believe your company is acutely aware of its environment and dealing with crisis of today without losing its focus on the future.

### Here is how we are looking at the changed environment.

#### Necessarily Natural, Preferably Organic:

Consumers globally have a heightened awareness of food and its role in wellness. This has been a megatrend Tasty Bite has championed for more than 25 years. Our commitment to keeping products all natural without the need for chemicals, artificial colors, flavors or preservatives is well documented. This is a very high bar for most food companies. For us it's a way of life.

This year however, we raised this bar further. You will recall my earlier message that on the back of our organic rice and grains line, we launched our bestseller SKU Madras Lentils across all channels. The results were so encouraging that we currently have nearly 60 organic SKUs and more than 20 variants across Canada and United States.

Growth of the Tasty Bite organic range has been nothing short of spectacular. Just 3 years ago, only 10% of our branded volume or revenue was organic. Last year it was about half. This year 70% of the Tasty Bite branded business is organic.

This is truly mission aligned as we continue to build a socially responsible business that will continue to provide consumer delight.

#### Food Service industry pivots globally - expect new winners and losers:

Lockdowns came in different flavors through the year, creating new problems, unfamiliar to the Food Service industry. Partial store openings, restricted hours, new safety protocols, ageing perishable commodities, cost escalations and an uncertain consumer turnout, in the dine in, takeout and delivery segments are just a sample

what the industry is dealing with. No one was spared-fast food chains, restaurants, catering establishments, hotels. The effect on our customers impacted us quickly.

The ramifications to the nearly USD 4 trillion global industry are widespread and long lasting. But it has also opened up opportunities for innovators. Our customers are looking at new technology enabled business models. Everything from precision farming, emerging cell-based foods, plant-based meats, new processing technologies, customized nutrition, cloud kitchens, driverless and drone deliveries are each examples of multi-billion industries in the making.

We are witnessing green shoots in our local and regional markets of these emerging technologies and we will be exploring new business options with our customers. If we are to stay mission aligned with our TFS purpose of *being the natural partner of choice to leaders in the Food service industry*, then I am persuaded we can do nothing less.

#### Tasty Bite Foundation repurposed for Covid Relief:

I am extremely grateful to our parent company Mars and to our Board of Directors for having repurposed the Tasty Bite Foundation during the year, from “integrated rural development” to Covid relief. The work and the speed at which programs were implemented these last few months by the Foundation and the employees of TBEL in supporting our local communities will forever inspire.

It is true this was one of the more difficult years in our history as the largest Covid cases happen to be the US and India, our 2 most important markets. But the measures we have in place now to tide over the short-term impediments and the strategic plans we have across product segments, geographies and channels allows us to face the future not with anxiety but with renewed energy.

It is difficult and probably unwise to describe a company in one word. But there is one that best portrays Tasty Bite and one that has been repeatedly demonstrated over the years. **Resilience.**

**Ashok Vasudevan**  
Chairman  
DIN: 00575574

# Introducing Tasty Bite

As the fastest growing Asian food brand in the US, Tasty Bite offers a unique range of products - natural and organic. For more than three decades, we continue to delight our customers with our retail and customised food service products.

## Our Mission

To be a **socially responsible** company that will **delight** consumers by offering **Great Taste, Good Value & Real Convenience** achieved through **Manufacturing & Marketing Natural, Convenient & Specialty Foods** in a **Knowledge driven, Energetic & Fun** work environment.

## Our Background

Since our incorporation in 1985 as a public limited company, Tasty Bite Eatables Limited today has grown multi-fold, delivering consistent value to our stakeholders. Over the years, we have continued to expand our offerings while ensuring superior quality, organic, nutritious and delicious food products to our growing customer base across the globe.

## Our Performance in FY 2020-21

**4,042.89**

Revenue from operations  
(INR in million)

**393.42**

PAT (INR in million)

**36,927.69**

Market capitalisation as on 31 March 2021  
(INR in million)

**0.51x**

Debt to Equity ratio

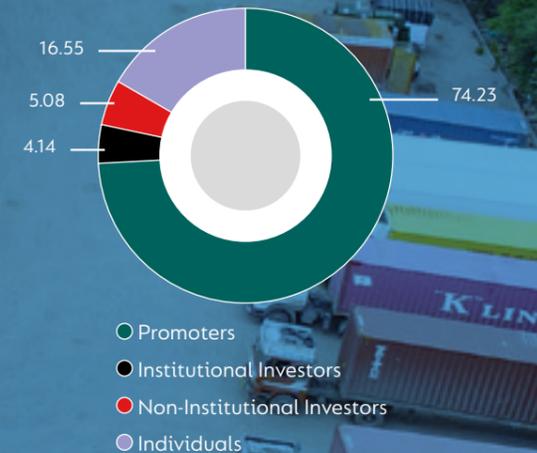
**2,066.20**

Net worth (INR in million)

**260+**

Number of employees

Shareholding pattern as on 31 March 2021  
(in %)



Share price performance for last 10 years



# Healthy Choices. Endearing Value.

## Inputs

|  |  |
|--|--|
| <p><b>Financial Capital</b></p> <p><b>2,040.54</b><br/>Reserves &amp; Surplus (INR million)</p> <p><b>496.76</b><br/>Long-term debt (INR million)</p> <p><b>2,066.20</b><br/>Net worth (INR million)</p> | <p><b>Social &amp; Relationship Capital</b></p> <p><b>750+</b> suppliers</p> <p><b>9,500+</b> shareholders</p> <p><b>20+</b> customers in B2B model</p> <p><b>9.80</b> spent on CSR activities (INR million)</p> |
| <p><b>Manufactured Capital</b></p> <p><b>1</b> manufacturing units</p> <p><b>3</b> warehouses</p> <p><b>1,121.26</b> Net block (INR million)</p>   | <p><b>Natural Capital</b></p> <p><b>185,000+ KL</b> water consumed</p> <p><b>7,300,000+ KWH</b> Energy consumed</p>  |
| <p><b>Intellectual Capital</b></p> <p><b>TBRC</b> (Tasty Bite Research Centre)<br/>Centre of excellence</p> <p><b>10</b> R&amp;D team members</p> <p><b>21.25</b> R&amp;D Spend (INR million)</p>        |  |
| <p><b>Human Capital</b></p> <p><b>260+</b> employees</p> <p><b>297.41</b> spent on employee benefit expenses (INR million)</p>   |  |

## How we operate

**Our stakeholder ecosystem:**

|                           |              |                 |
|---------------------------|--------------|-----------------|
| Consumers & Customers     | Employees    | Suppliers       |
| Government and Regulators | Shareholders | Local Community |

**Our contribution to SDGs:**

|   |                         |                                       |   |                               |                                   |
|---|-------------------------|---------------------------------------|---|-------------------------------|-----------------------------------|
| 3 GOOD HEALTH AND WELL-BEING              | 4 QUALITY EDUCATION     | 5 GENDER EQUALITY                     | 6 CLEAN WATER AND SANITATION              | 7 AFFORDABLE AND CLEAN ENERGY | 8 DECENT WORK AND ECONOMIC GROWTH |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 10 REDUCED INEQUALITIES | 11 SUSTAINABLE CITIES AND COMMUNITIES | 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 13 CLIMATE ACTION             | 17 PARTNERSHIPS FOR THE GOALS     |

**Marketing and Sales**

- > Dedicated customer management team
- > Digital marketing
- > Continuous engagement and collaboration with customers

**Innovation**

- > Focused on ingredient, packaging and process
- > Culinary art combined with food science
- > Led with customer insights and long term trends

**Sourcing**

- > Close collaborations with farmers for organic transition and traceability
- > Varying sourcing strategies for efficient buying of raw and packaging material

**Manufacturing**

- > Holistic state-of-the-art manufacturing unit
- > Integrated quality management system

**Distribution and Logistics**

- > Uninterrupted supply of our products to consumers and customers across the globe

**Key functions:** Innovation, Sourcing, Manufacturing, Distribution and Logistics, Marketing, Sales and Customer Feedback

## Outputs

**Consumer Business (Natural, Organic and Ready-to-Eat)**

|                     |                 |
|---------------------|-----------------|
| All Natural Entrees | Organic Entrees |
| Organic Rice        | Bowls           |

**Tasty Bite Food Service**

|                  |                        |
|------------------|------------------------|
| Sauces / Gravies | Frozen Formed Products |
|------------------|------------------------|

**Tasty Bite Xclusive**

|         |       |
|---------|-------|
| Starter | Patty |
|---------|-------|

**The promise of Tasty Bite**

|   |                                  |
|---|----------------------------------|
| <b>No</b> artificial colours and flavours | <b>No</b> artificial ingredients |
| <b>100%</b> vegetarian                    | <b>No</b> preservatives          |
| <b>Real</b> convenience                   | <b>Good</b> value                |
| <b>Great</b> taste                        | <b>Organic</b>                   |

## Outcomes

|   |   |
|---|---|
| <p><b>Financial Capital</b></p> <p><b>4,042.89</b> Revenues (INR million)</p> <p><b>727.65</b> EBITDA (INR million)</p> <p><b>393.42</b> PAT (INR million)</p> <p><b>18.00%</b> EBITDA margin</p> <p><b>36,927.69</b> Market Capitalisation (INR million)</p> <p><b>21.13%</b> RoCE</p> <p><b>Fastest</b> Wealth creator over 2015-2020<sup>1</sup></p> | <p><b>Human Capital</b></p> <p><b>48% male</b><br/><b>52% female</b> diversity ratio</p> <p><b>2.5 hours per employee</b> training and learning hours</p> <p><b>5%</b> attrition rate</p>   |
| <p><b>Manufactured Capital</b></p> <p><b>19,000+ MT</b> Annual Production Volume of Consumer Business</p> <p><b>8,000+ MT</b> Annual Production Volume of Food Service Business</p>   | <p><b>Social &amp; Relationship Capital</b></p> <p><b>Local Community</b> CSR beneficiaries</p> <p><b>5.13</b> dividend paid (INR million)</p> <p><b>1900+</b> manhours spent with farmers on training and engagement</p> <p><b>40</b> supplier audits conducted</p>                      |
| <p><b>Intellectual Capital</b></p> <p><b>190+</b> Product variants in Consumer Business</p> <p><b>160+</b> Product variants in Food Service Business</p> <p>Recently introduced <b>Xclusive vertical</b></p>  | <p><b>Social &amp; Relationship Capital</b></p> <p><b>Endorse</b> the Paris Accord</p> <p>Many initiatives in place to address climate change</p> <p><b>100%</b> solid waste recycled in in-house bio-gas plant</p> <p><b>100%</b> of treated water used in non-production activities</p> |

<sup>1</sup>Annual Wealth Creation Study of Motilal Oswal Group

# Blending great taste with real convenience

Keeping our promise of providing healthy and nutritious meals, we continue to diversify our offerings to deliver tasty, affordable and delicious food. We strive to exceed customer expectations by delivering food prepared with the finest ingredients, helping consumers lead a healthy life.

## Consumer Business (Natural, Organic and Ready-to-Eat)

In last two decades, we have grown to emerge as America's largest brand of prepared Indian food. Our ready-to-eat retail portfolio comprises of all-natural Indian & Asian entrees and organic rice, delighting consumers with great taste, good value and real convenience. It has brought a range of easily accessible culinary experiences that evoke

nostalgia in those far from home and delight in those trying a palate-pleasing new cuisine for the first time. Today, our products are available in the US, Canada, Australia, Germany and the UK.



## Organic Rice

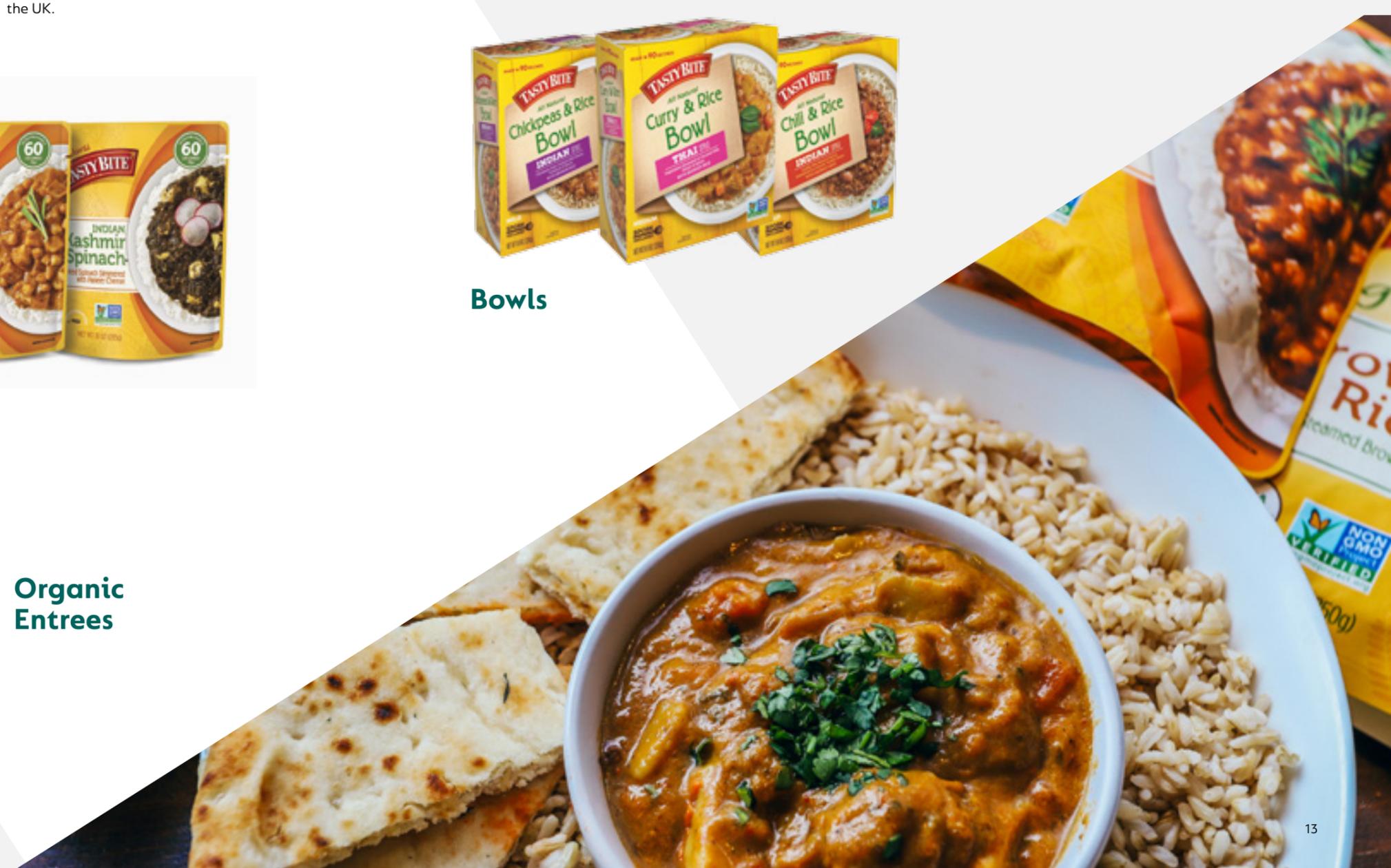


## Bowls

## All Natural Entrees



## Organic Entrees



## Blending great taste with real convenience (contd.)

### Tasty Bite Food Service

Tasty Bite Food Service (TFS) is a partner of choice for leading QSR, Cloud-Kitchen & HoReCa (Hotels, Restaurants & Caterers) brands in the food service industry. Our portfolio of innovative

products enables us to deliver unique and innovative solutions in the sauces, meals & frozen food category. Every product from Tasty Bite is designed to address our partners' consumer need.

We are the true **'brand behind the brands'** - you tell us your unique processes and challenges, and we tailor our solutions accordingly.

## Sauces & Gravies

### Tomato-based sauces

- > Pizza sauce
- > Pasta sauce

### Gravy, Curry, Paste

- > Chole Masala
- > Rajma Masala
- > Dal Makhani

### Savoury Filings

- > Paneer Tikka
- > Spinach Corn
- > Bean Filings

### Specialty sauces

- > Alfredo sauce
- > Arrabiata sauce
- > Chimichuri
- > Spicy Barbeque
- > Teriyaki
- > Marinara
- > Salsa Picante

### Emulsion sauces

- > Eggless Mayonnaise
- > Flavoured Cheese sauces

### Pasta sauces

- > A delicious combination of your choice of pasta and the most flavourful sauces

## Blending great taste with real convenience (contd.)

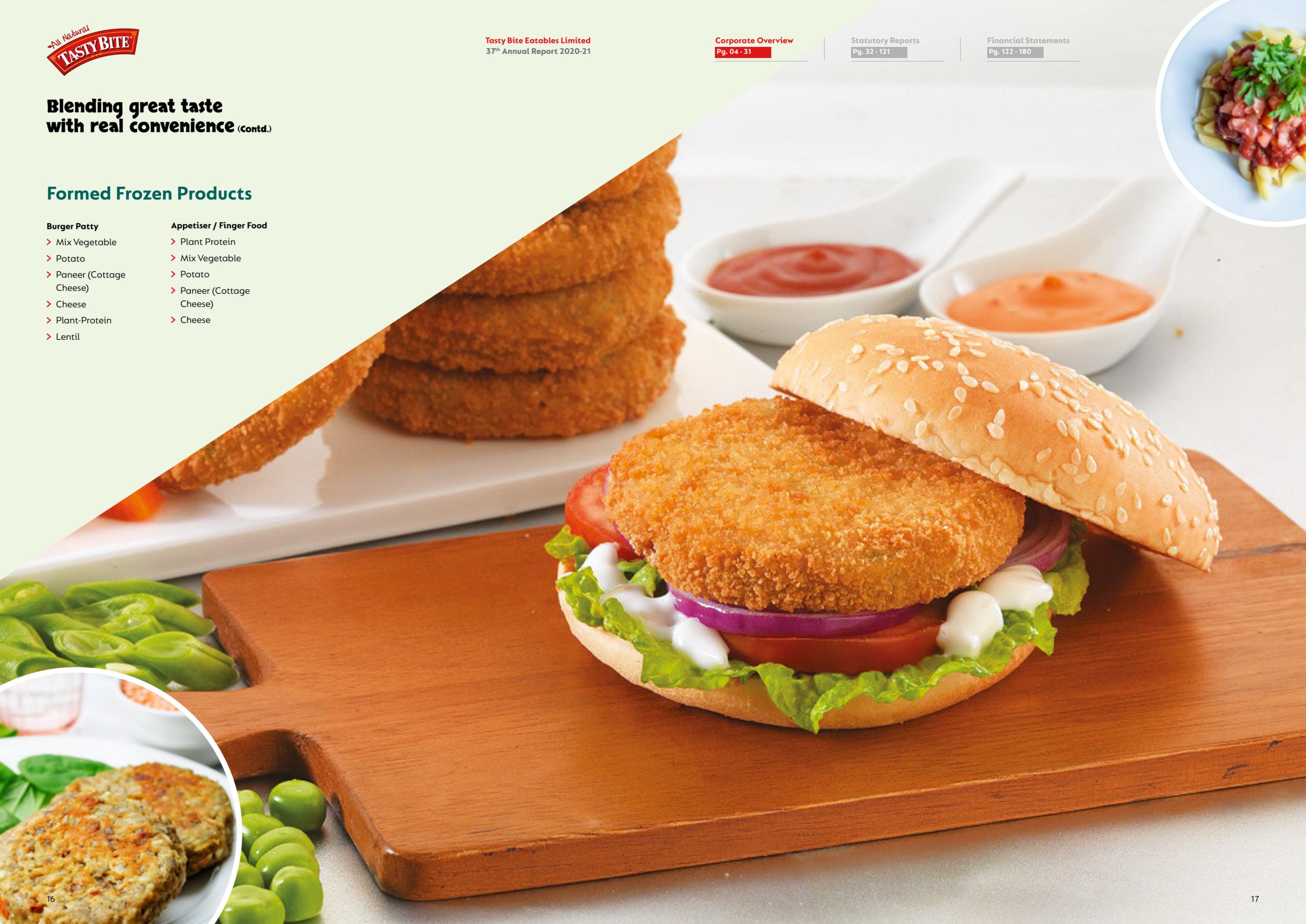
### Formed Frozen Products

#### Burger Patty

- > Mix Vegetable
- > Potato
- > Paneer (Cottage Cheese)
- > Cheese
- > Plant-Protein
- > Lentil

#### Appetiser / Finger Food

- > Plant Protein
- > Mix Vegetable
- > Potato
- > Paneer (Cottage Cheese)
- > Cheese



## Blending great taste with real convenience (contd.)

### TASTYBITE XCLUSIVE

Introducing lip-smacking snacks, packed with the goodness of fresh ingredients and more flavor than any ordinary snack. Crafted and designed for the HoReCa and PBCL segments, our clean-label range of starters and patties are

mouth-wateringly delicious. Crunchy on the outside and flavorful on the inside, Xclusive starters and patties also are great accompaniments for your in-home indulgence!



### Starter

- > Seasoned Mozzarella Sticks
- > Cheesy Jalapeno Bites
- > Cheese Chilli Burst
- > Crispy Onion Rings

### Patty

- > Paneer Double Decker
- > Premium Veggie Patty
- > Cheese Chilli Patty



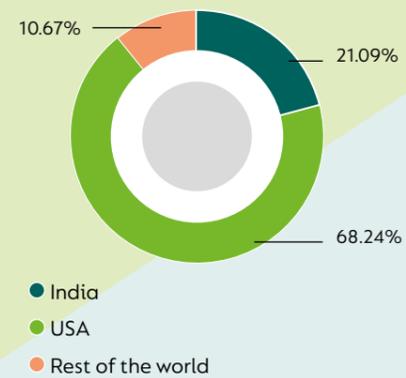
# Expanding 'Tasty Trails' far and wide



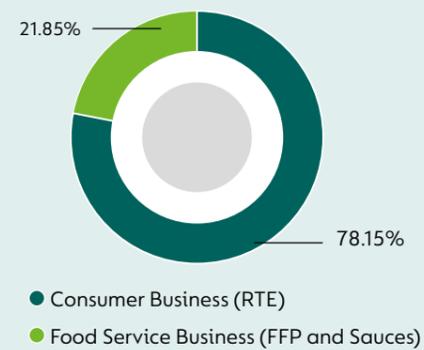
**Rajendra Jadhav**  
Plant Head

“We have been continuously upgrading our manufacturing facility with latest technology. This is aimed at delivering superior quality products that provide perfect taste & nutrition to our consumers worldwide.”

### Revenue mix - geography



### Revenue mix - channel



■ Our Consumer Business presence  
■ Our Food Service presence

# Investing in our people



**Well - being of our associates is at the core of our business strategy. At Tasty Bite, we remain committed to protecting the health of our associates and empowering them to build a rewarding career at our Company.**

Our associates comprise individuals with diverse experience, skills, knowledge and culture. They remain the cornerstone of your Company's growth, shaping our success.



### Building a culture of excellence

Our people practices were once again validated with retention of "Great Place to Work-Certified (2020-2021)" certification for building a High-Trust, High-Performance Culture™. This marks the seventh continuous year of your Company retaining this highly acclaimed certification. Additionally, we are also thrilled to share that Tasty Bite has been again recognized in "India's Top 100 Best Places to Work for Women 2020". We were also accredited with a special honour "Commitment To Being a Great Place to Work" for our continuous efforts to drive employee empowerment and engagement.



### Learning and Engagement

We increased our focus on virtual learning for all employees with more than 40 online training programs. To release the stress levels, we encouraged our teams to pursue their hobbies like cooking, music, painting, etc. Formation of "Sudhar group" (Improvement Group) helped the people on shop floor bring their ideas on table covering several issues and processes. This helped increase engagement as well as improve hygiene and productivity. In addition, multiple 'townhall' sessions and other direct interactive sessions were also held with all employees to ensure strong engagement levels in a challenging year.



### Combating Covid-19

We focused on "Employee Wellness Calls" during lockdown imposed by Covid-19, providing necessary comfort and support to associates and their families. SOP on Covid Safety (people practices) was designed and communicated to all employees through series of training. We also improved the infrastructure to maintain social distancing norms, implemented automation to reduce manpower and increase productivity. To empower our associates with medical assistance, we gave them access to DocsApp prime service. This came as a major relief for the associates with almost 70 percent of associates taking online consultation, free home delivery of medicines and home collection of test samples. This helped us curtail the risk of Covid infection by avoiding hospital visits. For regularisation of manpower, we facilitated building of a labour colony for accommodating 200+ migrant workers. This helped them stay in a hygienic, safe and risk free environment.



### Celebrating Heroes

During the height of lockdown, many associates could not travel due to restrictions. Our shopfloor workers and employees from other departments, who could travel took charge and kept the factory running. There were no functional boundaries and it was our 'never give up' attitude that ensured business continuity. The commitment and passion of these associates was recognised through our "Reward and Recognition" programme.



# Embracing the future of food



We keep our consumers in the driving seat and all our decisions are centered around improving their experience and providing them superior value. Across both our businesses, retail and food service, we have seen major shifts in food choices, channels as well as consumption habits.

### Increased Brand Trust

The pandemic has heightened the need for consuming safe food and consumers have gravitated more towards brands that they trust. Brand Trust can no longer be an afterthought for food companies, but needs to be at the top of their agenda right along taste and experience. Trust needs to be built through proactive communication and transparency around safe & healthy food sourcing and handling.

### Healthy and Tasty

The trend towards healthy, natural, organic and better-for-you food isn't slowing down: infact, Covid - 19 increased its acceptance. However, consumers are not ready to compromise on taste! During these testing times, taste has become more important than ever.

### Convenience is King

Whether cooking at home, eating in a restaurant or getting a home delivery, consumers are increasingly looking for convenient options given the busy lives they lead. Food choices that offer them convenience without any compromise are most preferred. Increased consumption of ready-to-eat, ready-to-cook products or increased adoption of online food deliveries is a clear indication of preference towards convenience.

### Digitalization

Pandemic has increased the adoption as well as acceptance of digitalization in the food value chain. Whether its food ordering or trying out new recipes online or brands reaching out to consumers, or driving back end efficiencies, digitalization is playing a major role in driving consumer centricity as well as operational excellence. These trends will only accelerate, driven by the higher demand for convenience, fierce competition and exponential technology advancement.

### The Tasty Bite advantage



#### TBRC

Tasty Bite Research Centre (TBRC), our inhouse research for excellence is focused on adapting to industry trends that are primarily influencing the food consumption patterns. TBRC team comprise Chefs & Food Technologists who progressively work towards fulfilling our company's promise of delivering Great Taste, Good Value and Real Convenience to the consumer.

Accredited as an 'In - house R&D centre' by the Department of Scientific and Industrial Research (DSIR), Ministry of Science and Technology, Govt. of India, TBRC holds a position of pride within Tasty Bite. We pursue a strategy of combining our in-house expertise with global R&D collaborations to develop 'WOW' products.



#### Innovation at core

Building on our core values, we are focused on creating a portfolio that is increasingly organic and necessarily natural. Our holistic approach is focused on product, packaging, ingredient and process innovation. Whether its developing a new SKU or converting a conventional SKU into organic or driving operational efficiency or saving a natural resource like water, we keep innovation at the core of everything we do.



#### Supply Chain and Logistics

We have a complex supply chain with 400+ raw materials and equal number

of packaging material sourced from 750+ suppliers within and outside India. Our constant endeavour is to create a value added and low cost supply chain that will provide assured availability of high quality ingredients and packaging material. Our strength comes from our ability to understand the market dynamics of each of these input materials and make timely strategic decisions on buying them.

Our purchasing strategy ranges from spot purchases, seasonal buying and in case of few commodities, pre-processing these ingredients into intermediate forms that can be easily stored and utilized over the course of the year. This creates ability to manufacture a better and consistent product leading to consumer delight. Our organic journey has also helped create a better impact for the environment while delivering taste and nutrition for our consumers.



#### Manufacturing

Our state-of-the-art manufacturing facility is one of our biggest strengths where we create magic. Products that are conceptualised in the R & D center are brought to life in this 'kitchen' except that its slightly bigger than our home kitchen. All our products are manufactured with the same amount of care and love, like at home, whilst meeting the most stringent standards of quality and food safety. Our manufacturing facility houses various technologies like Retort, Pasteurization and Freezing with flexibility in managing pack sizes from 100 gms to 3 kgs. Over the past few years, we have been adapting newer technologies that help us drive efficiencies without losing taste that makes our food so likeable.

# Making an impact

Tasty Bite is always committed to socio-economic development of the community. Our stewardship commitment revolves around contributing positive impact on People and Planet. Through our CSR arm, Tasty Bite Foundation, we continue to expand our CSR reach to more under privileged communities.



### Covid support

We made significant financial contribution to set up Covid quarantine centers equipped with medicines, medical equipment and other required accessories for 160 patients. Nearby hospitals were provided with much needed medical equipments like ventilators, concentrators and various types of testing equipment. We also distributed grocery kits and food packets to frontline workers. This was in line with our commitment to help the community during difficult times.

**INR 9.80 million**

Spent towards CSR activities in FY 2020-21



### Farmers' welfare for sustainable farming

With an aim to promote sustainable farming, Tasty Bite Foundation partners with two NGO's on Integrated Rural Development. The Agriculture Development Trust focuses on Natural Resource Management like Water Conservation and Rain Water Harvesting by construction of dams and farm ponds to store water for better crop yields. It also focuses on improving soil quality through soil conservation techniques.



### Skill and entrepreneurship development:

Through this initiative, we provide new technologies to farmers that enable them to improve crop production. We have also collaborated with The American India Foundation Trust to conduct multi-skills training and entrepreneurship development programs.



### Rural education

We supported school in Galandwadi, Pune to develop learning lab equipped with 25 computers for promoting education and Osmanabad School in construction of washrooms and hostels for girls under Swachh Bharat Movement.

# Fight against Covid



## Fight against Covid

Mass vaccination carried out by the Company for its associates and family members.



# Corporate Information

## Board of Directors:

**Mr. Ashok Vasudevan**  
Chairman and Non-Executive Director

**Mr. Abhijit Upadhye**  
Managing Director

**Mr. Kavas Patel**  
Independent Director

**Dr. Chengappa Ganapati**  
Independent Director

**Ms. Rama Kannan**  
Independent Director

**Ms. Dawn Allen**  
Non-Executive Director

**Mr. PVV Srinivasa Rao**  
(till 05 November 2020)  
Non-Executive Director

**Mr. Sukhdev David Dusangh**  
(06 November 2020 onwards)  
Non-Executive Director

**Mr. Gaurav Gupta**  
Alternate Director and CFO

## Company Secretary:

Ms. Minal Talwar

## Statutory Auditors:

B S R & Associates LLP

## Internal Auditors:

Shah Khandelwal Jain & Associates

## Practicing Company Secretary:

M/s Pareek V. R. & Associates

## Bankers:

Mizuho Bank Limited  
MUG Bank Limited  
RBL Bank Limited  
Axis Bank Limited

## Registered Office:

**Tasty Bite Eatables Limited**  
201 - 202, Mayfair Towers, Wakdevadi,  
Shivajinagar,  
Pune - 411005

CIN: L15419PN1985PLC037347  
E-mail id: [secretarial@tastybite.com](mailto:secretarial@tastybite.com)  
Website: [www.tastybite.co.in](http://www.tastybite.co.in)  
Phone: 020 - 30216000

## Plant:

At Post 490, Village Bhandgaon,  
Taluka Daund, Dist - Pune - 412214,  
Maharashtra

## Registrar and Transfer Agent:

**KFin Technologies Private Limited**  
Karvy Selenium, Tower B,  
Plot 31 - 32, Gachibowli,  
Financial District, Nanakramguda,  
Hyderabad - 500032

E-mail id: [rajkumar.kale@kfintech.com](mailto:rajkumar.kale@kfintech.com)  
Phone no: +91 - 4067161736  
Website: [www.kfintech.com](http://www.kfintech.com)

# Notice

Notice is hereby given that the 37<sup>th</sup> Annual General Meeting (AGM) of shareholders of Tasty Bite Eatables Limited will be held on Thursday, 5<sup>th</sup> day of August 2021, at 12.30 p.m. IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

## ORDINARY BUSINESS:

- To receive, consider and adopt the audited financial statements of the Company for year ended 31 March 2021, and the reports of the Board of Directors and the Auditors thereon.
- To declare dividend of INR 2 per equity share on 2,566,000 equity shares of INR 10 each for the financial year 2020 - 21.
- To appoint a director in place of Ms. Dawn Allen, who retires by rotation and being eligible offers herself for re - appointment.

## SPECIAL BUSINESS:

### 4. Regularisation of Additional Director Mr. Sukhdev David Dusangh (DIN 08944427):

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

“**RESOLVED THAT** Mr. Sukhdev David Dusangh (DIN 08944427), who was appointed as an Additional Director under non - executive category with effect from 06 November 2020, on the Board of the Company in terms of Section

161 and 149 of the Companies Act, 2013 (“Act”) read with provisions of Article of Association of the Company and who holds such office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Act and who is also recommended by the Board of Directors for such appointment, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

### 5. Material Related Party transaction approval:

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

“**RESOLVED THAT** pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 entities mentioned below in the table amounting not more than INR 5,000 million per entity per financial year over the period of three financial years commencing from financial year 2021 - 22 till financial year 2023 - 24, notwithstanding the fact that the transactions within these financial years may exceed 10% of the turnover of Company as per last audited financial statement or materiality threshold as may be applicable from time to time under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

| Name of entity  | Transaction  | INR in Million |
|---|--|----------------|
| Preferred Brands International, Inc. USA (holding company)  | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars, Incorporated (ultimate holding company) or any other Mars Group company (being any direct or indirect subsidiary of the ultimate holding company) | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Effem Holdings Limited (holding company)  | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars Food US, LLC (group company of ultimate holding company)   | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars Food UK Limited (group company of ultimate holding company)  | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |

## Notice (Contd.)

| Name of entity   | Transaction  | INR in Million |
|--|--|----------------|
| Mars GmbH (group company of ultimate holding company)                  | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars Petcare & Food France (group company of ultimate holding company) | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars Australia Pty. Ltd. (group company of ultimate holding company)   | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars Canada, Inc. (group company of ultimate holding company)          | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |
| Mars LLC (group company of ultimate holding company)                   | Sale / purchase / manufacturing of goods & availing / providing services & business / financial transactions, sharing of know how or any other technical transaction, including reimbursement of expenses. | 5,000          |

**RESOLVED FURTHER THAT** any Director of the Company, Chief Financial Officer and / or Company Secretary be and hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to this resolution”.

### 6. Re-appointment of Mr. Abhijit Upadhye (DIN: 02076451) as Managing Director till 31 December 2024:

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re - enactment(s) thereof), read with Schedule V to the Act (including any statutory modification(s) or re - enactment(s) thereof), Articles of Association of the Company, and recommendation of the Nomination and Remuneration Committee and the Board, consent of the shareholders be and is hereby accorded to re - appoint Mr. Abhijit Upadhye (DIN: 02076451), as the Managing Director of the Company with effect from 01 January 2022 till 31 December 2024, not liable to retire by rotation, upon such terms and conditions as are set out in the agreement entered into between the Company and Mr. Abhijit Upadhye, briefs of which are mentioned in the explanatory statement annexed herewith.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers to any Committee of directors with power to further delegate to or any other Officer(s) / authorized representative(s) of the Company to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

### 7. Fixation of remuneration of Mr. Abhijit Upadhye as Managing Director till 31 March 2022:

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

“**RESOLVED THAT** pursuant to Sections 196, 197, 203 and such other provisions as may be applicable, if any, of the Companies Act, 2013 (“Act”), which shall include any statutory modification(s) or re - enactment(s) thereof read with Schedule V of the Act, the consent of the Company be and is hereby accorded for remuneration of Mr. Abhijit Upadhye as Managing Director from 01 April 2021 till 31 March 2022 upon such terms and conditions as are set out in the agreement entered into between the Company and Mr. Abhijit Upadhye, the terms of which are mentioned in the statement setting out material facts annexed herewith, be and is hereby specifically approved with an authority to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include the

## **Notice** (Contd.)

Nomination and Remuneration Committee of the Board of Directors) to add, alter and vary the terms and conditions of the said appointment and / or Agreement subject to the relevant provisions of the Act.

**RESOLVED FURTHER THAT** subject to other applicable provisions, the aforesaid remuneration be considered as the minimum remuneration, notwithstanding that the Company may make losses or inadequate profits during the tenure of the Agreement for financial year from 01 April 2021 till 31 March 2022.

**RESOLVED FURTHER THAT** the Board (including the Committees of Directors) be and is hereby authorized to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and / or officer(s) of the Company to give effect to this resolution.”

By Order of the Board of Directors  
**Tasty Bite Eatables Limited**

**Abhijit Upadhye**  
*Managing Director*  
DIN: 02076451

Date: 15 May 2021  
Place: Pune

## Notice (Contd.)

### NOTES:

1. In view of the continuing Covid - 19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular nos. 14/2020 and 17/2020 dated 08 April 2020 and 13 April 2020 respectively, in relation to "Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid - 19", circular no. 20/2020 dated 05 May 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" and Circular no. 02/2021 dated 13 January 2021 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12 May 2020 in relation to "Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 - Covid - 19 pandemic" and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 in relation to "Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID - 19 pandemic" (collectively referred to as "SEBI Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA Circulars and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM.
2. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, in respect of Director seeking re - appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Corporate Members (i.e. other than individual / HUF, NRI etc.) are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM and to vote through remote e - voting. The said resolutions / authorization shall be sent to the Scrutinizer by email through its registered email address to [vineet.pareek@pvrcs.com](mailto:vineet.pareek@pvrcs.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
5. In case of joint holders attending the meeting, 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, 17 July 2021 to Thursday, 05 August 2021 (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 04 September 2021, 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, 16 July 2021. 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, 16 July 2021. The Company has as per SEBI guidelines, issued letters and e - mails to all shareholders for updation of PAN, bank details and e - mail id's.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 01 April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 02 December 2020 had fixed 31 March 2021 as the cut - off date for re - lodgement of transfer deeds and the shares that are re - lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent ("RTA"), KFIN Technologies Pvt. Ltd. for assistance in this regard.
9. 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 meeting so that the required information may be made available at the meeting. The Auditors have issued audit report with unmodified opinion (without any qualification).
10. 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.

## Notice (Contd.)

11. All the documents referred to in the Notice, if any, and Statutory Registers will be available for electronic inspection by the Members from the date of circulation of this Notice upto the date of AGM i.e. 05 August 2021. Members seeking to inspect such documents can send an e - mail to [secretarial@tastybite.com](mailto:secretarial@tastybite.com).
12. The Company has paid annual listing fee to BSE Ltd. (BSE), National Stock Exchange of India Limited (NSE), National Securities Depositories Ltd. (NSDL) and Central Depositories Securities Ltd. (CDSL) for financial year 2021 - 22.
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. KFIN Technologies Pvt. Ltd. at Karvy Selenium, Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. (Unit - TastyBite)
14. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH - 13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to the Company's Registrar and Share Transfer Agent (RTA) - M/s KFIN Technologies Pvt. Ltd. in case the shares are held in physical form.
15. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's Registrar and Share Transfer Agent (RTA), the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
16. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2013 - 14 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.
17. The amount of the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

It may be noted that the dividend for the financial year ended 31 March 2013 (declared on 10 September 2013) which remained unpaid or unclaimed over a period of seven years, was transferred to the Investor Education and Protection Fund as required under Section 124(5) of the Companies Act, 2013 during the year.

Any person / Member who has not claimed the dividend in respect of the financial year ended 31 March 2014, or any year thereafter, is requested to approach the Company / Registrar and Transfer Agent of the Company for claiming the same.

Members are requested to note that no claim shall lie against the Company in respect of any amount of dividend remaining unclaimed / unpaid for a period of seven years from the dates they became first due for payment.

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31 March 2021, on the website of the Company: [www.tastybite.co.in](http://www.tastybite.co.in).

18. 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 are being sent by e - mail to those members whose e - mail addresses have been made available to the Depository Participants / Company / RTA.

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.

Please note that the said documents will be uploaded on the website of the Company viz. [www.tastybite.co.in](http://www.tastybite.co.in)

19. In compliance with the aforesaid MCA Circulars and SEBI Circulars, dated 12 May 2020, Notice of the AGM along with the Annual Report 2020 - 21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2020 - 21 will also be available on the Company's website [www.tastybite.co.in](http://www.tastybite.co.in), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin Technologies Pvt. Ltd. at <https://evoting.kfintech.com/public/Downloads.aspx>.
20. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
21. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 01 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer the Finance Act, 2020

## Notice (Contd.)

and amendments thereof. The shareholders are requested to update their PAN with the Company / KFin (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration to the Company in Form No. 15G / 15H, to avail the benefit of non - deduction of tax at source by 11:59 p.m. IST on 29 July 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non - resident shareholders [including Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)] can avail beneficial rates under tax treaty between Indian and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the Company. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 29 July 2021.

22. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

23. 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, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December 2020 in relation to e - Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e - Voting services provided by Kfin Technologies Pvt. Ltd., on all the resolutions set forth in this Notice. The instructions for e - Voting are given herein below.

ii. The Company is providing the e - voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of M/s. KFin Technologies Private Limited ('KFin') as the authorised agency to provide e - voting facility which is approved by Ministry of Corporate Affairs 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 prescribed under the Companies (Management and Administration) Amendments Rules, 2015.

iii. The notice calling meeting is placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of the 'KFin' (<https://evoting.kfintech.com/public/Downloads.aspx>) 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 through VC / OAVM however, shall not be entitled to cast their vote again.

v. The Board of Directors has appointed M/s Pareek V. R. & Associates, Practicing Company Secretaries, 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 Wednesday, 04 August 2021, 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 the paid up capital of the Company as on the cut - off date i.e. 29 July 2021 (end of day).**

viii. The remote e - voting facility will be available during the 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>02 August 2021 - from 9.00 am (IST)</b> |
| <b>End of e - voting</b>          | <b>04 August 2021 - upto 5.00 pm (IST)</b> |

Those Members, who did not cast their vote on the Resolutions through remote e - voting and are otherwise not barred from doing so, shall be eligible to vote through e - voting system during the AGM while attending through VC / OAVM.

ix. Contact details for issues relating to e - voting: M/s. KFin Technologies Pvt Ltd at Karvy Selenium, Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032; Toll free no. 1800 - 309 - 4001; e - mail - [evoting@kfintech.com](mailto:evoting@kfintech.com)/[rajkumar.kale@kfintech.com](mailto:rajkumar.kale@kfintech.com). Or visit FAQ's section available at KFin's website <https://evoting.kfintech.com/public/Faq.aspx>.

## Notice (Contd.)

- x. Details of Scrutinizer: M/s Pareek V. R. & Associates, Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the e - voting process in fair and transparent manner. The Scrutinizer shall within a period of not exceeding three working days from conclusion of e - voting period unblock the votes in presence of at least two witnesses not in employment of the Company and present his report of votes cast in favour and against the resolutions to Chairman of the Company or any other person as authorized by him.
- xi. The procedure and instructions for remote e - voting are as under:

### **Login method for e - Voting : Applicable only for Individual shareholders holding securities in Demat**

As per the SEBI circular dated 09 December 2020 on e - Voting facility provided by Listed Companies, Individual shareholders holding securities in **Demat mode** are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e - Voting facility.

| <b>NSDL</b>   | <b>CDSL</b>   |
|---|---|
| <p><b>1. User already registered for IDeAS facility:</b></p> <ul style="list-style-type: none"> <li>I. URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Click on the “Beneficial Owner” icon under ‘IDeAS’ section.</li> <li>III. On the new page, enter User ID and Password. Post successful authentication, click on “Access to e - Voting”</li> <li>IV. Click on company name or e - Voting service provider and you will be re - directed to e - Voting service provider website for casting the vote during the remote e - Voting period.</li> </ul> <p><b>2. User not registered for IDeAS e - Services</b></p> <ul style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a></li> <li>II. Select “Register Online for IDeAS”</li> <li>III. Proceed with completing the required fields.</li> </ul> <p><b>3. User not registered for IDeAS e - Services</b></p> <ul style="list-style-type: none"> <li>I. To register click on link: <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>II. Proceed with completing the required fields.</li> </ul> <p><b>4. By visiting the e - Voting website of NSDL</b></p> <ul style="list-style-type: none"> <li>I. URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a></li> <li>II. Click on the icon “Login” which is available under ‘Shareholder/ Member’ section.</li> <li>III. Enter User ID (i.e. 16 - digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</li> <li>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e - Voting page.</li> <li>V. Click on company name or e - Voting service provider name and you will be redirected to e - Voting service provider website for casting your vote during the remote e - Voting period.</li> </ul> | <p><b>1. Existing user who have opted for Easi / Easiest</b></p> <ul style="list-style-type: none"> <li>I. URL: <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Click on New System Myeasi</li> <li>III. Login with user id and password.</li> <li>IV. Option will be made available to reach e - Voting page without any further authentication.</li> <li>V. Click on e - Voting service provider name to cast your vote.</li> </ul> <p><b>2. User not registered for Easi/Easiest</b></p> <ul style="list-style-type: none"> <li>I. Option to register is available at: <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>II. Proceed with completing the required fields.</li> </ul> <p><b>3. By visiting the e - Voting website of CDSL</b></p> <ul style="list-style-type: none"> <li>I. URL: <a href="http://www.cdslindia.com">www.cdslindia.com</a></li> <li>II. Provide demat Account Number and PAN No.</li> <li>III. System will authenticate user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account.</li> <li>IV. After successful authentication, user will be provided links for the respective ESP where the e - Voting is in progress.</li> </ul> |

### **Individual Shareholders (holding securities in demat mode) login through their depository participants.**

Members can also login using the login credentials of their demat account through their Depository Participant registered with NSDL / CDSL for e - Voting facility. Once login, Member will be able to see e - Voting option. Click on e - Voting option and will be redirected to NSDL / CDSL Depository site after successful authentication. Click on company name or e - Voting service provider name and you will be redirected to e - Voting service provider website for casting their vote during the remote e - Voting period.

Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

#### **Members facing any technical issue - NSDL**

Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30

#### **Members facing any technical issue - CDSL**

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022 - 23058738 or 22 - 23058542 - 43.

## Notice (Contd.)

- A. In case a Member receives an email from KFin (for Members whose email IDs are registered with the Company / Depository Participants (s)):
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com>.
  - ii. Enter the login credentials (i.e. User ID and password as mentioned in email). In case of physical folio, User ID will be EVEN (E - Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e - voting, you can use your existing User ID and password for casting your vote.
  - iii. After entering these details appropriately, click on "LOGIN".
  - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A - Z), one lower case (a - z), one numeric value (0 - 9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and 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.
  - v. You need to login again with the new credentials.
  - vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Name of the Company".
  - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cutoff date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
  - viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
  - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
  - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
  - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
  - xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at [vineet.pareek@pvrcs.com](mailto:vineet.pareek@pvrcs.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_Event No".
- Other Instructions:**
- I. In case of any query and / or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e - voting user manual available at the download section of [evoting@kfintech.com](mailto:evoting@kfintech.com) (KFin Website) or contact Mr. Rajkumar Kale, (Unit: Tasty Bite Eatables Ltd.) of KFin Technologies Private Limited, Karvy Selenium Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at [evoting@kfintech.com](mailto:evoting@kfintech.com) or toll free no. 1800 - 309 - 4001 or call KFin's toll free No. 1800 3094 001 for any further clarifications.
  - II. You can also update your mobile number and e - mail id in the user profile details of the folio which may be used for sending future communication(s).
  - III. In case any person becomes member of the Company after electronic dispatch of Notice of AGM and Annual Report (**cut - off date of BenPo for sending Annual Report is 02 July 2021**), and holds shares as on the cut - off date for e - voting i.e., 29 July 2021, he / she may obtain the User ID and Password in the manner as mentioned below:
    - i. If the mobile number of the member is registered against shares held in demat form, the member may send SMS: MYEPWD DP ID Client ID to 9212993399.
 

Example for NSDL:  
MYEPWD IN12345612345678

Example for CDSL:  
MYEPWD 1402345612345678

Example for physical:  
MYEPWD XXXX1234567890

## Notice (Contd.)

- ii. If e - mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of [evoting@kfintech.com](mailto:evoting@kfintech.com), the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - iii. Member may call KFin's toll free number 1800-309 - 4001.
  - iv. Member may send an e - mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). However, KFin shall endeavor to send User ID and Password to those new Members whose mail ids are available.
- IV. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify it subsequently.
- V. The Members who have casted their vote by remote e - voting prior to the meeting through VC / OAVM may also attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.
- VI. The voting rights of the Members shall be in proportion to the paid - up value of their shares in the equity capital of the Company as on the cut - off date (i.e. the record date), being 29 July 2021. A person who is not a member as on the cut - off date should treat this notice for information purpose only.
- VII. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)).
- VIII. Any person, who acquires the shares of the Company and becomes a members after sending of Notice of AGM (cut - off date of BenPo for sending Annual Report is 02 July 2021, end of business hours) and is holding shares as on the cut - off date i.e. 29 July 2021, may obtain the user id and password by sending a request at KFin's e - mail id [evoting@kfintech.com](mailto:evoting@kfintech.com) / [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com) or at Company's e - mail id [secretarial@tastybite.com](mailto:secretarial@tastybite.com) or by writing to the Company or KFin.
- IX. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e - voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- X. The Scrutinizers decision on the validity of the vote shall be final and binding.
- XI. The Chairman or person authorised by Chairman shall immediately / forthwith declare the result of the voting.
- XII. The result on the Resolutions shall be declared on or after the meeting of the Company and the Resolutions shall be deemed to be passed on the meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- XIII. The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)) and on website of the KFin ([evoting@kfintech.com](mailto:evoting@kfintech.com)) immediately after result is declared by the Chairman and forwarded to Stock Exchanges where the shares of the Company are listed.

Process for registration of e - mail id for obtaining Annual Report and user id / password for e - voting and updation of bank account mandate for receipt of dividend:

|                  |  |
|------------------|--|
| Physical Holding | Send a request to the Registrar and Transfer Agents of the Company, KFin at <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> providing Folio No., name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details: <ul style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) The Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions,</li> <li>d) 9 digit MICR Code Number,</li> <li>e) 11 digit IFSC Code, and</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ul> |
| Demat Holding    | Please contact your Depository Participant (DP) and register your e - mail address and bank account details in your demat account, as per the process advised by your DP.  |

Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e - AGM and e - voting notice could not be serviced, may temporarily get their e - mail address and mobile number provided with the Company's Registrar and

Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx> for sending the same. Shareholders are requested to follow the process as guided to capture the email

## Notice (Contd.)

address and mobile number for sending the soft copy of the notice and e - voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com)

Instructions for members for attending the AGM through VC / OAVM are as under:

Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by KFin at [evoting@kfintech.com](mailto:evoting@kfintech.com) by using their remote e - voting login credentials and selecting the EVENT for Company's AGM. Members who do not have the User ID and Password for e - voting or have forgotten the User ID and Password may retrieve the same by following the remote e - voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e - voting system of KFin.

Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.

Up to 1,000 members will be able to join on a FIFO basis to the AGM. No restrictions on account of FIFO entry into AGM in respect of large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

The attendance of the Members (members logins) attending the e - AGM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

Members who need assistance before or during the AGM, can contact KFin on [inward.ris@kfintech.com](mailto:inward.ris@kfintech.com).

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by accessing the link <https://emeetings.kfintech.com/> and click on Post your Queries from 31 July 2021 (9:00 a.m. IST) to 01 August 2021 (5:00 p.m. IST) and mentioning their name, DP ID and Client ID / folio number, PAN, mobile number and email address. Only those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**24. Brief resume of the directors proposed to be re - appointed vide item No. 3 as mentioned in the Notice calling AGM, pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Ms. Dawn Allen:

Ms. Dawn Allen, Director of the Company, has been a Non - Executive Director since 14 November 2017. She is proposed to be re - appointed as a Director.

A brief profile of Ms. Dawn Allen is as follows:

|  |   |
|--|---|
| Date of Birth & Age  | 16 September 1968 - 52 years  |
| Date of Appointment  | 14 November 2017  |
| Qualifications   | Ms. Dawn Allen holds BSc in Chemistry degree from Bath University and is also an ACA from the Institute of Chartered Accountants of England and Wales.  |
| Expertise in specific functional areas   | Ms. Allen has worked at Mars, Incorporated group of companies for 23 years and during this time has held a number of local, regional and global CFO position.<br>She is currently VP Global Finance Transformation for Mars, Inc. Her expertise lies in all aspects of finance from business planning and strategic insights, acquisitions and divestments; financial operations as well as governance and control. |
| Directorship in other Companies as on 31 March 2021, (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   |

Apart from her, no other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

By Order of the Board of Directors  
**Tasty Bite Eatables Limited**

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

Date: 15 May 2021  
Place: Pune

## Notice (Contd.)

### ANNEXURE TO NOTICE

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

##### Item No 4:

###### Mr. Sukhdev David Dusangh

Mr. Sukhdev David Dusangh, additional director of the Company, has been a non - executive director since November 2020. He is proposed to be appointed as a director.

A brief profile of Mr. Sukhdev David Dusangh is as follows:

|  |   |
|--|---|
| Date of Birth & Age  | 21 February 1970 — 51 years   |
| Date of Appointment  | 06 November 2020 as Additional Director   |
| Qualifications   | Mr. Dusangh holds Bachelor of Commerce (Marketing) degree   |
| Expertise in specific functional areas   | Mr. Dusangh is an experienced executive with 28 years of sales, marketing and general management experiences, shaping strategy and leading commercial operations at Tier   CPG companies for North America and International markets. |
| Directorship in other Companies as on 31 March 2021, (including Private limited companies and excluding foreign companies) | NIL   |
| Chairmanship/ Membership of Committees of above mentioned Companies  | NIL   |
| Shareholding in the Company  | NIL   |

Apart from him, no other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

##### Item No 5:

As per Regulation 23 of the LODR, 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 ("Prescribed Limit").

The Company was indirectly acquired by Effem Holdings Limited (a Mars Group Company) on 02 November 2017. Thus, any transaction with Mars Incorporated or any of its subsidiaries shall be treated as Related Party Transaction. This arrangement is approved by Audit Committee and the Board of Directors as required under the Companies Act, 2013 in their respective meetings held on 11 February 2021.

Management seeks approval of shareholders for Material Related Party Transaction to be entered in financial years from 2021 - 22 till 2023 - 24. Accordingly, consent of the members is being sought for item no. 5 to be passed as a Ordinary Resolution. Ms. Dawn Allen, Mr. Abhijit Upadhye and Mr. Sukhdev David Dusangh being directors / employees of Mars group companies are treated as interested in the Resolution. None of the other directors, Key Managerial Personnel and their relatives is interested in this Resolution.

The above transactions are at arm's length and also in the ordinary course of business and hence exempt from provisions of Section 188 (1) of the Companies Act, 2013.

The Members may please note that in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related parties as defined thereunder shall abstain from voting on this agenda item.

##### Item No 6 & 7:

Mr. Abhijit Upadhye was appointed as Executive Director, designated as Managing Director, of the Company w.e.f. 03 November 2018 till 31 December 2021. Further, the agreement with Mr. Abhijit Upadhye in capacity of Managing Director will expire on 31 December 2021 at the end of his tenure. The Board of Directors and shareholders had given their approval to pay remuneration to Mr. Abhijit Upadhye w.e.f. 01 April 2020 till 31 March 2021.

The Remuneration & Nominations Committee at their meeting held on 14 May 2021, recommended payment of remuneration for period of one financial year i.e. from 01 April 2021 till 31 March 2022 irrespective of adequacy of the profits or loss of the Company. The recommendation was approved by the

## Notice (Contd.)

Board of Directors at their meeting held on 15 May 2021. The remuneration is subject to the approval of members by way of special resolution at the General Meeting.

In consideration of the duties and obligations undertaken by the Managing Director herein above, the Company shall pay him the remuneration as per the terms and conditions detailed w.e.f. 01 April 2021 till 31 March 2022 subject to the approval of shareholders.

The proposed remuneration from 01 April 2021 is as follows:

| No | Remuneration                    | Slab (amount in INR) per annum  |
|----|---------------------------------|---|
| 1  | Annual gross salary             | INR 20,103,800 (INR Twenty million one hundred three thousand eight hundred only)   |
| 2  | Perquisites Yearly              | <ul style="list-style-type: none"> <li>• Leave Travel allowance for self, spouse and children for travel to any place in India upto INR 27,600</li> <li>• Books &amp; periodicals upto INR 50,000</li> <li>• Petrol INR 120,000</li> <li>• Car allowance &amp; chauffeur reimbursement INR 997,428</li> <li>• Leave encashment as per Company policy</li> </ul> |
| 3  | Other Benefits                  | <ul style="list-style-type: none"> <li>• Contribution to Provident Fund as per applicable rules &amp; Company Policy</li> <li>• Gratuity as per Company Policy</li> <li>• Medical insurance &amp; Group Accident as per Company policy shall not be considered as perquisite.</li> </ul>  |
| 4  | Performance bonus               | INR 7,000,000 (INR Seven million only)  |
| 5  | Cash based long term incentives | Maximum amount of INR 25,000,000 (INR Twenty five million only) as long term incentive payable at end of 3 years, subject to achievement of Company's performance targets for CY 2022 - CY 2024 operating plan and post approval by Board.  |

- In case of absence or inadequacy of profit in financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Abhijit Upadhye as minimum remuneration.
- The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required.
- The Managing Director shall not be paid any sitting fee for attending the Board or any other Committee meetings.
- The Managing Director is not liable to retire by rotation.
- The above may be treated as an abstract as required under Section 190 of the Act. Draft Agreement proposed to be entered into by the Company and Mr. Abhijit Upadhye is open for inspection by Members at the Registered Office during the working days.

The other information required is given as follows:

### I. GENERAL INFORMATION:

- Nature of industry: Prepared food consisting Ready - to - Eat, Formed Frozen Product and specialty Sauces
- Commencement of commercial production: 1987
- In case of new companies expected date of commencement of activities as per project approved by the financial Institutions appearing in the prospectus : Not Applicable
- Financial performance of the Company in previous 2 financial years:

| Particulars       | (INR in Million) |              |
|-------------------|------------------|--------------|
|                   | FY 2020 - 21     | FY 2019 - 20 |
| Total revenue     | 4,042.89         | 4,548.30     |
| Profit before tax | 525.75           | 533.54       |
| Profit after tax  | 393.42           | 408.62       |

## Notice (Contd.)

5. Export performance and net foreign collaborations:

(INR in Million)

| Particulars            | FY 2020 - 21 | FY 2019 - 20 |
|------------------------|--------------|--------------|
| F.O.B value of exports | 3,127.13     | 2,818.03     |

6. Foreign investments or collaborators, if any:

There is no direct foreign equity participation. The shareholding of Non - Resident Investors as on 31 March 2021 is 14,011 shares (0.55%), Foreign Promoter holds 300 shares (0.01%) and Foreign Portfolio Investors hold 93,353 shares (3.64%).

### II. INFORMATION ABOUT MR. ABHIJIT UPADHYE:

1. Background & details as per Regulation 36(3) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

|   |   |
|---|---|
| Date of Birth & Age   | 13 April 1971 - 50 years  |
| Date of Appointment   | 03 November 2018 as Managing Director   |
| Qualifications  | Mr Abhijit Upadhye is a B.E. (Mech) from VJTI, Mumbai and holds a Master in Management Studies Degree in Marketing from Narsee Monjee Institute of Management Studies.  |
| Expertise in specific functional areas                              | Mr. Upadhye has 24 plus years of experience spanning e - Commerce, Food Service, Consulting and FMCG with a mix of International as well as within country leadership roles. He has worked with McDonald's Corporation, Flipkart, Infosys, etc to name a few.<br><br>He has expertise in sales and marketing, business strategy, supply chain management, business development, business process improvement, strategic planning, governance, etc.  |
| Directorship in other listed companies                              | Mr. Upadhye is not a Director in any other listed company. However, he is a Director in Preferred Brands Foods (India) Private Limited.   |
| Chairmanship/ Membership of Committees of above mentioned Companies | NIL   |
| Shareholding in the Company   | NIL   |
| Comparative remuneration profile                                    | Having regard to the type of industry, the trend in the industry, the size of the Company, the growth of the Company, the profile of the Managing Director, his contribution and merits, his responsibilities, the remuneration proposed is at par with the remuneration being paid to the senior executives in both domestic as well as multinational corporate sector in the food processing industry. Companies Act, 2013 has placed enormous responsibilities on the management. In order to compensate with increased responsibility, it is proposed to remunerate the managing director with appropriate remuneration |
| Pecuniary relationship with the Company and Managerial Personal     | Mr. Abhijit Upadhye is not related to any director or Key Managerial Person of the Company. He receives remuneration as Managing Director of the Company.   |

## Notice (Contd.)

No other Director or Key Managerial Personnel is interested in the Resolution. He is not a Promoter / Promoter group member and is appointed under the professional category on the Board

|                             |  |
|-----------------------------|--|
| Past Remuneration           | Mr. Upadhye has been serving the Company as Managing Director since 03 November 2018. Remuneration mentioned in Annual Report is the remuneration received by him during the financial year 2020 - 21.   |
| Recognitions or awards      | Mr. Upadhye has over 24 years of well - rounded experience across various industries including food service, e - commerce, Consulting and FMCG. He joined the Company in July 2018 as Chief Operating officer (COO) from Flipkart India, where he served as Chief Executive Officer of Jeeves Consumer Services and F1 Info Solutions (Flipkart group companies). During his tenure, he was responsible for a turn - around of the Company. Jeeves saw a multifold jump in revenue and profitability whilst improving other metrics like employee and customer satisfaction. He was also responsible for the acquisition of F1 Info Solutions which helped bring new service and category capabilities for Flipkart. While working for McDonald's Corporation, Abhijit was awarded the prestigious "Global Circle of Excellence Award" two times in a row. During his consulting role in Infosys, he received the "Chairman's Award of Excellence" twice for contributing towards development of the multi million dollar Master Data Management Solution. He has also co - authored a case study for Stanford Graduate School of Business on the development of MacFry in India.  |
| Job Profile and Suitability | Mr. Upadhye is a Food Industry veteran having extensive experience at McDonald's Corporation. He worked for 13 years with McDonald's both within India and in Hong Kong for regional as well as global roles. While in India, he was the country head for Supply Chain, QA & Menu Management and held P & L responsibility brand extensions like McDelivery and Desert Kiosks. Successful products like Chicken McNuggets, McSpicy Paneer & Chicken, EVM's and platforms like Breakfast were launched during his tenure. He led some transformational supply chain initiatives and changed several supply models in the farm - to - fork value chain (e.g. lettuce, fries) to provide an edge to McDonald's over its competitors. While in Hong Kong, he led menu strategy and regional product innovation launching platforms like "Dinner" and "Create your Taste". He led the 'Go To Market' project for McDonald's APMEA and helped improve returns for new store openings in emerging markets like China, India and Indonesia. He was part of the core new country opening team that helped open McDonald's Vietnam and was the supply chain relationship partner for McDonald's Japan. As a global category lead for Sauces, Dairy, Beverages and Toys he was responsible for strategic sourcing of a few billion \$ and capability / capacity planning. He has also worked in the Domain Competency Group of Infosys as a Principal Consultant and Group Lead for Retail and CPG Industry. Mr. Upadhye has a proven record of merit as narrated above and has strong knowledge of the food industry within and outside of India. His diversified experience and high performance is an indicator of his capabilities. He has been in turn around situations, has managed multi billion \$ portfolios and has also worked in high growth environments like Flipkart. His experience will be beneficial for overall management of the Company contributing to continuous growth, increased productivity and enhanced quality. |



## Notice (Contd.)

### OTHER INFORMATION:

- a. Reasons for loss or inadequate profits:** The Company has not incurred losses and has had adequate profits over the past many years, however this is an enabling provision in the event the proposed remuneration were to breach the limit set under the Companies Act, 2013 or any other regulation applicable.
- b. Steps taken or proposed to be taken for improvement:** The Company is on a growth path and is expected to make profits in future.
- c. Expected increase in productivity and profits in measurable terms:** Management expects to have higher productivity and profits in line with the estimated budget.

**DISCLOSURES:** The Board of Directors recommends the resolutions for approval of the members. None of the other

Directors and Key Managerial Personnel of the Company in anyway, concerned or interested in the said resolutions. Above may also be treated as an abstract of the terms and conditions governing the appointment and remuneration of the Managing Director pursuant to Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board of Directors  
**Tasty Bite Eatables Limited**

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

Date: 15 May 2021  
Place: Pune

# Directors' Report

To  
The Members,

Your Directors are pleased to present the 37<sup>th</sup> Annual Report together with audited statement of accounts for the year ended 31 March 2021.

## 1. KEY FINANCIAL HIGHLIGHTS:

(INR in Million)

| Highlights  | FY 2020 - 21    | FY 2019 - 20    |
|---|-----------------|-----------------|
| Revenue from operations   | 3,853.13        | 4,257.74        |
| Other income  | 189.76          | 290.56          |
| <b>Total Income</b>   | <b>4,042.89</b> | <b>4,548.30</b> |
| EBITDA  | 727.65          | 737.22          |
| <b>Profit after tax</b>   | <b>393.42</b>   | <b>408.62</b>   |
| Earnings per share (INR / share - basic and diluted)                    | 153.32          | 159.24          |
| Net fixed assets including intangible assets                            | 1,121.26        | 897.28          |
| Long term borrowings (excluding current portion)                        | 496.76          | 207.84          |
| <b>Profit transferred to Balance Sheet</b>                              | <b>393.42</b>   | <b>408.62</b>   |
| <b>Other Comprehensive income / (loss) transferred to Balance Sheet</b> | <b>46.53</b>    | <b>(91.05)</b>  |

## 2. FINANCIAL PERFORMANCE & OPERATIONS:

Your Company de - grew 11% from previous year. Revenues of INR 4,042.9 million during the year against INR 4,548.3 million in the previous financial year. The Exports led Consumer Business grew by 9% YoY with sales of INR 3,011.3 million against INR 2,755.6 million in the previous year while the Tasty Bite Food Service (TFS) business de - grew 44% with sales of INR 841.8 million against INR 1,502.1 million in the previous year. Tasty Bite Food Service business has been highly impacted by the pandemic in the first half of the year leading to lower revenues. Profit after tax for the financial year ended 2021 at INR 393.4 million against INR 408.6 million in previous financial year 2020, a de - growth of 3.7%. Profit after tax % for financial year 2021 is 9.7% against 9.0% in financial year 2020.

## 3. DIVIDEND:

The Board of Directors at their meeting held on 15 May 2021, recommended a final dividend of INR 2.0 per equity share, subject to the approval of shareholders at the ensuing Annual General Meeting.

The total dividend payout on equity shares would involve a cash outgo of INR 5.13 million.

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 16 July 2021. In respect of shares held in dematerialized form, dividend will be paid on the basis of particulars of beneficial ownership furnished by Depositories as on the closing hours of business on 16 July 2021.

## 4. RESEARCH AND DEVELOPMENT:

Tasty Bite Research Centre (TBRC), located within the factory campus continued to build on its mission to be a centre of excellence in product, process and ingredient innovation. During the course of the year, several new innovative products were developed by TBRC keeping in mind the evolving needs of our consumers. The Department of Science & Industrial Research (DSIR) of the Union Ministry of Science & Technology renewed its accreditation to TBRC till March 2022. New products developed at TBRC in the last 2 years contributed 27% of the Company's revenues.

## 5. FIXED DEPOSITS:

The Company has not accepted or invited any deposits from the public during the year under review. Hence, any compliance w.r.t. repayment of deposit or its interest thereon is not applicable to the Company.

## 6. DIRECTORS:

During the year under review, Mr. PVV Srinivasa Rao resigned as Director of the Company w.e.f. 05 November 2020 and Mr. Sukhdev David Dusangh was appointed as an Additional Director w.e.f. 06 November 2020 on Board of Directors of the Company.

Ms. Rama Kannan, Mr. Kavas Patel and Dr. Chengappa Ganapati continue to act as the Independent Directors on Board of the Company.

All Independent Directors have provided declaration stating their independence under the provisions of section 149(6) of Companies Act, 2013 along with Rules framed

## Directors' Report (Contd.)

thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating their independence pursuant to provisions of section 149 of Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Ms. Dawn Allen, retire by rotation at the ensuing Annual General Meeting, and being eligible has offered herself for reappointment.

Mr. Gaurav Gupta remained as Alternate Director to Mr. Ashok Vasudevan during the year.

### ■ Board evaluation:

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carried out evaluation of its own performance, individual performance of the directors as well as the respective Committees. Evaluation of Chairman was also carried out. The manner of evaluation is mentioned in Corporate Governance Report. Also, the Board is of the opinion that the directors and Board collectively stand the highest level of integrity and all members of the Board has specified skill set and experience required for the Company. Details of which form a part of Corporate Governance Report.

### ■ Remuneration & Evaluation Policy:

The Board on recommendation of Nomination & Remuneration Committee adopted 'Remuneration and Evaluation Policy' for selection, appointment and remuneration of Directors and Senior Management Personnel including criteria for determining qualifications, positive attributes, independence of a director and other matters as required by the Companies Act, 2013. Necessary diversity in the board was ensured. Detailed policy is available at Company's website [www.tastybite.co.in](http://www.tastybite.co.in)

### ■ Meetings:

During the year under review, 4 (four) board meetings were held for which proper notices were given to the Board of Directors. These were held on 15 May 2020, 05 August 2020, 06 November 2020 and 11 February 2021. The maximum interval between any two meetings was not more than 120 days. Details of these meetings are stated in Corporate Governance Report.

## 7. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return as provided under Section 92(3) in Form MGT - 9 is in "Annexure A" to this Report.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT:

Directors confirm that:

- (a). in the preparation of the annual accounts for the year ended 31 March 2021, applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b). they 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 year;
- (c). they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d). they have prepared the financial statements / annual accounts on a going concern basis;
- (e). they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f). they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant board committees, including audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2020 - 21.

## 9. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12):

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board of Directors under section 143(12) of Companies Act, 2013.

## 10. 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,

## Directors' Report (Contd.)

it has taken adequate steps to ensure the provisions of Corporate Governance as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from Statutory Auditors of the Company 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.

### 11. AUDITORS:

#### ■ Statutory Auditors:

M/s B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W/W - 100024), Pune, were appointed by the shareholders as the Statutory auditors of the Company in the 33<sup>rd</sup> Annual General Meeting for a period of 5 years and they hold office up to the 38<sup>th</sup> Annual General Meeting of the Company.

The Statutory auditor in their independent audit report have reported "Provision for inventory obsolescence" as a key audit matter. This matter was addressed by auditor in context of audit of the financial statements as a whole which was most significant during the course of audit for the year under review.

#### ■ Internal Auditors:

Pursuant to section 138 of Companies Act, 2013, the Company appointed M/s Shah Khandelwal Jain & Associates, Chartered Accountants as internal auditor for financial year 2020 - 21. The scope and fee of internal audit was fixed by the Board on recommendation of Audit Committee.

#### ■ Secretarial Auditor:

Pursuant to section 204 of the Companies Act, 2013, the Company appointed M/s Pareek V. R. & Associates, Practicing Company Secretaries, Pune as Secretarial Auditor. The Secretarial Audit Report is in "Annexure C" of this report. Based on the Audit

Committee recommendations, Board has approved the appointment of M/s Pareek V. R. & Associates, Practicing Company Secretaries, Pune as Secretarial Auditor for financial year 2021 - 22.

### 12. 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)

### 13. AUDIT COMMITTEE:

In compliance with the provisions of Section 177 of the Companies Act, 2013, and SEBI Regulations, the Company has a duly constituted Audit Committee. 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.

### 14. 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.

### 15. SHARE CAPITAL:

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 31 March 2021, details of the shares held by Directors in the Company are as under:

| Name of Director                                     | No. of Equity Shares held | No. of Convertibles held |
|--|---------------------------|--------------------------|
| Mr. Ashok Vasudevan                                  | ---- NIL ----             | ---- NIL ----            |
| Mr. Abhijit Upadhye                                  | ---- NIL ----             | ---- NIL ----            |
| Mr. Kavas Patel                                      | ---- NIL ----             | ---- NIL ----            |
| Ms. Rama Kannan                                      | ---- NIL ----             | ---- NIL ----            |
| Dr. Chengappa Ganapati                               | ---- NIL ----             | ---- NIL ----            |
| Ms. Dawn Allen                                       | ---- NIL ----             | ---- NIL ----            |
| Mr. Srinivasa Rao Pydisetty (till 05 November 2020)  | ---- NIL ----             | ---- NIL ----            |
| Mr. Sukhdev David Dusangh (06 November 2020 onwards) | ---- NIL ----             | ---- NIL ----            |
| Mr. Gaurav Gupta                                     | ---- NIL ----             | ---- NIL ----            |

There are no convertible instruments issued by the Company.

## Directors' Report (Contd.)

### 16. SEGMENT WISE OR PRODUCT WISE PERFORMANCE / NATURE OF BUSINESS:

The Company operates in one segment: Prepared Food consisting Ready - to - Eat products and intermediate food products such as Prepared Meals, Formed Frozen Foods and Sauces. There is no change in nature of business of the Company.

### 17. 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".

### 18. 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' and an extensive 'Enterprise Risk Management and Mitigation Plan'.

The details of the Business Contingency Plan and Risk Mitigation of the Company are given in the Management Discussion and Analysis.

### 19. CORPORATE SOCIAL RESPONSIBILITY:

The Company has a Policy and a Committee for 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. Annual Report on CSR activities is annexed as "Annexure E".

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 average net profits of previous three years on the activities given under Schedule VII of the Companies Act, 2013, and CSR policy adopted by the Board of Directors.

The Company has spent total amount of INR 9.80 million during financial year 2020 - 21.

The details of amount of expenditure during the year are as follows:

| Particulars   | Amount in<br>INR Million |
|---|--------------------------|
| a) Gross amount required to be spent by the Company during the year | 9.80                     |
| b) Amount spent during the year                                     |                          |
| (i) Towards Covid 19 relief related work                            | 2.00                     |
| (ii) Through Tasty Bite Foundation                                  | 7.80                     |
| <b>Total</b>  | <b>9.80</b>              |
| c) Unspent amount   | Nil                      |

During the year under review "Tasty Bite Foundation" has been actively involved in CSR activities. The Foundation has carried out CSR activities in various fields such as education, agriculture and rural development. Some of the activities undertaken are as follows:

| Area                    | Work done  |
|-------------------------|--|
| Education               | Donation of computers to school, Toilet construction, Girls hostel, Solar heater in toilets and School painting.   |
| Agriculture development | Dam construction, Integrated Poultry farm management, Rain Water Harvesting, Training, and introduction of newer technologies.   |
| Rural development       | Multi skill development programme undertaken with American Indian Foundation.  |
| Covid 19 relief         | a. Contribution made to PM Cares, CII and Oxfam Foundation through Tasty Bite Foundation.<br>b. Supply of Ready-to-Eat food and grocery kits to Covid warriors as well as migrant workers and supporting other institutions to feed the needy during pandemic. |

### 20. STANDALONE FINANCIAL STATEMENTS AND POSITION OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES:

During the year under review, the Company neither had 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.

### 21. 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 F". The Board hereby informs that all the related party transactions are carried out in the ordinary course of business and on arm's length basis. Further,

## Directors' Report (Contd.)

the Company has duly complied with the Indian Accounting Standard 24 related to transactions with related parties of the Company. The 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).

### 22. 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 relating to Companies Act, 2013, or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which would affect the going concern status and Company's future operations.

### 23. APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2020 - 21:

(INR in Million)

| Name of Director                                     | Remuneration of Director (1) | Median remuneration of employees (2) | Ratio (3) = (1) / (2) |
|--|------------------------------|--------------------------------------|-----------------------|
| Mr. Ashok Vasudevan                                  | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Mr. Abhijit Upadhye                                  | 24.23                        | 0.79                                 | 30.67                 |
| Ms. Dawn Allen                                       | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Mr. Kavas Patel                                      | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Ms. Rama Kannan                                      | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Dr. Chengappa Ganapati                               | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Mr. Srinivasa Rao Pydisetty (till 05 November 2020)  | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Mr. Sukhdev David Dusangh (06 November 2020 onwards) | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |
| Mr. Gaurav Gupta*                                    | ----- NIL -----              | ----- NIL -----                      | ----- NIL -----       |

\*Mr. Gaurav Gupta receives remuneration as CFO and not as alternate director. Independent directors receive only sitting fees for attending the meetings.

- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;

(INR in Million)

| Name                | Designation             | Remuneration in FY 2019 - 20 | Remuneration in FY 2020 - 21 | Increase (in %) |
|---------------------|-------------------------|------------------------------|------------------------------|-----------------|
| Mr. Abhijit Upadhye | Managing Director       | 40.02                        | 24.23                        | -39.5%          |
| Mr. Gaurav Gupta    | Chief Financial Officer | 7.44                         | 7.74                         | 4.03%           |
| Ms. Minal Talwar    | Company Secretary       | 1.36                         | 1.54                         | 13.2%           |

- Number of permanent employees are 265 on the role of company as on 31 March 2021.
- The remuneration paid to the employees is in affirmation with Remuneration & Evaluation Policy of the Company.
- During the year increments were not made in salary of Senior Management owing to the pandemic crisis.
- Average percentile increase in salaries of employees other than the managerial personnel in the last financial year 2021 was 6%. Percentile increase in the managerial remuneration in 2021 was NIL.
- The Company has a variable pay compensation structure only for Managing Director basis achievement of targets (as mentioned in Notice convening Annual General Meeting). No other employee has variable pay component structure. The Company further confirms that remuneration paid to employees is in line with its Remuneration Policy.
- 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 G".

## Directors' Report (Contd.)

### 24. MARKET CAPITALIZATION:

Variations in the 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 (INR in Million) |
|-----------------------|----------------|--------------------------------|--------------------|----------------------|--|
| As on 31 March 2020   | 2,566,000      | 8,999.80                       | 159.24             | 56.52                | 23,093.49                              |
| As on 31 March 2021   | 2,566,000      | 14,391.15                      | 153.32             | 93.86                | 36,927.69                              |
| Increase / Decrease   | -              | 5,391.35                       | -5.92              | 37.34                | 13,834.20                              |
| % Increase / Decrease | -              | 59.91%                         | -3.72%             | 66.07%               | 59.91%                                 |

The Company made Public Offering in February 1987 of 750,000 equity shares at INR 10.00 each. The market quotation of the Equity shares of the Company as on 31 March 2021, was INR 14,391.15 for shares of face value of INR 10.00 each, representing an increase of 1,43,811.5% over the period.

### 25. INVESTMENTS IN ITS OWN SHARES BY COMPANY, ITS SUBSIDIARIES, ASSOCIATES ETC:

The Company during the year under review has not made investments in its own shares, its subsidiaries or associate companies

### 26. PECUNIARY RELATIONSHIP OR TRANSACTIONS OF THE NON - EXECUTIVE DIRECTORS:

During the year under review, there was no pecuniary relationship or pecuniary transactions between the Company and its non - executive directors.

### 27. 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 consist:

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

No complaints have been received during the year.

### 28. CYBER SECURITY:

Covid-19 made it imperative for the organisation to embrace certain practices, including social distancing, remote working and all these, in turn, led to significant dependence on and increased usage of digital technologies.

We have implemented advanced security controls, technologies, processes and practices designed to protect networks, computers and data from attack, damage or unauthorized access and threat analytics by leveraging industry leading technologies to help identify and mitigate internal and external threats to the Company.

Our Cyber Security policy ensures that our people are aware of the best practices to be followed in order to ensure that the company's data and infrastructure do not become vulnerable to external threats.

We ensure our IT Team is up to speed by providing them with avenues for continuous learning, and making internal training forums available as well as courses through external academic institutions, to keep them enriched and in turn, help protect the Company from cyber-threats on a day-to-day basis.

## Directors' Report (Contd.)

- 29.** The Company has not made any application under The Insolvency and Bankruptcy Code, 2016 nor any application is pending against the Company under the said Code.
- 30.** The Company has not done any one time settlement with any Bank or Financial Institution during the year and hence declaration under the said clause is not applicable.
- 31.** The Company is not required to maintain Cost Records as specified under section 148(1) of the Act by the Central Government.

### 32. DISCLOSURE REQUIREMENTS:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report.

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

For and on behalf of the Board of Directors

Date: 15 May 2021

Place: Pune

**Ashok Vasudevan**

*Chairman*

DIN: 00575574

# Management Discussion and Analysis

## Company Overview

Tasty Bite is a leading brand in the Natural, Organic and Ready-to-Eat food category in North America. The consumer business has a range of Ready-to-Eat Indian and Asian entrées, Ready-to-cook sauces, Ready-to-Eat organic Rices and Grains. It also manufactures several products in these categories for other leading brands in North America and UK. Sales and Marketing of the consumer business is managed by PBI (for North America) and Mars (for all other geographies).

Tasty Bite Food Service business comprises a range of customized specialty formed frozen products, sauces and gravies. Your company is a trusted partner to marquee QSR and Cloud Kitchen brands in the food service industry across India and South East Asia.

## Global Economy

The global economy contracted by 3.3% in 2020 while the Indian economy contracted by -7.3%. Global prospects remained highly uncertain during the year of the pandemic. Despite Social distancing, vaccinations, and treatments that helped slow the progress of the virus, millions of lives were lost. Second and third infection waves across many countries resulted into a stop - start rhythm making the recovery process painful, uneven and far from complete. Across countries, economic recovery was shaped by the path of the pandemic, steps taken to contain its progress, and extent of policy support provided by the governments.

Losses were particularly large for countries that relied on tourism and commodity exports. Close to 95 million more people are estimated to have fallen below the threshold of extreme poverty in 2020 compared with pre-pandemic projections, reversing a two decade long trend of global poverty reduction.

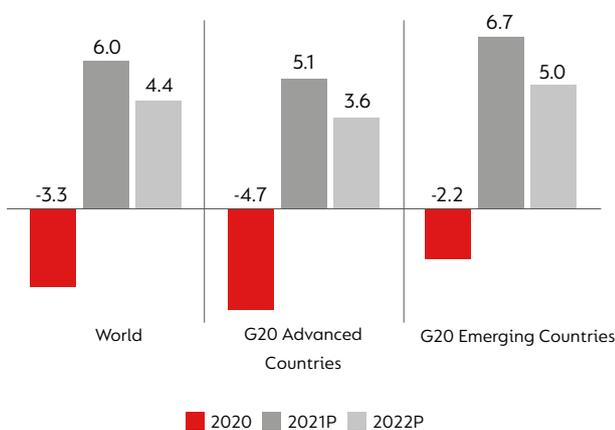
As the effects of virus fade away in the coming year, growth is expected to bounce back and global economy is expected to grow at 6% for 2021 with most of the economic indicators firing on all growth cylinders. All of this is however circumspect and will largely depend on whether countries experience newer waves of the pandemic as is recently seen in India.

## Indian Economy

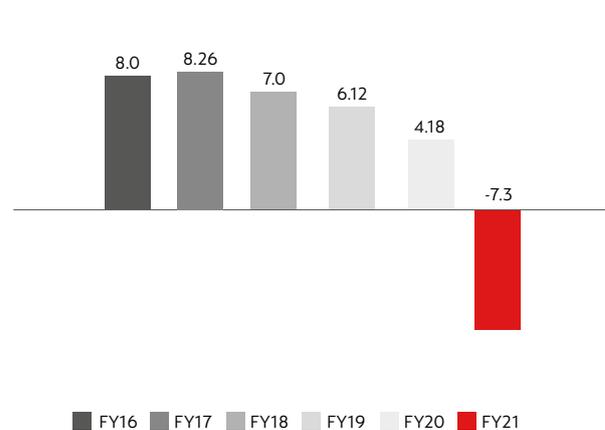
India's Gross Domestic Product (GDP) contracted by -7.3% in 2020-21, as compared to GDP growth of 4% in 2019-20. GDP had contracted 24.4% in the April to June 2020 quarter, followed by a -7.4% contraction in the second quarter. It had returned to positive territory in the September to December quarter with a marginal 0.5% growth. In terms of sectors, the sharpest decline was from hotels, transport, communication and broad-casting related services which recorded the sharpest decline of -18.2%, followed by construction -8.6%, mining and quarrying -8.5% and manufacturing -7.2%.

Lockdowns in Q1 of 2020-21 and a slow recovery post lockdown had a significant impact on the food service business within India. Most brands in this sector reported heavy losses, with several smaller restaurants closing down permanently. While it was expected that this sector will bounce back, second wave and further lockdowns across the country have impacted an already troubled sector. There was also additional pressure on this industry on account of unprecedented increase in several commodities like Oil, Diesel, Resin and Dairy. Added to this was the imbalance in global shipping resulting in freight rates increasing multi-fold.

Global GDP Growth rate (%)<sup>1</sup>



India GDP Growth rate (%)<sup>2</sup>



<sup>1</sup> Source: World Economic Outlook April 2021

<sup>2</sup> Source: MOSPI

# Management Discussion and Analysis (Contd.)

The second wave starting April 2021 took country by storm staggering the 'V-shaped' economic recovery. Given the low base of last year, the economic recovery in first half of FY 2021-22 is expected to be optimal. India's GDP growth forecast has been lowered to 9.5% in FY22 compared to 11% projected earlier, taking into account the impact of second wave in April - May 2021.

The accelerated vaccination programs and progressive reforms by the government are expected to put the GDP growth back on track.

## Industry Overview

### Global RTE Industry

During 2020, as a reaction to lockdowns, consumers across the globe started pantry-stocking resulting in a spike in the sales of packaged food and consumer goods. In addition, consumers were tired of cooking at home while juggling with office as well increased home duties. This trend benefited the demand for Ready-to-Eat (RTE) and Ready-to-Cook food products significantly. Also, consumers shifted their preference towards trusted brands and stocked known sku's experimenting with newer brands or products. Given the global supply challenges, most companies focused on line efficiencies by producing limited number of SKU's. However, unprecedented inflation, increased shipping lead times and other supply challenges resulted in many companies not being able to take full advantage of this consumption spike. This trend continued for most part of 2020 due to second and third waves hitting many economies.

Starting 2021, with many countries opening up once again, we have started witnessing a reversal in this pantry stocking trend. Consumers who are tired of eating at home are eager to step out and experience dining-in like the pre-pandemic days. This could result in a slow-down in the retail off-take of consumer goods and packaged food compared to the highs of 2020.

From a longer term perspective, the drivers of convenience, natural and/or organic food and growing preference for vegetarian food bodes well for this industry as well for your company. The global RTE industry is expected to reach USD 172 billion by the end of 2023<sup>1</sup> with North America commanding the largest share of this segment. An increasing number of online retailers and delivery services in America is also boosting the growth of the ready-to-eat food market.

### Indian RTE Industry

India's RTE market is gradually growing and is poised to reach USD 647 million by 2023, growing at a CAGR of 16% from

2018-2023.<sup>2</sup> Indian consumers are looking to utilize their time effectively and are shifting from traditional cooking methods to RTE food, which considerably saves cooking time. It is also estimated that around 400 million Indians regularly consume some kind of processed food. Urban areas account for 75% of sales, as consumers seek convenience and quality, providing a bigger market for higher-value frozen foods.<sup>3</sup>

### Indian Food Service Industry

Food Services, defined as non-home cooked food or restaurant food currently contributes only approximately 10% of the food market. This is substantially low when compared to global economies like the United States and China which have approximately 54% and 58% contribution from Food Services respectively (of the total food consumption).

Covid-19 dealt a deadly blow to the Indian food services industry on account of the lockdown in the country. It is estimated that the entire food service market plunged more than 80% year-on-year in the first half of FY 2021. The biggest impact was to the small restaurants, followed by the HoReCa (Hotels, Restaurants, Caterers) segment. The Organized QSR chains contracted by more than 50% and by end of the year the recovery was at 75-80% of pre-Covid levels. While in 2021, strong recovery was expected the second wave has created tremendous uncertainty.

From a long-term perspective, Covid-19 is expected to become an enabler boosting preference for QSRs especially as consumers shifted to familiar brands that focus on safety and hygiene. With supply chains also being a challenge, there was a significant shortage supply which again benefitted the larger players alone. It is pegged that the chained outlets will become the highest growing segment with an expected CAGR of 23% in the food service industry over the next five years.

India's food services market was estimated at INR 4,236 billion in FY 2020 and organized QSRs had a market size of INR 348 billion. Future growth in the segment will be driven by larger chains in QSR market, which accounted for 54% of the total QSR sub-segment in FY 2020 and are estimated to reach 64% of the QSR sales by FY 2025. This shift to QSR chains is on the back of a young population, value pricing, increased penetration in tier two and three cities and customization in operating models and store sizes. The more recent popularity of online food ordering and food delivery platforms have enabled QSRs reach more consumers. However, there are several changes that the pandemic has brought to this industry and QSR's need to tweak their business models in order to survive.

<sup>1</sup> Research nester report on ready to eat food market

<sup>2</sup> Research and Markets report on India's ready to eat food market

<sup>3</sup> CII- Food Processing report 2019

# Management Discussion and Analysis (Contd.)

## Food Delivery and Cloud Kitchens

With restaurant footfall at an all-time low and sales down as much as 80%, takeaway became a vital source of revenue for many restaurants. This has triggered the explosive growth of food delivery services as well as cloud kitchens.

Demand for food delivery services (through online delivery aggregators and mobile apps) has increased four-fold in recent years. This growth has been more profound in the food service industry, as the overall food delivery market has increased from USD 4.7 billion in FY16 to USD 10.2 billion in FY20 at a CAGR of ~21%. With these tailwinds in place, the overall food delivery market is expected to reach USD 18.1 billion by FY 2025, much higher than the earlier projection of USD 16.4 billion.

Even as the pandemic forced restaurants to close down their dining areas, more and more kitchens were firing up for business. Newer brands are emerging every month, many of which are delivery-only. This is because the pandemic triggered the rise of cloud kitchens, also known as dark kitchens or ghost restaurants. These are delivery-only outfits, which do not offer dine-in. Cloud Kitchen is the new emerging vertical as it offers the following advantages:

- No dine-in service enabling the restaurant to focus on great food quality alone.
- Flexibility to keep experimenting with the menu

- Easier and faster expansion at a fraction of the costs of a traditional restaurant
- Higher operational efficiency vs QSR due to pooling of resources
- Ability to create multiple private brands at a lower marketing cost

The Indian cloud kitchen market is expected to grow from a size of USD 400 million in 2019 to become a USD 2 billion industry by 2024, owing to customer's increased preference for ordering their food online.

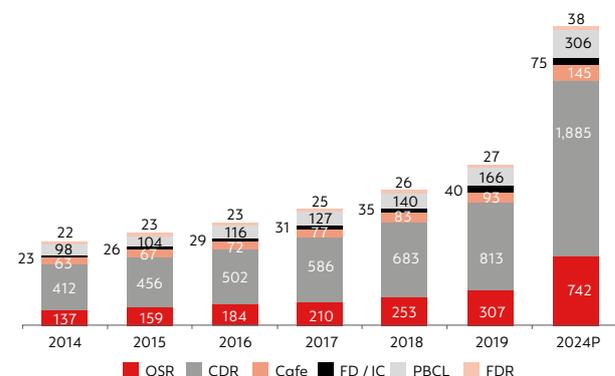
## Industry Trends

- **Younger demographics:** Population in the millennial age group of 15 to 34 years constituted approximately 34% of the total Indian population in Fiscal 2019 (approximately 444 million) and most of them prefer outside food compared to home cooked. The youth is generally characterized by good taste and high demand for quality, variety and value for money. This age group is open to experimenting with new cuisines, format offerings and brands. While the frequency with which the youth eat out is the highest across age groups, they are also price conscious and like to prefer eating with family and friends. QSR's and Cloud Kitchens, offer great value for money, making it an ideal choice for the younger generation.

Ready to eat food market (Region wise Penetration)<sup>1</sup>



Indian Organized Food Service Market (INR In billion)<sup>2</sup>



<sup>1</sup> Source: Mordor Intelligence

<sup>2</sup> Source: Technopak BoK, NRAI India Food service Report

## Management Discussion and Analysis (Contd.)

- **Increased participation of women workforce:** The proportion of women workforce in India has been rising, majorly in the urban areas. With hectic work schedules, people are increasingly eating out or ordering food from outside. Also, with higher overall participation in the workforce, disposable incomes have increased. Due to these factors, families are increasingly ordering multi-cuisine food via online channels or eating out, thereby contributing to the QSR market's growth.
- **Rise in disposable income:** Changing consumption patterns and efforts to improve gender composition at work has led to a rise in disposable income. Further, more than 2/3<sup>rd</sup> of our 1.35 billion population is young with growing incomes, creating a large market for the food processing industry. All these factors will lead to growing food consumption and it is expected to reach USD 1.2 trillion by 2025-26 .
- **Larger focus on value meals:** Indian consumers – irrespective of socioeconomic class or type of city – are eating-out and ordering in at a per-household average of 6-7 times per month with a view to experiment and socialize over food. Whilst there is a willingness to spend more on these type of experiences, Indian consumers remain cost-conscious and prefer value-for-money options while eating out or ordering in. Thus, Indian customers find 'combos' and 'value meals' appealing that provide 12-25% discounts. Also, these discounts have resulted in an increase in the average food bill of QSR companies. Some examples of these offers include Burger King's 'The King Deals' and '2 Good Menu,' McDonald's 'McSaver,' KFC's 'Favorites' and 'Box Meals,' and Subway's combos.
- **Increased exposure:** With an increased number of Indians travelling abroad, their exposure to global and exotic cuisines has increased. Popular 'food and cookery' shows on television (MasterChef) have also led to greater awareness of gourmet food and trends. At the same time, social media has become an integral part of India's young and working population's lifestyle. Digital and social media have aided the marketing of food services' brands as an experience at lower costs with greater visibility.
- **Brand perception** will be led by trust built through clear and transparent communication around safe and healthy food sourcing and handling. We have been observing this since the onset of Covid-19. This has, thus, resulted in higher preference for well established brands versus new brands that have entered the market. Brands will have to lead with trust as a key strategy along with Taste and Customer experience in a post Covid-19 world.

While your Company witnessed a decline in the food service business by 44%, in line with the broader industry, the long - term trends of eating out bode well and the Company expects return back to normalcy in the next 18 - 24 months.

### Opportunities & Threats

2020, was a difficult year for many businesses and industries. The VUCA world, which was till now only heard and read, was witnessed first-hand by everyone. The last 12 months (and the next 12 months) has been a true test of resilience and adaptation. Your Company is built on a foundation of strong values and a consistent strategy. So despite a setback in 2020 and further uncertainty in 2021, from a longer term perspective the Company continues to have a strong competitive advantage and has significant opportunities to grow.

### Strategy

Our strategy and mission statement is to be a socially responsible company that will delight consumers by offering great taste, good value and real convenience achieved through manufacturing and marketing natural, convenient and specialty foods in a knowledge - driven, energetic and fun work environment.

We continue to focus on the following strategic goals:

- Be the Brand of choice for aspirationalists
- Become a global household name in key global markets
- Benchmark for sustainability
- Preferred and trusted partner for leading food service brands

### Strengths

- **Brand name:** Tasty Bite is one of the leading brands in North America amongst Indian and Asian Natural, Organic and ready-to-eat prepared foods. In the Indian shelf stable prepared foods, it commands a dominant market share and is one of the fastest growing brands in the Asian and rice category.
- **Management Experience:** Your Company's senior and middle management has significant experience in the food industry and a strong understanding of consumer business as well as food service.
- **Innovation:** Strong marketing and consumer insight combined highly skilled culinary professionals and food

# Management Discussion and Analysis (Contd.)

technologists, makes your company extremely strong in innovation. In addition, the innovation team leverages our Research and Development center equipped with latest technology & state-of-the-art equipment.

- **Trusted Partner:** Your Company partners with leading QSR brands to provide customized product solutions in Formed Frozen Product (FFP) and Specialty Sauces category.
- **Strong distribution and marketing:** Your Company is supported by Preferred Brands International Inc. in North America and by Mars Food Corporation for all markets outside of North America. Both these companies have a well-established marketing and distribution network in their respective markets.
- **Strong supply chain:** Your company is one of the largest organic processors in the country and is backed by a very strong, agile and efficient supply chain.
- **Product quality:** Your Company manufactures high quality products for its food service as well as consumer business. The manufacturing facility is audited by several customers and meets stringent quality standards of several countries including US, UK, Australia, Japan and Canada.

## Competition

The food industry globally is a large and highly competitive industry that is subject to ever-changing consumer trends and consumption habits.

RTE acceptance across the globe is on the rise and many new brands are finding their way onto the retail shelves. In our consumer markets, our products compete not only with other Indian ready-to-eat offerings but all other specialty meal options including other cuisines that a consumer may consider as a lunch or dinner alternative.

Likewise, in our food service business, there are international and domestic players that have the technology and capability to manufacture similar products. Many of them have international relationships, well-recognized consumer brands in India and extensive distribution networks. This is also a highly price-sensitive market and industry and the Company needs to continuously innovate, enhance its procurement strategies and make its manufacturing more efficient in order to remain ahead of its competition. With a significant drop in demand there is excess capacity in the country. This will result in many companies dropping prices to retain existing businesses and gain new ones.

## Outlook, Risks and Concerns

Your company intends to continue focusing on both the consumer as well as the food service business. While in 2020, we witnessed an increased demand for the consumer business and decline in the food service business, over the longer term we are confident about the growth prospects for both these verticals.

For the consumer business, following is our growth strategy:

- **Improve Distribution Points** – Our focus will continue to be increasing reach by adding new channels as well as expand to newer geographies
- **Lead Innovation** – We would continue to be leaders in category innovation through transition to organic, new line extensions and new formats.
- **Manufacturing partner for Mars** – We will continue to explore opportunities to manufacture different products for Mars Food.
- **Increase conversion** – Product sampling and demonstrations, use of focused digital media will increase the consumer base of Tasty Bite brand lovers.

In the Food Service business, our growth will be enabled through:

- Value Leadership
- Innovation
- Superior Customer Service

The food service industry is driven by innovation, value consciousness and customer-supplier partnership. Covid-19 increased the emphasis on the value-conscious lever far more than the others. During the year under review, with tremendous profitability pressure many brands had a ruthless focus on cost reduction. This resulted in varying strategies from insourcing to different sourcing models focused on reducing taxation impact. These changes in sourcing strategies impacted several suppliers who have been long-term partners to these brands. The coming few years will continue to witness such moves from all QSR brands. Your Company will continue to explore every opportunity and figure out ways to operate effectively in this new normal.

On the other hand, brands have also realized the importance that their consumers are placing on trust, safety & hygiene. This will make them shift towards supply partners who can offer them innovative solutions both in terms of new products as well as standardized supply chain solutions. Your company has been a preferred partner for many customers and will strive harder to earn their trust.

## Management Discussion and Analysis (Contd.)

With the HoReCa segment under most stress, the new launched “TastyBite Xclusive” range is back on the drawing board. The company is reviewing the future of this range and will tweak the go-to-market strategy to meet the current realities.

The underlying risks and concerns that we see in the business:

- With the rise in packaged foods consumption in 2020, several new brands entered the market and competition for shelf-space has increased multi-fold. There always uncertainty whether the Company would be able to get its products listed in grocery stores. As new product reviews take place only once or twice a year any delay in getting listing could impact growth.
- The success of any product or category depends finally on consumer acceptance of the same and new launches may or may not be successful.
- Food Service customers have had a major dent in their revenue and profitability since the advent of Covid – 19. It is estimated that it will take anywhere from 18 - 24 months to resume normalcy.
- In the short to medium term, there would be immense pricing pressure from our food service customers as they seek lower cost options or discounts on existing products.
- We do not have any long - term contracts with our customers and they could stop purchasing from the Company with little or no notice period. This could negatively impact our revenues and profits.
- 2020 witnessed unprecedented commodity inflation and with Covid-19 impact on consumers earning capacity, it will be difficult to pass on cost increases to our customers.
- We have a robust forex risk management policy in place and it allows us to hedge movements in foreign currency exchange rates for a period of twelve months. However, we are exposed to risk of fluctuations in foreign currency on our export sales. As we are a net exporter, any long – term strengthening of the Indian rupee would have an adverse impact on our profitability.
- All our raw materials are agricultural commodities that sometimes see significant price volatility depending on weather and market conditions. While we do strategic purchases to hedge risk of key commodities, it would not cover all the raw materials that we purchase.
- We have one manufacturing facility for all our products of our consumer and food service business. Any untoward incident beyond our control can impact our ability to fulfill customer orders and our reputation.
- Our products are shipped globally and ocean freight forms a material portion of our total costs. 2020, witnessed a disruption in global supply chains and while freight costs increased multi-fold, reliability dipped to an all time low. This continues to be a challenge in 2021 as well. Some of these risks of ocean freight could impact the company.
- A few of our raw and packing materials are imported and have longer procurement lead times. Changes in exchange rates and any delays on import can impact production schedules and our ability to fulfill orders.
- Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material adverse effect on our business.
- We are eligible for various incentives from the Government on the export of value – added agricultural products. Any change on these policies that reduces these incentives could adversely impact our net income. We witnessed this in 2020 with the withdrawal of the MEIS export incentive and the government in yet undecided on the rates of the new scheme.
- Any shortcoming in the quality of our products could have a financial impact aside from impacting the reputation of the brand.
- We could be the subject of litigation, which if adversely determined, could harm our business and operating results.
- Any changes to import policies and taxes in the countries where we export our products could increase the cost of our products for our consumers which could impact demand.
- We need to invest in manufacturing facilities and physical infrastructure ahead of market demand given the long lead times in creating new capacity. Our profitability could be reduced if our business does not grow proportionately.
- With Covid – 19 pandemic across the globe, there's a potential short to mid – term impact on the business due to labor availability, destabilized supply chains and demand shrinkage especially on the food service side of the business.

# Management Discussion and Analysis (Contd.)

## Result of Operations

Detailed category-wise performance of your Company for financial year 2020 - 21:

| Business                               | *Revenue   | Product   | Key Markets   | Customers                                       |
|--|--|---|---|---|
| Consumer Business (RTE)                | INR 3,011.3 Million<br>(78.15% of total revenue) | Ready - to - Eat food (natural, convenient, ethnic or specialty food segment) | USA, Canada   | Marketed through affiliates to retail customers |
| Food Service Business (FFP and Sauces) | INR 841.8 Million<br>(21.85% of total revenue)   | Formed Frozen Product and Specialty Sauces                                    | QSRs, Cloud Kitchens within India and South East Asia |   |

\*Excludes other income

## Financial Performance of the Company

|                                      | (INR in Million) |              |          |
|--------------------------------------|------------------|--------------|----------|
|                                      | FY 2020 - 21     | FY 2019 - 20 | Change % |
| Revenue from Operation               | 3,853.13         | 4,257.74     | -9.50%   |
| Other Income                         | 189.76           | 290.56       | -34.69%  |
| EBITDA                               | 727.65           | 737.22       | -1.30%   |
| Finance Cost                         | 30.25            | 35.20        | -14.06%  |
| Depreciation & Amortization Expenses | 171.65           | 168.48       | 1.88%    |
| Income Taxes                         | 132.33           | 124.92       | 5.93%    |
| PAT                                  | 393.42           | 408.62       | -3.72%   |

Your Company revenues de - grew by 11% over the previous year. The export business grew 9% on account of constant demand from US markets and touched a revenue of INR 3,011.3 million.

The Tasty Bite Food Service (TFS) business de - grew 44%, highly impacted by the pandemic since most of the QSR's were closed due to lock - down during first half of the year and dine - in restrictions continued for the whole of the year. Our Food Service Business (TFS) touched revenue of INR 841.8 million.

Overall revenue from both businesses touched INR 4,042.9 million including other income.

Material cost in the year decreased by 210 bps over previous year to 60.2% of revenue mainly on account of better yields driven by higher efficiencies and business mix impact. Your Company also took some strategic decisions to forward buy key organic commodities like urad, lentils, onions, rice and tomato paste.

While revenue dropped by 11%, stronger cost controls and increased efficiencies helped deliver an EBITDA of 18% (de-growth of 1.3% over the previous year).

During FY'21 Profit before tax (PBT) was INR 525.8 million as against INR 533.5 million in FY'20. Profit after tax decreased by 3.7% to INR 393.4 million from INR 408.6 million in FY'20.

Other comprehensive income records the remeasurement gains / losses on our defined benefit plan (gratuity) and the mark to market gain / loss on the effective portion of cash flow hedges taken by the Company to hedge its forex exposure, net of taxes. There was an actuarial gain, net of taxes of INR 0.3 million as compared loss of INR 6.4 million in FY'20 and mark to market gain, net of taxes on effective portion of cashflow hedges of INR 46.2 million as compared to loss of INR 84.6 million in FY'20.

## Financial Ratios

| Ratio   | FY 2020 - 21 | FY 2019 - 20 |
|---|--------------|--------------|
| Debtor Turnover Ratio   | 6.92         | 8.93         |
| Inventory Turnover Ratio  | 5.98         | 7.85         |
| Interest Coverage Ratio   | 18.38        | 16.20        |
| Current Ratio   | 1.66         | 1.50         |
| Adjusted Debt Equity Ratio  | 0.35         | 0.32         |
| EBITDA Margin (%)   | 18.00%       | 16.20%       |
| Net Profit Margin (%)   | 9.73%        | 9.00%        |
| Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof | 19.04%       | 25.00%       |

# Management Discussion and Analysis (Contd.)

## Sources and Uses of Funds

As at 31 March 2021, the Company had four long - term foreign currency loans - three from Japanese banks (two from Mizuho Bank Ltd. and one from MUFG Bank Ltd.) and fourth from Mars Nederlands with a total outstanding balance of USD 7.8 million (INR 567.6 million).

These loans have maturity of five to eight years with an interest cost of 3 months Libor + 0.90% on two loans, 3 months Libor + 0.75% on third loan and 2.2% fixed on loan from Mars Nederland's. The Company has entered into an interest rate swap (IRS) agreement with Japanese banks to convert the floating rate liability of these loans into a fixed rate liability. As at 31 March 2021, the IRS has a mark to market loss of INR 3.7 million.

During the year, the Company has taken a new loan from one of its affiliate entity namely Mars Nederlands BV for capex project of USD 5 million (INR 366.3 million).

During the year, the Company has also availed short term working capital borrowing in the form of packing credit in foreign currency from Mizuho Bank for meeting its working capital requirements, as at 31 March 2021 an amount of USD 6.8 million (INR 496.0 million) is outstanding.

Total net property, plant & equipment (including capital work - in - progress and Intangible assets) stood at INR 1,545.8 million vs INR 1,162.3 million in the previous year. Assets that were capitalized during the year (net of disposals) totaled INR 351.7 million.

## Supply Chain

As the Covid - 19 pandemic unfolded in FY 2020-21, food supply chains across the world and India had to adjust rapidly to demand-side shocks as well as supply side disruptions caused by labour shortage, lockdowns and unreliable logistics. On the demand side, your Company experienced a huge drop in food service demand resulting in inventory management issues like expiry threats, slow-moving/non-moving inventory, exposure to longer-term contracts. While on the RTH business, the demand went up because of panic buying resulting in shortage and other kinds of challenges. This coupled with lockdowns, migrant labor moving back to their villages, imbalance in global trade with container shortages and increased freight rates to increase was like a perfect storm for supply chain teams.

Our supply chain teams and supplier partners response to this unprecedented challenge was exemplary. Scenario based planning and recalibration our supply chain strategies to the address on-ground realities ensured that production lines were kept running while causing minimal financial risk to the

company. There are several learnings from FY 2020-21 which will help your Company to build an even more robust and resilient supply chain.

## Quality

The Company's stated mission for quality is to "rise beyond certifications". Consequently, the Company's own Quality Management system is designed to ensure Excellence in Quality which spans our entire business defining quality requirement for design, procurement, manufacture, sales and distribution, and listening and responding to the voice of the consumer and customer. The Company is committed to manufacture high quality products, while ensuring highest standards in food safety, in full compliance with all legal and regulatory requirement in the markets in which our products are sold.

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

- ISO - 14001:2015 (Environmental Management Systems)
- ISO 45001 (Occupational Health and Safety)
- FSSC 22000 v5 (Global Standard for Food Safety System Certification)
- USDA Organic and India 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.

## Human Resources

During the year under review, industrial relations of the Company continued to be cordial and peaceful. Total personnel employed by the Company are 265 as on 31 March 2021. Covid-19 caused tremendous level of fear, uncertainty and anxiety amongst everyone. Work from home became a new norm and employees had to juggle with home responsibilities in addition to office work. All this coupled with social isolation, disrupted work and family routine, economic instability meant negative impact on the mental health of many people. Given this uncertainty, your Company focused on several employee engagement activities during this period. Frequent calls to employees to check on their well-being, e-learning programs, stress buster activities and roll-out of new benefits and flexible work policies helped the Company ease the stress. Thanks to all these efforts, we were delighted that your Company was able to retain its "Great Place to Work - Certified (2020-2021)" certification

## Management Discussion and Analysis (Contd.)

for building a High - Trust, High - Performance Culture™ for 7 years in continuation. Additionally, your Company was once again recognized as “India’s Top 100 Best Places to Work for Women 2020”. Great Place to Work® Institute assessed 852 Great Place to Work® Certified organizations through an objective and rigorous workplace culture assessment process to identify India’s Best Workplaces for Women 2020. Just 516 organizations met the eligibility criteria: 1) Women form at least 10% of the overall workforce in the organization & 2) at least 70% of women employees shared positive feedback in the Trust Index© survey conducted by Great Place to Work® and we are proud to be recognised amongst these best 100 organisation. The Company has also received a special honour for its: “Commitment to Being a Great Place to Work”.

### Compliance, Finance, Accounts and Internal Financial Controls

Finance and accounting teams work with all the other functions to continually increase the intrinsic value of the business and institute strong and effective financial and management control systems in day to day operations.

The Company has a comprehensive ERP system to manage its operations and record its financial transactions. It has implemented additional system tools to manage stores, spares and consumables procurement that also ties in with the ERP system.

Your Company attaches significant importance on frequently testing internal control systems, risk assessment and management of operating risks. These risks are actively managed by the Management Committee through various committees and strong internal processes. This internal control structure also has considerable oversight and is monitored by an external set of auditors, both statutory and internal. Your Company’s internal controls are commensurate with the nature of the business and size and complexity of its operations.

Some significant aspects covered in the internal control framework includes:

- Standard Operating Procedures and Risk Control Matrix for all business processes to ensure effective internal financial controls;
- Oversight by an Audit Committee carried out by an experienced and qualified firm of Chartered Accountants;
- 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;

- Regular review of key business risks such as new product development, foreign exchange management, commodity risk management, financial reporting;
- Legal framework w.r.t. compliances applicable to the Company. Company has implemented compliance tool in factory and head office;
- For overall supervision of controls, your Company has a Management Committee (MCom) to take key business decisions.

The statutory auditors have also issued a clean report on internal controls of the Company. The Audit Committee and Independent Directors have also provided satisfaction over internal controls of the Company.

### Sustainability

The Company focuses on being a sustainable food manufacturer through conserving water (through installation of ‘in – ground rainwater harvesting’ system) and reducing its carbon footprint (through use of renewable energy). All of its steam generation is done using compacted agricultural waste (briquettes). The Company continues to focus on using renewable sources of electricity in financial year 2021, 16% of its energy requirement came from wind, 6% from solar and 0.5% from biogas. The biogas facility converts its organic waste into electricity and powers the effluent treatment plant, water treatment plant and the research center. Monitoring and conservation of power and water is inbuilt into company processes. It also uses simple techniques such as crop rotation, use of natural fertilizers and pest control methods and green composting in its organic farm. Moreover, several initiatives have been undertaken by the Company towards improvement of air, soil and water quality in its eco system.

Your Company continues to remain strongly committed towards building a sustainable supply and manufacturing chain. Several of the United Nations Sustainable Development Goals where the Company can directly contribute as part of its business model have been adopted. Some of these include Good Health, Quality Education, Gender Equality, Innovation & Infrastructure, Reduce Inequalities, Sustainable Cities and Communities, Clean Water and Sanitation, Renewable Energy, Economic Growth and Responsible Consumption.

### Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of the average profits for the immediately three preceding financial years on Corporate Social Responsibility (CSR) activities. For fiscal year 2020 - 21, the Company was required to spend INR 9.8 million on CSR.

## Management Discussion and Analysis (Contd.)

Detailed CSR report is annexed to this Boards' Report as "Annexure E".

### 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.

### Appreciation

Your Directors wish to express their sincere appreciation for the co-operation received from the banks, government authorities, customers, vendors and suppliers during the year under review.

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

Your Directors also wish to place on record their deep sense of appreciation for the significant contribution made by each & every employee of the Company.

The Directors are also thankful to all stakeholders for their continued patronage.

For and on behalf of the Board of Directors

Date: 15 May 2021

Place: Pune

**Ashok Vasudevan**

*Chairman*

DIN: 00575574

# Annexure A

## Form No. MGT 9

### EXTRACT OF ANNUAL RETURN

(As on financial year ended on 31 March 2021)

[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 September 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                       | 201 - 202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005/ 020 - 3021 6000  |
| 6 | Whether listed company   | Yes / No   |
| 7 | Name, Address and contact details of Registrar & Transfer Agent, if any. | KFin Technologies Private Limited<br><b>Address:</b> Karvy Selenium, Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032<br><b>Phone No.:</b> +91 040 - 67162222; 1800 - 309 - 4001<br><b>Email:</b> <a href="mailto:einward.ris@kfintech.com">einward.ris@kfintech.com</a> |

#### 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:

| Sr. No. | Name and description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1       | Ready - to - eat food products                   | 107                             | 78.15%                             |
| 2       | Frozen food products and sauces                  | 107                             | 21.85%                             |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Name and Address of the Company   | CIN/GLN               | Holding/ Subsidiary/ Associate | % of shares held | Applicable Section |
|---|-----------------------|--------------------------------|------------------|--------------------|
| Preferred Brands Foods (India) Private Limited<br>Regd. Off.: Off. No. 1401, 1402, 14 <sup>th</sup> Floor, F Wing, Lotus Corporate Park, Graham Firth Steel Compound, Goregaon (E), Mumbai MH - 400063 IN | U15400MH1998PTC113768 | Holding                        | 74.22            | 2 (46)             |
| Effem Holdings Ltd,<br>Regd. Off.: 3D Dundee Road, Slough, SL1 4LG, United Kingdom  | -                     | Holding                        | 0.01             | 2 (46)             |

## Annexure A (Contd.)

### 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 |                          |
| A. Promoters   |   |          |                  |                   |   |          |                  |                   |                          |
| (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>  | <b>1,904,510</b>                                | <b>-</b> | <b>1,904,510</b> | <b>74.22</b>      | <b>1,904,510</b>                          | <b>-</b> | <b>1,904,510</b> | <b>74.22</b>      | <b>-</b>                 |
| (2) Foreign  |   |          |                  |                   |   |          |                  |                   |                          |
| a) NRIs - Individuals  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| b) Other   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| c) Bodies Corp.  | 300   | -        | 300              | 0.01              | 300                                       | -        | 300              | 0.01              | -                        |
| d) Banks / FI  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| e) Any Other   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| <b>Sub - total (A) (2):</b>  | <b>300</b>                                      | <b>-</b> | <b>300</b>       | <b>0.01</b>       | <b>300</b>                                | <b>-</b> | <b>300</b>       | <b>0.01</b>       | <b>-</b>                 |
| <b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b>                             | <b>1,904,810</b>                                | <b>-</b> | <b>1,904,810</b> | <b>74.23</b>      | <b>1,904,810</b>                          | <b>-</b> | <b>1,904,810</b> | <b>74.23</b>      | <b>-</b>                 |
| B. Public Shareholding   |   |          |                  |                   |   |          |                  |                   |                          |
| 1. Institutions  |   |          |                  |                   |   |          |                  |                   |                          |
| a) Mutual Funds  | 28,022  | -        | 28,022           | 1.09              | 34,931                                    | -        | 34,931           | 1.36              | 0.27                     |
| b) Banks / FI  | 1,194   | -        | 1,194            | 0.05              | -   | -        | -                | -                 | (0.05)                   |
| c) Central Govt  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| d) State Govt(s)   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| e) Venture Capital Funds   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| f) Insurance Companies   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| g) FIs   | 91,443  | -        | 91,443           | 3.56              | 93,353                                    | -        | 93,353           | 3.64              | 0.07                     |
| h) Foreign Venture Capital Funds   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| i) Others (FPI)  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| <b>Sub - total (B)(1): -</b>   | <b>120,659</b>                                  | <b>-</b> | <b>120,659</b>   | <b>4.70</b>       | <b>128,284</b>                            | <b>-</b> | <b>128,284</b>   | <b>5.00</b>       | <b>0.30</b>              |
| 2. Non - Institutions  |   |          |                  |                   |   |          |                  |                   |                          |
| a) Bodies Corp.  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| i) Indian  | 27,521  | 300      | 27,821           | 1.08              | 40,144                                    | 300      | 40,444           | 1.58              | 0.49                     |
| ii) Overseas   | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| b) Individuals   |   |          |                  |                   |   |          |                  |                   |                          |
| i) Individual shareholders holding nominal share capital upto INR 0.1 million          | 253,069   | 44,774   | 297,843          | 11.61             | 260,467                                   | 37,074   | 297,541          | 11.60             | (0.01)                   |
| ii) Individual shareholders holding nominal share capital in excess of INR 0.1 million | 160,625   | -        | 160,625          | 6.26              | 135,999                                   | -        | 135,999          | 5.30              | (0.96)                   |
| c) Others  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| Directors and relatives  | -   | -        | -                | -                 | -   | -        | -                | -                 | -                        |
| Non Resident Indians   | 5,232   | -        | 5,232            | 0.20              | 9,108                                     | -        | 9,108            | 0.35              | 0.15                     |
| IEPF   | 43,041  | -        | 43,041           | 1.68              | 42,441                                    | -        | 42,441           | 1.65              | (0.02)                   |

## Annexure A (Contd.)

| 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          | Demat                                     | Physical      | Total            | % of          |                          |
|  |   |               |                  | Total Shares  |   |               |                  | Total Shares  |                          |
| Clearing members                                   | 1,333   | -             | 1,333            | 0.05          | 2,352                                     | -             | 2,352            | 0.09          | 0.04                     |
| Trust  | 100   | -             | 100              | 0.00          | 118                                       | -             | 118              | 0.00          | 0.00                     |
| NRI Non - Repatriation Alternative Investment Fund | 4,536   | -             | 4,536            | 0.18          | 4,903                                     | -             | 4,903            | 0.19          | 0.01                     |
|  | -   | -             | -                | -             | -   | -             | -                | -             | -                        |
| <b>Sub - total (B)(2) :-</b>                       | <b>495,457</b>                                  | <b>45,074</b> | <b>540,531</b>   | <b>21.07</b>  | <b>495,532</b>                            | <b>37,374</b> | <b>532,906</b>   | <b>20.77</b>  | <b>(0.30)</b>            |
| <b>Total Public</b>                                | <b>616,116</b>                                  | <b>45,074</b> | <b>661,190</b>   | <b>25.77</b>  | <b>623,816</b>                            | <b>37,374</b> | <b>661,190</b>   | <b>25.77</b>  | <b>0.00</b>              |
| <b>Shareholding (B)=(B)(1) + (B)(2)</b>            |   |               |                  |               |   |               |                  |               |                          |
| C. Shares held by Custodian for GDRs & ADRs        | -   | -             | -                | -             | -   | -             | -                | -             | -                        |
| <b>Grand Total (A+B+C)</b>                         | <b>2,520,926</b>                                | <b>45,074</b> | <b>2,566,000</b> | <b>100.00</b> | <b>2,528,626</b>                          | <b>37,374</b> | <b>2,566,000</b> | <b>100.00</b> | <b>0.00</b>              |

### 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            | % of Shares                          | No. of Shares                       | % of total            | % of Shares                          |                                      |
|  |   | Shares of the company | Pledged / encumbered to total shares |                                     | Shares of the company | Pledged / encumbered to total shares |                                      |
| Preferred Brands Foods (India) Private Limited | 1,904,510                                 | 74.22                 | -                                    | 1,904,510                           | 74.22                 | -                                    | -                                    |
| Effem Holdings Ltd.                            | 300                                       | 0.01                  | -                                    | 300                                 | 0.01                  | -                                    | -                                    |
| <b>Total</b>                                   | <b>1,904,810</b>                          | <b>74.23</b>          | <b>-</b>                             | <b>1,904,810</b>                    | <b>74.23</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 |
|   |   |                                  |   |                                  |
| <b>Preferred Brands Foods (India) Pvt Ltd:</b>  |   |                                  |   |                                  |
| At the beginning of the year  | 19,04,510                                 | 74.22                            | -                                       | -                                |
| Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) |   | No change                        | -                                       | -                                |
| At the end of the year  | -   | -                                | 1,904,510                               | 74.22                            |
| <b>Effem Holdings Ltd:</b>  |   |                                  |   |                                  |
| At the beginning of the year  | 300                                       | 0.01                             | -                                       | -                                |
| Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) |   | No change                        | -                                       | -                                |
| At the end of the year  | -   | -                                | 300                                     | 0.01                             |

## Annexure A (Contd.)

### iv) Shareholding Pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs) as on 31 March 2021:

| 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 |
| <b>Preferred Brands Foods (India) Private Limited</b>                              |   |                                  |   |                                  |
| At the beginning of the year   | 1,904,510                                 | 74.22                            | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | -   | -                                | -                                       | -                                |
| At the end of the year   | -   | -                                | 1,904,510                               | 74.22                            |
| <b>Jupiter India Fund</b>  |   |                                  |   |                                  |
| At the beginning of the year   | 74,562                                    | 2.91                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (788)                                     | (0.03)                           | -                                       | -                                |
| At the end of the year   | -   | -                                | 73,774                                  | 2.88                             |
| <b>Rahul Kayan</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 45,090                                    | 1.76                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (18,896)                                  | (0.74)                           | -                                       | -                                |
| At the end of the year   | -   | -                                | 26,194                                  | 1.02                             |
| <b>Investor Education and Protection Fund Authority</b>                            |   |                                  |   |                                  |
| At the beginning of the year   | 43,041                                    | 1.68                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (600)                                     | (0.02)                           | -                                       | -                                |
| At the end of the year   | -   | -                                | 42,441                                  | 1.65                             |
| <b>Mukul Mahavir Prasad Agrawal</b>  |   |                                  |   |                                  |
| At the beginning of the year   | 33,130                                    | 1.29                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (3,000)                                   | (0.12)                           | -                                       | -                                |
| At the end of the year   | -   | -                                | 30,130                                  | 1.17                             |
| <b>Tanvi Jignesh Mehta</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 30,005                                    | 1.17                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | 3   | -                                | -                                       | -                                |
| At the end of the year   | -   | -                                | 30,008                                  | 1.17                             |
| <b>Sundaram India Premier Fund</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 27,968                                    | 1.09                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (7,378)                                   | 0.29                             | -                                       | -                                |
| At the end of the year   | -   | -                                | 20,590                                  | 0.80                             |
| <b>Prasoon Bhatt</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 27,000                                    | 1.05                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | -   | -                                | -                                       | -                                |
| At the end of the year   | -   | -                                | 27,000                                  | 1.05                             |
| <b>Parul Prasoon Bhatt</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 19,800                                    | 0.77                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | -   | -                                | -                                       | -                                |
| At the end of the year   | -   | -                                | 19,800                                  | 0.77                             |
| <b>K. Swapna</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 18,000                                    | 0.70                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (6,039)                                   | (0.23)                           | -                                       | -                                |
| At the end of the year   | -   | -                                | 11,961                                  | 0.47                             |
| <b>Union Flexi Cap Fund</b>  |   |                                  |   |                                  |
| At the beginning of the year   | -   | -                                | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | 12,410                                    | 0.48                             | -                                       | -                                |
| At the end of the year   | -   | -                                | 12,410                                  | 0.48                             |

## Annexure A (Contd.)

| 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 |
| <b>C Mackertich Private Limited</b>  |   |                                  |   |                                  |
| At the beginning of the year   | 6,750                                     | 0.26                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | 19,150                                    | 0.75                             | -                                       | -                                |
| At the end of the year   | -   | -                                | 25,900                                  | 1.01                             |
| <b>Jupiter South Asia Investment Company Limited</b>                               |   |                                  |   |                                  |
| At the beginning of the year   | 14,516                                    | 0.57                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | -   | -                                | -                                       | -                                |
| At the end of the year   | -   | -                                | 14,516                                  | 0.57                             |
| <b>Orbis Financial Corporation Limited</b>   |   |                                  |   |                                  |
| At the beginning of the year   | 6,860                                     | 0.27                             | -                                       | -                                |
| Net Transactions (purchase / sale) during the year (01 April 2020 – 31 March 2021) | (6,860)                                   | 0.27                             | -                                       | -                                |
| At the end of the year   | -   | -                                | 0                                       | 0.00                             |

v) Shareholding of directors and key managerial personnel - Not Applicable:

| 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  | -   | -                                | -                                       | -                                |
| Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.): | (no change)                               |                                  | -                                       | -                                |
| At the end of the year  | -   | -                                | -                                       | -                                |

V. INDEBTEDNESS - Indebtedness of Company including interest outstanding/accrued but not due for payment

(Amount in INR)

| Particulars   | Secured Loans      | Unsecured            | Deposits | Total                |
|---|--------------------|----------------------|----------|----------------------|
|   | excluding deposits | Loans                |          |                      |
| Indebtedness at the beginning of the financial year |                    |                      |          |                      |
| i) Principal amount                                 | -                  | 619,898,797          | -        | 619,898,797          |
| ii) Interest due but not paid                       | -                  | -                    | -        | -                    |
| iii) Interest accrued but not due                   | -                  | 924,597              | -        | 924,597              |
| <b>Total (i+ii+iii)</b>                             | -                  | <b>620,823,394</b>   | -        | <b>620,823,394</b>   |
| Change in Indebtedness during the financial year    |                    |                      |          |                      |
| Addition  | -                  | 1,350,392,110        | -        | 1,350,392,110        |
| Reduction   | -                  | 907,694,685          | -        | 907,694,685          |
| <b>Net change</b>                                   | -                  | <b>442,697,425</b>   | -        | <b>442,697,425</b>   |
| Indebtedness at the end of the financial year       |                    |                      |          |                      |
| i) Principal Amount                                 | -                  | 1,063,520,819        | -        | 1,063,520,819        |
| ii) Interest due but not paid                       | -                  | -                    | -        | -                    |
| iii) Interest accrued but not due                   | -                  | 2,355,342            | -        | 2,355,342            |
| <b>Total (i+ii+iii)</b>                             | -                  | <b>1,065,876,161</b> | -        | <b>1,065,876,161</b> |

Note: Statement includes re - instatement gain / loss also

## Annexure A (Contd.)

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Remuneration to Managing Director:

(Amount in INR)

| No. | Particulars of Remuneration   | Mr. Abhijit Upadhye -<br>Managing Director                |
|-----|---|---|
| 1   | Gross salary  |   |
|     | (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961 | 20,103,800  |
|     | (b) Value of perquisites u/s 17(2) Income - tax Act, 1961                             | 1,195,028   |
|     | (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 -  |   |
|     | - Performance Linked Incentive  | -   |
|     | - Provident fund  | 1,214,400   |
|     | - Leave encashment  | 1,232,877   |
|     | - Petrol reimbursement  | -   |
|     | - Gratuity  | 486,772   |
|     | Total (A)   | 24,232,877  |
|     | Ceiling as per the Companies Act 2013   | NA as special resolution approval taken from shareholders |

#### B. Remuneration to other directors:

(Amount in INR)

| Sr. No. | Particulars of Remuneration                 | Name of Directors |                        |                 | Total Amount   |
|---------|---|-------------------|------------------------|-----------------|----------------|
|         |   | Mr. Kavas Patel   | Dr. Chengappa Ganapati | Ms. Rama Kannan |                |
| 1       | Independent Directors                       |                   |                        |                 |                |
|         | Fee for attending board, committee meetings | 300,000           | 300,000                | 300,000         | 900,000        |
|         | Commission                                  | -                 | -                      | -               | -              |
|         | Others, please specify                      | -                 | -                      | -               | -              |
|         | Total (1)                                   | 300,000           | 300,000                | 300,000         | 900,000        |
| 2       | Other Non - Executive Directors             |                   |                        |                 |                |
|         | Fee for attending board, committee meetings | NA                | NA                     | NA              | -              |
|         | Commission                                  | -                 | -                      | -               | -              |
|         | Others, please specify (remuneration)       | -                 | -                      | -               | -              |
|         | Total (2)                                   | NA                | NA                     | NA              | -              |
|         | <b>Total (B) = (1+2)</b>                    | <b>300,000</b>    | <b>300,000</b>         | <b>300,000</b>  | <b>900,000</b> |
|         | <b>Total Managerial Remuneration</b>        | -                 | -                      | -               | -              |
|         | <b>Overall ceiling as per the Act</b>       | <b>NA</b>         | <b>NA</b>              | <b>NA</b>       | <b>NA</b>      |

No remuneration paid to non-executive directors viz; Mr. Ashok Vasudevan, Ms. Dawn Allen, Mr. Sukhdev David Dusangh and Mr. PVV Srinivasa Rao during the financial year.

## Annexure A (Contd.)

### C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD:

(Amount in INR)

| Sr. No. | Particulars of Remuneration   | Key Managerial Personnel                |   | Total            |
|---------|---|---|---|------------------|
|         |   | Ms. Minal Talwar<br>(Company Secretary) | Mr. Gaurav Gupta<br>(Chief Financial Officer) |                  |
| 1       | Gross salary  |   |   |                  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income - tax Act, 1961                                       | 1,322,796                               | 5,810,796                                     | 7,133,592        |
|         | (b) Value of perquisites u/s 17(2) Income - tax Act, 1961   | 76,704                                  | 1,325,004                                     | 1,401,708        |
|         | (c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961 (provident Fund, Leave encashment, drivers salary) | -                                       | -   | -                |
| 2       | Stock Option  |   |   |                  |
| 3       | Sweat Equity  |   |   |                  |
| 4       | Commission  |   |   |                  |
|         | - as % of profit  |   |   |                  |
|         | - others  |   |   |                  |
| 5       | Others, please specify  |   |   |                  |
|         | - Provident Fund  | 72,000                                  | 302,400                                       | 374,400          |
|         | - Leave encashment  | 67,192                                  | 305,679                                       | 372,871          |
|         | <b>Total</b>  | <b>1,538,692</b>                        | <b>7,743,879</b>                              | <b>9,282,571</b> |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:** NIL under Companies Act, 2013 and Securities Exchange Board of India (listing Obligations and Disclosure Requirements) Regulations, 2015.

For and on behalf of the Board of Directors

Date: 15 May 2021  
Place: Pune

**Ashok Vasudevan**  
Chairman  
DIN: 00575574

# Annexure B

## Independent Auditors' Certificate on Compliance with the Corporate Governance Requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,

The members of **Tasty Bite Eatables Limited**

1. This certificate is issued in accordance with the terms of our engagement letter dated 01 May 2018.
2. We have examined the compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited ("the Company"), for the year ended 31 March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"),

in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

### Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For B S R & Associates LLP**

**Chartered Accountants**

Firm's Registration No: 116231W/W-100024

**Raajnish Desai**

**Partner**

Place: Pune

Date: 15 May 2021

Membership No: 101190

UDIN: 21101190AAAABF1859

# Annexure C

## Secretarial Audit Report

To,  
**The Members,**  
**Tasty Bite Eatables Limited,**  
CIN L15419PN1985PLC037347  
201-202, Mayfair Tower,  
Wakdevadi, Shivajinagar,  
Pune – 411005

Our Secretarial Audit Report, for the financial year 2020-21 is to be read along with this letter.

### Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedure followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

### Disclaimer

5. Considering "lock-down", the country was facing due to pandemic situation of Covid 19 throughout the country; physical verification of documents was not possible. However, this report is issued on the basis of the verification of all required soft copies of documents received from the Company. Also, the relevant information available on Stock Exchanges, Ministry of Corporate Affairs (MCA) and other authorised portals were verified.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**For PAREEK V. R. & ASSOCIATES**  
**Practicing Company Secretaries**  
Firm Unique Code: S2017MH498500

Date: 15 May 2021  
Place: Pune

**Vineet Ramoo Pareek**  
**Proprietor**  
**M.NO. – A49730**  
**C.P. NO. – 18556**

# Annexure C

## Secretarial Audit Report (Contd.)

### Form No. MR – 3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March 2021

[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,**

CIN L15419PN1985PLC037347

201-202, Mayfair Tower,

Wakdewadi, Shivajinagar,

Pune – 411005

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 Company's books, papers, minute books, 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 **31 March 2021**, complied with the statutory provisions listed hereunder 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 book, and returns filed and other records maintained by the Company for the Financial Year ended on 31 March 2021, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (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 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, 2015;
- c) The Securities (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further shares capital during the period under review];**
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not Applicable as the Company has not issued employee stock option scheme and employee stock purchase scheme during the period under review];**
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the period under review];**
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the period under review];**

## Annexure C

### Secretarial Audit Report (Contd.)

- g) The Securities And Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as there was not reportable event during the period under review];**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not Applicable as the Company has not undergone buyback of its Securities during the period under review];**
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
- i. Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.
  - ii. Standards of Weights and Measures Act, 1956 with allied rules and regulations.
  - iii. The Legal Metrology Act, 2009;
  - iv. The Legal Metrology (Packaged Commodities) Rules, 2011;

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

- (i) Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

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

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. During the period under review, Mr. PVV Srinivasa Roa – Non Executive

Director resigned as Director of the Company with effect from 05 November 2020 and Mr. Sukhdev David Dusangh was appointed as Additional Director under the Non-executive category on 06 November 2021.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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. Wherever, prescribed advance notice is not served, permission for shorter consent for conducting the meeting was taken as prescribed under the Companies Act, 2013 and other regulations.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

**I further report that** based on review of compliance mechanism established by the Company, I am of the opinion that there are adequate systems and processes in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules regulations and guidelines.

- As informed, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

I further report that during the audit period there were no following specific events/actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards, etc.

**For PAREEK V. R. & ASSOCIATES**  
**Practicing Company Secretaries**  
Firm Unique Code: S2017MH498500

**Vineet Ramoo Pareek**  
**Proprietor**

**M.NO. – A49730**

**C.P. NO. – 18556**

UDIN: A049730C000402797

Date: 15 May 2021

Place: Pune

## Annexure D

### Energy, Technology and Foreign Exchange Earnings & Outgo

#### A. CONSERVATION OF ENERGY:

##### i) Steps taken or impact on Energy Conservation

- Company continues to use VFD (Variable Frequency drive) to drive power savings in cold store.
- Company continues to use briquettes as a measure for energy conservation.
- Biogas plant installed in factory to generate energy.
- Solar panels have been installed on the roof top of the Company.

ii) **Steps taken by the company for utilizing alternate sources of energy:** The Company is availing wind power energy and energy generated by biogas plant, solar panels a non - conventional source of energy for utilization in operations of the Company.

iii) **Capital investment on energy conservation equipment:** Nil

#### B. TECHNOLOGY ABSORPTION:

|     |  |   |
|-----|--|---|
| I   | Efforts made towards technology absorption   | Company has an accredited R&D center (TBRC) that is continuously engaged in research on new and innovative products, both for export and domestic market. TBRC's research and expertise ensures that Company can 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)<br>(a) the details of technology imported;<br>(b) the year of import;<br>(c) whether the technology been fully absorbed;<br>(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 INR '000)  | 142.54  |
|     | Recurring (in INR '000)  | 21,111.54   |
|     | Total (in INR '000)  | 21,254.08   |
|     | Total R&D expenditure as % of total turnover   | 0.53%   |

#### C. FOREIGN EXCHANGE ACTUAL INFLOW AND OUTFLOWS

| Particulars | (INR in Million) |              |
|-------------|------------------|--------------|
|             | FY 2020 - 21     | FY 2019 - 20 |
| Inflows     | 3,127.13         | 2,818.03     |
| Outflows    | 737.79           | 871.40       |

## Annexure E

### Annual Report on CSR Activities

[Pursuant to section 135 of the Companies Act, 2013]

1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web - link to the CSR policy and projects or programs:

Company has duly adopted CSR Policy which is available on website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in). CSR Policy concentrates on 4 major areas - sustainable agriculture, disaster relief, education and health. During financial year 2020 - 21, the Company continued to work on project in all the field mentioned above, Company would focus on major areas highlighted in its policy or any other area as mentioned under the Companies Act, 2013. Also refer <http://tastybitefoundation.com> for Tasty Bite Foundation website in relation to work carried on for CSR Activities.

2. The Composition of the CSR Committee:

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

| Sr. No. | Name of the Director   | Position | Independent / Executive | No. of Meetings |          |
|---------|------------------------|----------|-------------------------|-----------------|----------|
|         |                        |          |                         | Held            | Attended |
| 1       | Mr. Kavas Patel        | Chairman | Independent             | 2               | 2        |
| 2       | Mr. Abhijit Upadhye    | Member   | Executive               | 2               | 2        |
| 3       | Mr. Ashok Vasudevan    | Member   | Non Executive           | 2               | 2        |
| 4       | Dr. Chengappa Ganapati | Member   | Independent             | 2               | 2        |
| 5       | Ms. Rama Kannan        | Member   | Independent             | 2               | 2        |

3. Provide the web - link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company [www.tastybite.co.in](http://www.tastybite.co.in)
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub - rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) Not Applicable
5. Details of the amount available for set off in pursuance of sub - rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any Not Applicable since the Company has spent the required amount during each particular year.
6. Average net profit of the company as per section 135(5) INR 489.85 million
7. (a) Two percent of average net profit of the company as per section 135(5) Total amount to be spent was INR 9.80 million
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years -
- (c) Amount required to be set off for the financial year, if any -
- (d) Total CSR obligation for the financial year (7a+7b+7c) INR 9.80 million
8. (a) CSR amount spent or unspent for the financial year Spent: INR 9.80 million  
Unspent: NIL

| Total Amount Spent for the Financial Year. (in INR) | Amount Unspent (in INR)  |                  |   |        |                  |
|---|--|------------------|---|--------|------------------|
|   | Total Amount transferred to Unspent CSR Account as per section 135(6). |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|   | Amount   | Date of transfer | Name of the Fund  | Amount | Date of transfer |
| INR 9.80 Million                                    | -  | -                | -   | -      | -                |

## Annexure E (Contd.)

### (b) Details of CSR amount spent against ongoing projects for the financial year:

(INR in Million)

| (1)     | (2)                   | (3)  | (4)                  | (5)                      |           | (6)               | (7)                                       | (8)  | (9)  | (10)                                      | (11)   |                          |
|---------|-----------------------|--|----------------------|--------------------------|-----------|-------------------|---|--|--|---|--|--------------------------|
| Sr. No. | Name of the Project.  | Item from the list of activities in Schedule VII to the Act. | Local area (Yes/No). | Location of the project. |           | Project duration. | Amount allocated for the project (in INR) | Amount spent in the current financial year (in INR). | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in INR) | Mode of Implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |                          |
|         |                       |  |                      | State                    | District  |                   |   |  |  |   | Name   | CSR Registration number. |
| 1       | Toilet construction   | Schedule VII, Item 1 promoting sanitation.                   | Yes                  | Maharashtra              | Osmanabad | 24 months         | 1.30                                      | 1.30   | Nil  | No  | Tasty Bite Foundation                                | CSR00004096              |
| 2       | School painting       | Schedule VII, Item 2 – promoting education                   | Yes                  | Maharashtra              | Pune      | 24 months         | 0.50                                      | 0.50   | Nil  | No  | Tasty Bite Foundation                                | CSR00004096              |
| 3       | Solar Panel at School | Schedule VII, Item 2 – promoting education                   | Yes                  | Maharashtra              | Pune      | 24 months         | 0.30                                      | 0.30   | Nil  | No  | Tasty Bite Foundation                                | CSR00004096              |
| Total   |                       |  |                      |                          |           |                   | 2.10                                      | 2.10   |  |   |  |                          |

### (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(INR in Million)

| (1)    | (2)   | (3)  | (4)                  | (5)                      |          | (6)                                   | (7)                                       | (8)  |                          |  |
|--------|---|--|----------------------|--------------------------|----------|---------------------------------------|---|--|--------------------------|--|
| Sl. No | Name of the Project.                                    | Item from the list of activities in Schedule VII to the Act.   | Local area (Yes/No). | Location of the project. |          | Amount spent for the project (in INR) | Mode of implementation - Direct (Yes/No). | Mode of Implementation - Through Implementing Agency |                          |  |
|        |   |  |                      | State                    | District |                                       |   | Name   | CSR Registration number. |  |
| 1      | Covid 19 relief   | Covid relief   | Yes                  | Maharashtra              | Pune     | 2.00                                  | Yes                                       | NA   | NA                       |  |
| 2      | Donation of computers to school                         | Schedule VII, Item 2 – promoting education   | Yes                  | Maharashtra              | Pune     | 1.23                                  | No  | Tasty Bite Foundation                                | CSR00004096              |  |
| 3      | Agriculture development (AGRICULTURE DEVELOPMENT TRUST) | Schedule VII, Item 4 (ensuring environmental sustainability, animal welfare, conservation of natural resources and maintaining quality of soil, air and water) | Yes                  | Maharashtra              | Pune     | 7.39                                  | No  | Tasty Bite Foundation                                | CSR00004096              |  |
| 4      | Rural development (AIF)                                 | Schedule VII, Item 4 (rural development projects)  | Yes                  | Maharashtra              | Pune     | 4.26                                  | No  | Tasty Bite Foundation                                | CSR00004096              |  |
| 5      | Donations to PM cares for Covid - 19                    | Covid relief   | Yes                  | -                        | -        | 2.00                                  | No  | Tasty Bite Foundation                                | CSR00004096              |  |
| 6      | Donations to CII foundation for Covid - 19              | Covid relief   | Yes                  | -                        | -        | 2.00                                  | No  | Tasty Bite Foundation                                | CSR00004096              |  |
| 7      | Donations to Oxfam for Covid - 19                       | Covid relief   | Yes                  | -                        | -        | 2.00                                  | No  | Tasty Bite Foundation                                | CSR00004096              |  |
| Total  |   |  |                      |                          |          |                                       | 20.88                                     | 20.88  |                          |  |

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent in financial year (8b+8c+8d+8e): INR 22.98 million (out of which INR 9.80 million contributed by Tasty Bite in FY 2020-21)

(g) Excess amount for set off, if any: NIL

## Annexure E (Contd.)

| Sr. No. | Particular  | Amount<br>(INR in Million) |
|---------|---|----------------------------|
| 1       | Two percent of average net profit of the company as per section 135(5)                                      | 9.80                       |
| 2       | Total amount spent for the Financial Year   | 9.80                       |
| 3       | Excess amount spent for the financial year [(ii) - (i)]   | -                          |
| 4       | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -                          |
| 5       | Amount available for set off in succeeding financial years [(iii) - (iv)]                                   | -                          |

9. (a) Details of Unspent CSR amount for the preceding three financial years: – Not Applicable

| Sr. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in INR) | Amount spent in the reporting Financial Year (in INR) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any |                 |                  | Amount remaining to be spent in succeeding financial years (in INR) |
|---------|---------------------------|--|---|---|-----------------|------------------|---|
|         |                           |  |   | Name of the Fund  | Amount (in INR) | Date of transfer |   |
|         |                           | -  | -   | -   | -               | -                | -   |
|         | Total                     | -  | -   | -   | -               | -                | -   |

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) Sr. No. | (2) Project ID. | (3) Name of the Project | (4) Financial Year in which the project was commenced | (5) Project duration | (6) Total amount allocated for the project (in INR) | (7) Amount spent on the project in the reporting Financial Year (in INR) | (8) Cumulative amount spent at the end of reporting Financial Year (in INR) | (9) Status of the project - Completed / Ongoing |
|-------------|-----------------|-------------------------|---|----------------------|---|--|---|---|
|             |                 |                         |   |                      | -   | -  | -   | -   |
|             | Total           |                         |   |                      | -   | -  | -   | -   |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year **(asset - wise details)**.
- (a) Date of creation or acquisition of the capital asset(s). -
- (b) Amount of CSR spent for creation or acquisition of capital asset. -
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc -
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). -
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). The Company spent INR 9.80 Million during the period under review and nothing remained unspent during the year.

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

**Kavas Patel**  
Chairman – CSR Committee  
DIN: 00002634

Date: 15 May 2021  
Place: Pune

## Annexure F

### Related Party Transactions as per the Indian Accounting Standard (Ind AS) 24

(Pursuant to clause (2A) of Schedule V and Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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 and Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

#### A. Parent, Ultimate Holding Company and Fellow Subsidiary

| Sr. No. | Name   | Relationship             |
|---------|--|--------------------------|
| 1.      | Mars Incorporated, USA   | Ultimate Holding Company |
| 2.      | Effem Holdings Limited   | Holding Company          |
| 3.      | Preferred Brands International, Inc. USA (PBI Inc. is Holding Company of Preferred Brands Foods (India) Private Limited) | Holding Company          |
| 4.      | Preferred Brands Foods (India) Private Limited   | Holding Company          |
| 5.      | Preferred Brands Australia Pty. Ltd.   | Fellow Subsidiary        |
| 6.      | Preferred Brands UK Ltd.   | Fellow Subsidiary        |
| 7.      | Mars Australia Pty Ltd.  | Fellow Subsidiary        |
| 8.      | Mars Food UK Ltd.  | Fellow Subsidiary        |
| 9.      | Royal Canin India Private Limited  | Fellow Subsidiary        |
| 10.     | Mars International India Pvt. Ltd.   | Fellow Subsidiary        |
| 11.     | Mars Gmbh  | Fellow Subsidiary        |
| 12.     | Mars LLC   | Fellow Subsidiary        |
| 13.     | Mars Canada, Inc.  | Fellow Subsidiary        |
| 14.     | Wrigley India Private Limited  | Fellow Subsidiary        |
| 15.     | Mars Food USA  | Fellow Subsidiary        |
| 16.     | MARS Nederland's   | Fellow Subsidiary        |

#### B. Entities controlled by key management personnel

| Sr. No. | Name                                |
|---------|-------------------------------------|
| 1.      | Tasty Bite Employees Gratuity Trust |
| 2.      | Tasty Bite Foundation               |

#### C. Transactions with key management personnel

| Sr. No. | Name  | Relationship                                   |
|---------|---|--|
| 1.      | Mr. Ashok Vasudevan                               | Non - Executive Chairman                       |
| 2.      | Mr. Abhijit Upadhye                               | Managing Director                              |
| 3.      | Mr. Gaurav Gupta                                  | Chief Financial Officer and Alternate Director |
| 4.      | Ms. Minal Talwar                                  | Company Secretary                              |
| 5.      | Ms. Rama Kannan                                   | Non - Executive Independent Director           |
| 6.      | Dr. Chengappa Ganapati                            | Non - Executive Independent Director           |
| 7.      | Mr. Kavas Patel                                   | Non - Executive Independent Director           |
| 8.      | Ms. Dawn Amanda Allen                             | Non - Executive Director                       |
| 9.      | Mr. P V V Srinivas Rao (till 05 November 2020)    | Non - Executive Director                       |
| 10.     | Mr. Sukhdev David Dusangh (From 06 November 2020) | Non - Executive Director                       |

## Annexure F (Contd.)

(INR in Million)

| Key management personnel compensations  | Mr. Abhijit Upadhye |               | Mr. Gaurav Gupta |               | Ms. Minal Talwar |               |
|---|---------------------|---------------|------------------|---------------|------------------|---------------|
|   | 31 March 2021       | 31 March 2020 | 31 March 2021    | 31 March 2020 | 31 March 2021    | 31 March 2020 |
| Short term employee benefits            | 24.23               | 30.00         | 7.74             | 7.44          | 1.54             | 1.36          |
| Long Term benefits                      | -                   | 10.02         | -                | -             | -                | -             |
| Post - employment defined benefit plan  | 1.01                | 0.94          | 0.86             | 0.68          | 0.29             | 0.20          |
| Post - employment Compensated absences  | 4.46                | 3.73          | 1.26             | 1.02          | 0.27             | 0.21          |
| <b>Total</b>                            | <b>29.70</b>        | <b>44.69</b>  | <b>9.86</b>      | <b>9.14</b>   | <b>2.10</b>      | <b>1.77</b>   |
| Compensation payable at end of the year | 3.30                | 17.02         | -                | -             | -                | -             |

### Remuneration to Non - Executive Independent Directors

| Name of the Director   | 31 March 2021 | 31 March 2020 |
|------------------------|---------------|---------------|
| Ms. Rama Kannan        | 0.30          | 0.30          |
| Dr. Chengappa Ganapati | 0.30          | 0.30          |
| Mr. Kavay Patel        | 0.30          | 0.30          |
| <b>Total</b>           | <b>0.90</b>   | <b>0.90</b>   |

### D. Related party transactions other than those with key management personnel

| Transaction / Balance                      | Enterprise                                     | 31 March 2021   | 31 March 2020 |
|--|--|-----------------|---------------|
| <b>Sale of Goods</b>                       | Preferred Brands International, Inc. USA       | <b>2,864.21</b> | 2,104.76      |
|  | Mars Australia Pty Ltd.                        | <b>16.15</b>    | 32.03         |
|  | Mars Food UK Ltd.                              | <b>5.14</b>     | 86.11         |
|  | Mars Gmbh                                      | <b>8.39</b>     | 150.39        |
|  | Mars Canada, Inc.                              | <b>22.94</b>    | 48.52         |
|  | Mars LLC                                       | <b>3.60</b>     | 1.10          |
|  | Mars Food USA                                  | <b>19.76</b>    | -             |
| <b>Sale of MEIS Scripts</b>                | Royal Canin India Private Limited              | <b>24.35</b>    | 65.14         |
|  | Mars International India Pvt. Ltd.             | <b>6.67</b>     | -             |
| <b>Dividend paid on equity shares</b>      | Preferred Brands Foods (India) Private Limited | <b>3.81</b>     | 3.81          |
| <b>External Commercial Borrowing Taken</b> | MARS Nederland's                               | <b>365.80</b>   | -             |
| <b>Repayment of Working Capital loan</b>   | Royal Canin India Private Limited              | -               | 60.00         |
| <b>Interest on loan taken</b>              | Royal Canin India Private Limited              | -               | 3.15          |
|  | MARS Nederland's                               | <b>1.74</b>     | -             |
| <b>Contributions made</b>                  | Tasty Bite Employees Gratuity Trust            | <b>8.00</b>     | 7.00          |
|  | Tasty Bite Foundation                          | <b>7.77</b>     | 8.37          |
| <b>Balance outstanding</b>                 |  |                 |               |
| <b>A. Trade receivables</b>                | Preferred Brands International, Inc. USA       | <b>361.17</b>   | 269.57        |
|  | Mars Food Australia Pty Ltd.                   | -               | 1.82          |
|  | Mars Food UK Ltd.                              | <b>1.68</b>     | 6.18          |
|  | Mars Gmbh                                      | <b>4.66</b>     | 9.74          |

**Annexure F (Contd.)**

| Transaction / Balance                                   | Enterprise                                     | 31 March 2021 | 31 March 2020 |
|---|--|---------------|---------------|
|   | Mars Canada, Inc.                              | 2.74          | 14.60         |
|   | Mars LLC                                       | 1.34          | 1.12          |
|   | Mars Food USA                                  | 9.95          | -             |
| <b>B. Other receivables</b>                             | Preferred Brands International, Inc. USA       | -             | 0.50          |
| <b>C. Loans payables</b>                                | MARS Nederland's                               | 365.80        | -             |
| <b>D. Other payables</b>                                | Preferred Brands International, Inc. USA       | 45.30         | -             |
| <b>Expense charged to related parties in nature of:</b> |  |               |               |
| <b>A. Courier and postage</b>                           | Preferred Brands International, Inc. USA       | -             | 1.01          |
| <b>B. Reimbursements</b>                                | Preferred Brands International, Inc. USA       | -             | 4.04          |
|   | Preferred Brands Foods (India) Private Limited | 2.40          | 1.64          |
|   | Mars GmbH                                      | 0.64          | 0.82          |
|   | Mars Food UK Limited                           | 1.63          | 5.22          |
|   | Mars Australia Pty. Ltd.                       | 6.24          | 1.98          |
|   | Mars Canada, Inc.                              | 3.16          | -             |
|   | Tasty Bite Foundation                          | 0.93          | -             |
| <b>Expense charged by related parties in nature of:</b> |  |               |               |
| <b>A. Reimbursements</b>                                | Preferred Brands International, Inc. USA       | 0.18          | 4.18          |
|   | Mars International India Pvt. Ltd.             | 2.15          | 1.71          |
| <b>B. Project Maintenance Charges</b>                   | Wrigley India Private Limited                  | 7.42          | 2.42          |
|   | Mars International India Pvt. Ltd.             | 3.95          | 2.80          |

## Annexure G

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 31 March 2021.

(INR In Million)

| Name                   | Remuneration* | Nature of employment | Qualification  | Experience | Date of commencement of employment | Age | Last employment   | % of equity shares held | Whether relative of any director |
|------------------------|---------------|----------------------|--|------------|------------------------------------|-----|---|-------------------------|----------------------------------|
| Mr. Abhijit Upadhye    | 23.00         | Permanent            | Engineer from VJTI, Mumbai and MBA from NMIMS, Mumbai                                  | 24         | 12 - 07 - 2018                     | 50  | Jeeves Consumer Services and F1 Info Solutions                | Nil                     | No                               |
| Mr. Gaurav Gupta       | 7.44          | Permanent            | Chartered Accountant, CPA, CFE, CISA, B. Com (hons), CCSA, CISM                        | 18         | 09 - 07 - 2015                     | 39  | Kesoram Industries Ltd  | Nil                     | No                               |
| Mr. Rajendra A. Jadhav | 6.98          | Permanent            | BSC Tech - Food Technology and Post graduation in Foods, Drugs and Cosmetics           | 33         | 15 - 11 - 1991                     | 57  | Kwality Candies and Sweets Limited                            | Nil                     | No                               |
| Mr. Vinay Hastak       | 6.60          | Permanent            | BSC Chemistry, BSC Tech - Food Technology & LLB  | 32         | 27 - 11 - 2017                     | 57  | Hard Café Restaurants Pvt Ltd                                 | Nil                     | No                               |
| Mr. Ujjawal Jain       | 5.02          | Permanent            | B. Com (hons) and Post Graduate Programme in Management                                | 14         | 02 - 05 - 2011                     | 36  | CITI Financial Consumer Finance India Ltd                     | Nil                     | No                               |
| Mr. Shashish Hodlur    | 4.70          | Permanent            | Bachelor in Hotel Management & Catering Technology                                     | 24         | 16 - 07 - 2007                     | 45  | Taj Sats India Catering Ltd                                   | Nil                     | No                               |
| Mr. Ankit Singhal      | 4.63          | Permanent            | B Tech, Post Graduate Diploma in Rural management from Institute of Rural Management   | 17         | 31 - 08 - 2009                     | 41  | Multi commodity Exchange of India Ltd                         | Nil                     | No                               |
| Mr. Terence D'cruz     | 4.21          | Permanent            | BE from Bharathiar University, Coimbatore  | 27         | 01 - 03 - 2012                     | 52  | Innovative Foods Ltd  | Nil                     | No                               |
| Mr. Ashutosh Parmar    | 4.03          | Permanent            | BSC Food Tech  | 17         | 14 - 09 - 2010                     | 38  | ITC Limited   | Nil                     | No                               |
| Mr. Shailendra Saxena  | 3.72          | Permanent            | MSC Food Tech, BSC Agri  | 14         | 09 - 06 - 2017                     | 52  | Capricon Ltd  | Nil                     | No                               |
| Mr. Prit Thaker        | 3.68          | Permanent            | BTech (Computer Engineering) from Nirma Univeristy and MBA in marketing - SCMHRD, Pune | 9          | 24 - 07 - 2019                     | 33  | Avalon Consulting (Division of Strap Bizz Consulting Pvt Ltd) | Nil                     | No                               |

\*Basis cost to Company excluding variable pay and leave encashment.

Date: 15 May 2021  
Place: Pune

**Ashok Vasudevan**  
Chairman  
DIN: 00575574

# Corporate Governance

## 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 philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

Your Company's governance structure comprises the Board of Directors ("Board") and the Committees of the Board ["Committee(s)"] 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.

The Company has adopted a Code of Conduct for its employees including the Managing Director and the non - executive directors which also includes Code of Conduct for Independent Directors that suitably incorporates the duties of Independent Directors as laid down in the Companies Act, 2013.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub - regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), as applicable, with regards to corporate governance.

## BOARD OF DIRECTORS

Company's Board plays a pivotal role in ensuring 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 and shareholders, ensuring fairness in decision making process, integrity and transparency while dealing with its members and all its stakeholders.

### a) Composition of Board:

As on 31 March 2021, the Company has 8 directors (including 1 Alternate Director). The structure of the Board is as follows:

- 1 Chairman (Non-executive)
- 1 Managing Director
- 3 Independent Directors
- 2 Non-executive Directors
- 1 Alternate Director to Chairman

The composition of the Board is in conformity with Regulation 17 of the SEBI Regulations, 2015 read with Section 149 of the Companies Act, 2013.

The Board has an optimum combination of executive and non - executive directors.

The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:



**Minal Talwar**  
Company Secretary  
and Legal

While executing Company's strategies, we continue to focus on strengthening our governance structure. Over the years, the focus of the Company has been on creating a stronger governance framework. Our current governance structure is a result of unwavered focus over the past several years on creating a stronger system while improving stakeholder value. 🗨️

# Corporate Governance (Contd.)

| Name  | Skills/expertise/competence   |
|---|---|
|  <p><b>Mr. Ashok Vasudevan</b><br/>Chairman (Non - Executive)</p>      | <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;"> <br/>             Integrated marketing         </div> <div style="text-align: center; margin: 5px;"> <br/>             Customer insight         </div> <div style="text-align: center; margin: 5px;"> <br/>             Brand management         </div> <div style="text-align: center; margin: 5px;"> <br/>             Business strategies         </div> <div style="text-align: center; margin: 5px;"> <br/>             Public relations negotiation         </div> <div style="text-align: center; margin: 5px;"> <br/>             Team building         </div> <div style="text-align: center; margin: 5px;"> <br/>             Governance         </div> </div> <p>Mr. Vasudevan has wide experience of 38 plus years as an entrepreneur and a corporate executive for large multinationals. He has spent 10 years with the Unilever group in India in various functions that included Management Development, Sales &amp; Marketing and International Business. He is cofounder of Preferred Brands International Inc, USA. He has expertise in integrated marketing, customer insight, brand management, product marketing, business analysis, public relations negotiation, team building etc.</p> |
|  <p><b>Mr. Abhijit Upadhye</b><br/>Managing Director (Executive)</p> | <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;"> <br/>             Sales &amp; Marketing         </div> <div style="text-align: center; margin: 5px;"> <br/>             Business strategies         </div> <div style="text-align: center; margin: 5px;"> <br/>             Supply chain         </div> <div style="text-align: center; margin: 5px;"> <br/>             Strategic planning         </div> <div style="text-align: center; margin: 5px;"> <br/>             Vendor management         </div> <div style="text-align: center; margin: 5px;"> <br/>             Governance         </div> </div> <p>Mr. Upadhye has 24 plus years of experience spanning e - commerce, Food Service, Consulting and FMCG with a mix of International as well as within country leadership roles. He has worked with McDonald's Corporation, Flipkart, Infosys, etc. to name a few. He has expertise in sales and marketing, business strategies, supply chain management, strategic planning, business process improvement, vendor management, governance, business development, etc.</p>  |
|  <p><b>Ms. Dawn Allen</b><br/>Director (Non - Executive)</p>         | <div style="display: flex; flex-wrap: wrap; justify-content: space-around;"> <div style="text-align: center; margin: 5px;"> <br/>             Finance planning &amp; operations         </div> <div style="text-align: center; margin: 5px;"> <br/>             Business strategies         </div> <div style="text-align: center; margin: 5px;"> <br/>             Governance         </div> <div style="text-align: center; margin: 5px;"> <br/>             Acquisitions and Divestments         </div> </div> <p>Ms. Allen has worked at Mars, Incorporated group of companies for 23 years and during this time has held a number of local, regional and global CFO position. She is currently VP Global Finance Transformation for Mars, Inc. Her expertise lies in all aspects of finance from business planning and strategic insights; acquisitions and divestments; financial operations as well as governance and control.</p>   |

# Corporate Governance (Contd.)

| Name  | Skills/expertise/competence   |
|---|---|
|  <p><b>Mr. Kavas Patel</b><br/>Independent Director<br/>(Non - Executive)</p>          |  Corporate finance<br> Budgeting<br> Mergers and acquisitions<br> Governance<br> Business strategies<br> Wealth Management<br><p>Mr. Patel is a Chartered Accountant from Wales &amp; England and started his career with Franklin Wild and Co., Chartered Accountants, London as Clerk. He then joined Polaroid Corporation in 1974 and worked with them in various international assignments in Europe, Far East, USA and India. His last assignments with Polaroid was Director of Finance, Asia Pacific Region and Country Director India. His expertise lies in Audit, corporate finance, strategic financial planning, budgeting, mergers and acquisitions, governance, business strategies, investment, wealth management, etc.</p> |
|  <p><b>Ms. Rama Kannan</b><br/>Independent Director<br/>(Non - Executive)</p>        |  Leadership and executive coaching<br> Business planning and social entrepreneurship<br> General management and leadership<br> Governance<br><p>Ms. Kannan works as a coach / mentor / advisor for various senior executives in corporate and social enterprises in India and abroad. She also has a wide experience in field of marketing and strategic roles with various companies such as British Petroleum, PepsiCo, etc.</p> <p>She has expertise in leadership and executive coaching, business planning and social entrepreneurship, general management and leadership, etc.</p>  |
|  <p><b>Dr. Chengappa Ganapati</b><br/>Independent Director<br/>(Non - Executive)</p> |  Teaching<br> Research<br> Governance<br> Agri - Business and Trade<br> Economics<br><p>Dr. Chengappa is one of the leading Agricultural Economist of India. He has over three decades of experience in teaching, research, extension and academic administration.</p> <p>He has expertise in teaching, research, academic administration, economics, agri - business and trade, etc.</p>  |

## Corporate Governance (Contd.)

| Name   | Skills/expertise/competence   |
|--|---|
|  <p><b>Mr. Sukhdev David Dusangh</b><br/>Director (Non - Executive)</p>   | <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <br/>Sales         </div> <div style="text-align: center;"> <br/>Marketing and<br/>general management         </div> <div style="text-align: center;"> <br/>Business<br/>strategies         </div> </div> <p>Mr. Dusangh is an experienced executive with 28 years of sales, marketing and general management experiences, shaping strategy and leading commercial operations at Tier 1 CPG companies for North America and International markets.</p>  |
|  <p><b>Mr. Gaurav Gupta</b><br/>Alternate Director (Non - Executive)</p> | <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <br/>Finance         </div> <div style="text-align: center;"> <br/>Business<br/>strategies         </div> <div style="text-align: center;"> <br/>Supply<br/>chain         </div> <div style="text-align: center;"> <br/>Governance<br/>and control         </div> </div> <p>Mr. Gupta is a Chartered Accountant by profession and also is a CPA, CFE, CISA, CCSA and B.Com (Hons) degree holder. He has 18 plus years of experience spanning IT industry, telecom industry, tyres and FMCG with mix of international stints and domestic exposure.</p> <p>He has expertise in finance, business, supply chain, governance and control, etc.</p> |

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being into the business of food industry, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

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 disclosures regarding Committee positions and other directorships have been given by all the Directors. For the purpose of determination of limit of the Committees, Chairperson and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the SEBI Regulations.

Mr. Gaurav Gupta was appointed as Alternate Director to Mr. Ashok Vasudevan on 16 February 2020 due to his absence from India. Considering the Covid 19 situation, Mr. Ashok Vasudevan did not return to India since 16 February 2020 and

thus Mr. Gaurav Gupta continued to act as an Alternate Director to Mr. Ashok Vasudevan. None among the Directors of the Company are related to each other in any manner and hence disclosure of relationships between Directors is not applicable.

Ms. Rama Kannan, Mr. Kavas Patel and Dr. Chengappa Ganapati continue to act as the Independent Directors on the Board of the Company as defined under Regulation 16(1)(b) of SEBI Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Regulations and amendments thereto, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Company confirms that the Independent Directors fulfill conditions specified in SEBI Regulations and they are independent of the senior management.

None among the Independent Directors of the Company have resigned during the financial year ended 31 March 2021 and thus confirmation with respect to no other material reason is not provided.

Schedule V of the SEBI Regulations has mandated all the companies to publish in its annual report the skills / expertise / competence required by the Company and also to present the

## Corporate Governance (Contd.)

skills / expertise / competence of its Directors against the said requirement. The Board has identified the skill matrix in the below mentioned areas:

| No. | Area  | Particulars  |
|-----|---|--|
| 1   | Global Economics                           | Understanding of diverse business environments, regulatory framework, economic & political conditions, cultures globally.    |
| 2   | Corporate Governance                       | Protection of stakeholders' interest, observing best governance practices, identifying key governance risks.                 |
| 3   | General Management and Leadership          | General know - how of business management, talent management & development, workplace health & safety.                       |
| 4   | Science & Technology                      | Significant background and experience in agriculture, food and manufacturing sector, science & technology domain.            |
| 5   | Finance & accounts                       | Proficiency in financial management, financial reporting process, budgeting, treasury operations, audit, capital allocation. |
| 6   | Manufacturing, Quality and Supply Chain  | Operational expertise and technical know how in the area of manufacturing, quality, supply chain.                            |
| 7   | Sales, Marketing, Commercial             | Experience in strategizing market share growth, building brand awareness, enhancing enterprise reputation.                   |
| 8   | M&A's Business development               | Examining M&A deals for inorganic growth in line with the Company's growth strategy.   |

Accordingly, the above - mentioned skill matrix, the skills which are currently available with the Board have been mapped below:

| Director                  | Global Economics | Corp Governance | General Mngt & Leadership | Science & technology | Finance & accounts | Manufacturing, QA and SCM | Sales, Marketing, Commercials | Business Development |
|---------------------------|------------------|-----------------|---------------------------|----------------------|--------------------|---------------------------|-------------------------------|----------------------|
| Mr. Ashok Vasudevan       | ☑                | ☑               | ☑                         | ☑                    | ☒                  | ☑                         | ☑                             | ☑                    |
| Mr. Abhijit Upadhye       | ☑                | ☑               | ☑                         | ☑                    | ☒                  | ☑                         | ☑                             | ☑                    |
| Ms. Dawn Allen            | ☑                | ☑               | ☑                         | ☒                    | ☑                  | ☒                         | ☒                             | ☑                    |
| Mr. Kavas Patel           | ☑                | ☑               | ☑                         | ☒                    | ☑                  | ☒                         | ☒                             | ☑                    |
| Dr. Chengappa Ganapati    | ☑                | ☑               | ☑                         | ☑                    | ☒                  | ☒                         | ☒                             | ☑                    |
| Ms. Rama Kannan           | ☑                | ☑               | ☑                         | ☒                    | ☒                  | ☒                         | ☑                             | ☑                    |
| Mr. Sukhdev David Dusangh | ☑                | ☑               | ☑                         | ☒                    | ☒                  | ☑                         | ☑                             | ☑                    |
| Mr. Gaurav Gupta          | ☑                | ☑               | ☑                         | ☒                    | ☑                  | ☒                         | ☑                             | ☑                    |

## Corporate Governance (Contd.)

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting (“AGM”), names of other listed entities in which the Director is a director and the number of directorships and committee chairmanships / memberships held by them in other public limited companies as on 31 March 2021 are given herein below. Other directorships include directorships of private limited companies and companies registered under Section 8 of the Act and excludes foreign companies. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders’ Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Regulations.

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

There were four (04) board meetings held during the financial year ended 31 March 2021. These were held on 15 May 2020, 05 August 2020, 06 November 2020 and 11 February 2021. The maximum interval between any two meetings was not more than 120 days. The necessary quorum was present for all the meetings.

All the board meetings were scheduled well in advance and the notices of the board meetings were sent well in advance to all the directors. The agenda was accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans, financial results, detailed presentations were made. The agenda and the relevant notes were also sent in advance to each director. The Board members are free to recommend inclusion of any important matter for discussion in consultation with the Chairman of the meeting.

To enable the Board to discharge its responsibilities effectively, at every Board Meeting, the members of the Board are briefed 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 the matters statutorily requiring Board’s approval including provisions mentioned in SEBI Regulations and provisions of the 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.

### Availability of information to the Board:

During the financial year 2020 - 21, information as mentioned in Part A of Schedule II of the SEBI Regulations, has been placed before the Board for its consideration. The Board has unrestricted access to the following information:

- Annual operating plans and budgets, including any updates
- Capital budgets and any updates
- Quarterly results for the Company and its operating divisions or business segments
- Details of any joint venture or collaboration agreement
- Minutes of meetings of Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of Senior Officers just below board level including the appointment and removal of CFO and Company Secretary
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences any material effluent or pollution problems
- Material default in financial obligations to and by the Company or substantial non - payment for goods sold by the Company
- Any issue which involves public or product liability, claims of substantial nature or any judgment or adverse view regarding another enterprise that can have negative implications on the Company
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Significant development in Human Resources / Industrial relations front like signing of wage agreement, implementation of VRS, etc.
- Non - compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non - payment of dividend, delay in share transfer, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business

## Corporate Governance (Contd.)

- Material financial / commercial transactions, with senior management personnel, in which they are personally interested and which potentially conflicts with the interest of the Company
- Details of foreign exchange exposures and the steps taken by the management to limit the risk of adverse exchange rate movement
- Quarterly compliance report and investor grievance reports
- Dividend data

At board meetings, managers and representatives who can provide additional insight into the items / agenda being discussed are invited.

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

The Company has adopted "Code of Conduct for Board Members and Managerial Personnel" ("Code"). A copy of Code is posted on the 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. A confirmation from 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 31 March 2021:

| Sr. No | Name of the Director                       | Category of Director -ship | Attendance in Board Meetings during 2020 - 21 | Attendance at last AGM held on 06 August 2020 | No. of other Directorships <sup>#</sup> as on 31 March 2021 (other companies) | No. of other Committee <sup>5</sup> position held as on 31 March 2021 (other companies) | No. of Shares/ convertible instruments held |
|--------|--|----------------------------|---|---|---|---|---|
| (1)    | (2)  | (3)                        | (4)   | (5)   | (6)   | (7)   | (8)   |
| 1.     | Mr. Ashok Vasudevan                        | N.E.D.                     | 4   | Yes   | 0   | Nil   | Nil   |
| 2.     | Mr. Abhijit Upadhye                        | E.D.                       | 4   | Yes   | 1   | Nil   | Nil   |
| 3.     | Ms. Dawn Allen                             | N.E.D.                     | 4   | Yes   | 1   | Nil   | Nil   |
| 4.     | Mr. Kavas Patel                            | I.D.                       | 4   | Yes   | 7   | 1   | Nil   |
| 5.     | Ms. Rama Kannan                            | I.D.                       | 4   | Yes   | 1   | Nil   | Nil   |
| 6.     | Dr. Chengappa Ganapati                     | I.D.                       | 4   | Yes   | 4   | Nil   | Nil   |
| 7.     | @Mr. Pydisetty Veera Venkata Srinivasa Rao | N.E.D.                     | 2   | No  | 0   | Nil   | Nil   |
| 8.     | @Mr. Sukhdev David Dusangh                 | N.E.D.                     | 2   | NA  | 0   | Nil   | Nil   |
| 9.     | *Mr. Gaurav Gupta                          | A.D.                       | 4   | Yes   | 1   | Nil   | Nil   |

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

<sup>#</sup> including private limited companies, section 8 companies and excluding foreign companies

<sup>5</sup> Chairmanship/ Membership in Audit and Stakeholders' Grievance Committee, of Public Limited Companies are considered

\* Mr. Gaurav Gupta attended the meeting as CFO and not as Alternate Director.

@Mr. Pydisetty Veera Venkata Srinivasa Rao resigned as Director of the Company w.e.f. 05 November 2020 and Mr. Sukhdev David Dusangh was appointed as Additional Director in the Company w.e.f. 06 November 2020. Details of the directors seeking reappointment in the annual general meeting have been given with the notice in Annual Report.

- e) Video / tele - conferencing facilities are also used to facilitate Directors travelling / residing abroad or at other locations to participate in the meetings. Due to the exceptional circumstances caused by the Covid - 19 pandemic and consequent relaxations granted by MCA and SEBI, all Board meetings in financial year 2021 were held through Video Conferencing.

## Corporate Governance (Contd.)

**f) Details of listed entities in which person is a director and his/her category are as given below:**

| Sr. No | Name of the Director      | Names of other listed entities in which the Director has Directorships | Category of Directorship |
|--------|---------------------------|--|--------------------------|
| (1)    | (2)                       | (3)  | (4)                      |
| 1.     | Mr. Ashok Vasudevan       | -  | -                        |
| 2.     | Mr. Abhijit Upadhye       | -  | -                        |
| 3.     | Ms. Dawn Allen            | -  | -                        |
| 4.     | Mr. Kavas Patel           | Dai - Ichi Karkaria Limited  | Independent              |
| 5.     | Ms. Rama Kannan           | -  | -                        |
| 6.     | Dr. Chengappa Ganapati    | Tata Coffee Limited  | Independent              |
| 7.     | Mr. Sukhdev David Dusangh | -  | -                        |
| 8.     | Mr. Gaurav Gupta          | -  | -                        |

**g) Familiarisation Programme of Directors:**

All 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. The weblink with details of familiarization of independent directors is [www.tastybite.co.in](http://www.tastybite.co.in) - investor - corporate governance section. Directors also visit the manufacturing plant of the Company for further understanding of the business and processes. A training programme from Institute of Directors ("IOD") was also conducted for all the directors for 2 days during the year.

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

- The duties and responsibilities of Independent Directors have been incorporated in the Code of Conduct as required by the Companies Act, 2013.
- The amendments / updates in statutory provisions are informed from time to time.
- 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.

- Directors visit the manufacturing plant of the Company and directly deal with senior management personnel / key management personnel and auditors to resolve the queries.
- The Board on a quarterly basis reviews the compliance reports of all laws applicable to the Company.
- None of the directors of the Company holds any shares in the Company.

As a practice, all new Directors (including Independent Directors) inducted to the Board go through a structured orientation programme. The new director is given an orientation on the products of the business, group structure, Board constitution and procedures, matters reserved for the Board, and the major risks and risk management strategy of the Company. Visits to plant location are organised for the new director to enable them to understand the business better.

Details of familiarization programme imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in).

# Corporate Governance (Contd.)

## COMMITTEES OF THE BOARD

There are five (05) Board Committees as on 31 March 2021, details of which are as follows:

### Audit Committee

#### Statutory Committees

| Name                       | Category                     |
|----------------------------|------------------------------|
| Mr. Kavas Patel (Chairman) | Independent, Non - Executive |
| Ms. Rama Kannan            | Independent, Non - Executive |
| Dr. Chengappa Ganapati     | Independent, Non - Executive |
| Mr. Abhijit Upadhye        | Executive                    |

*No change in the composition of the Audit Committee of the Company during the year under review.*

#### Extract of terms of reference

Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of SEBI Listing Regulations.

- Oversight of financial reporting process.
- Recommend appointment, remuneration and terms of appointment of Auditors of the Company.
- Approval or any subsequent modification of transactions of the Company related parties.
- Review the quarterly, half yearly and annual financial statements before submission to the Board or to the Members.

- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same
- Review the adequacy and quality of internal control systems.

#### Other details

- Four meetings of the Audit Committee were held during the year under review and the gap between two meetings did not exceed 120 days.
- Committee invites such executives as it considers appropriate, CFO, representatives of the statutory auditors and internal auditors, to be present at its meetings.
- The Company Secretary acts as the Secretary to the Audit Committee.
- Ms. Minal Talwar is the Compliance Officer to ensure compliance and effective implementation of the Insider Trading Code.
- The previous AGM of the Company was held on 06 August 2020 and was attended by Mr. Kavas Patel, the Chairman of the Audit Committee.

The C.F.O., Statutory Auditors and Internal Auditors are invited to attend the meetings. All Members of the Committee have wide exposure and possess sound knowledge in the areas of accounts, finance, business and internal control. The composition of the Committee is in conformity with Regulation 18 of SEBI Regulations.

# Corporate Governance (Contd.)

## Stakeholders' Relationship Committee

### Statutory Committees

| Name                       | Category                     |
|----------------------------|------------------------------|
| Mr. Kavas Patel (Chairman) | Independent, Non - Executive |
| Ms. Rama Kannan            | Independent, Non - Executive |
| Dr. Chengappa Ganapati     | Independent, Non - Executive |

No change in the composition of the Stakeholders' Relationship Committee of the Company during the year under review.

### Extract of terms of reference

Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 20 of SEBI Listing Regulations.

The broad terms of reference are as under:

- Consider and resolve the grievances of security holders.
- Consider and approve issue of share certificates, transfer and transmission of securities, etc
- Committee of executives which includes the MD, CFO and CS of the Company deals with the transfer, transmission, removal, deletion of name, issue of duplicate share certificate, etc.

### Other details

- Four meetings of the Stakeholders' Relationship Committee were held during the year under review.

- Details of Investor complaints and Compliance Officer-

#### Ms. Minal Talwar

Tasty Bite Eatables Limited  
201 - 202, Mayfair Towers,  
Wakdewadi, Shivajinagar,  
Pune - 411 005

Telephone: 91 20 3021 6026

e - mail: [secretarial@tastybite.com](mailto:secretarial@tastybite.com)

- The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee.

- The previous AGM of the Company was held on 06 August 2020 and was attended by Mr. Kavas Patel, the Chairman of the Stakeholders' Relationship Committee.

- Details of investor complaints received and redressed during financial year 2020 - 21 are as follows:

| Opening balance | Received during the year | Resolved during the year | Closing balance |
|-----------------|--------------------------|--------------------------|-----------------|
| -               | 24                       | 24                       | -               |

## Corporate Social Responsibility Committee

### Statutory Committees

| Name                       | Category                           |
|----------------------------|------------------------------------|
| Mr. Kavas Patel (Chairman) | Independent, Non - Executive       |
| Mr. Abhijit Upadhye        | Executive                          |
| Mr. Ashok Vasudevan        | Non - Independent, Non - Executive |
| Ms. Rama Kannan            | Independent, Non - Executive       |
| Dr. Chengappa Ganapati     | Independent, Non - Executive       |

No change in the composition of the Corporate Social Responsibility Committee of the Company during the year under review.

### Extract of terms of reference

- Committee is constituted in line with the provisions of Section 135 of the Companies Act, 2013.

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.

- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy.

- Monitor the CSR Policy.

### Other details

- Two meetings of the CSR Committee were held during the year under review.

- Four Board meetings of Tasty Bite Foundation, a Section 8 Company which was incorporated with sole objective of carrying on Corporate Social Responsibility (CSR) activities of the Company were held during the year.

# Corporate Governance (Contd.)

## Nomination and Remuneration Committee

### Statutory Committees

| Name                       | Category                     |
|----------------------------|------------------------------|
| Mr. Kavas Patel (Chairman) | Independent, Non - Executive |
| Ms. Rama Kannan            | Independent, Non - Executive |
| Dr. Chengappa Ganapati     | Independent, Non - Executive |

No change in the composition of the Nominations and Remuneration Committee of the Company during the year under review.

### Extract of terms of reference

Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of SEBI Listing Regulations.

- Recommend to the Board the composition of the Board and its Committees.
- Recommend to the Board the appointment / re - appointment of Directors and Key Managerial Personnel.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.

- Recommend to the Board the Remuneration Policy for directors, executive team or key managerial personnel as well as senior managerial personnel.

- Oversee familiarisation programs for Directors.

### Other details

- Three Nomination and Remuneration Committee meetings were held during the year under review.
- The Company does not have any Employee Stock Option Scheme.
- Details of Performance Evaluation Criteria and Remuneration Policy are provided in this report.
- The previous AGM of the Company was held on 06 August 2020 and was attended by Mr. Kavas Patel, the Chairman of the Nomination and Remuneration Committee.

## Risk Management Committee

### Statutory Committees

| Name                       | Category                              |
|----------------------------|---------------------------------------|
| Mr. Kavas Patel (Chairman) | Independent, Non - Executive          |
| Ms. Rama Kannan            | Independent, Non - Executive          |
| Dr. Chengappa Ganapati     | Independent, Non - Executive          |
| Mr. Abhijit Upadhye        | Executive                             |
| Mr. Ashok Vasudevan        | Non - Independent,<br>Non - Executive |
| Mr. Gaurav Gupta           | CFO and Alternate Director            |

The Risk Management Committee was formed on 12 February 2020 by the Board of Directors of the Company and thereafter no change in the composition of the Risk Management Committee of the Company during the year under review.

### Extract of terms of reference

Committee is duly constituted as per the provisions of Regulation 21 of SEBI Listing Regulations.

- To frame, implement and monitor the risk management plan for the Company.

- The Committee is responsible for monitoring and reviewing the Risk Management Plan and ensuring its effectiveness.

- The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### Other details

- Two Risk Management Committee meetings were held during the year under review.
- The majority of members of Risk Management Committee consist members of the board and senior management.
- The Chairperson of the Risk Management Committee is a member of the Board of Directors and other members include senior executives of the Company.

## Corporate Governance (Contd.)

### Details of remuneration of 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 2020 - 21 are as follows:

| Name of Director          | Basic Salary | Allowance & Perquisites | Performance linked incentive / commission/ bonus | Company Contribution to Provident Fund & Pension | Sitting fees | (INR)      |
|---------------------------|--------------|-------------------------|--|--|--------------|------------|
|                           |              |                         |  |  |              | Total      |
| Mr. Ashok Vasudevan       | ---          | ---                     | ---  | ---  | ---          | ---        |
| Mr. Kavas Patel           | ---          | ---                     | ---  | ---  | 300,000      | 300,000    |
| Mr. Abhijit Upadhye       | 10,120,000   | 12,411,705              | ---  | 1,701,172  | ---          | 24,232,877 |
| Dr. Chengappa Ganapati    | ---          | ---                     | ---  | ---  | 300,000      | 300,000    |
| Ms. Dawn Allen            | ---          | ---                     | ---  | ---  | ---          | ---        |
| Ms. Rama Kannan           | ---          | ---                     | ---  | ---  | 300,000      | 300,000    |
| Mr. Sukhdev David Dusangh | ---          | ---                     | ---  | ---  | ---          | ---        |

Notes:

- Remuneration of Mr. Abhijit Upadhye as Managing Director was fixed from 03 November 2018 till 31 March 2021, by the shareholders.
- Agreement with the Managing Director can be terminated by giving three months notice in writing by either party. Performance bonus as per the terms of appointment and approval of shareholders to be paid.
- No stock option scheme has been framed by the Company for directors and other executives.
- There is only fixed component criteria in the Company for directors and employees apart from variable component (bonus) paid to Managing Director as mentioned in the above table.
- No other director including any non - executive director receives any remuneration, commission or any other incentive from the Company.
- Mr. Gaurav Gupta receives remuneration as Chief Financial Officer of the Company.

#### Remuneration Policy:

The Board adopted Remuneration and Evaluation Policy on recommendation of Remuneration and Nomination Committee covering Board diversity, evaluation criteria, qualifications, etc under the provisions of Companies Act, 2013 and SEBI Regulations. Detailed policy is available at Company's website [www.tastybite.co.in](http://www.tastybite.co.in).

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

- 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.
- The Board and Nomination and Remuneration Committee to satisfy themselves before recommending any person for directorship that he or she is not disqualified being appointed as director under Companies Act, 2013.
- In case of appointment of independent director, the Committee to also satisfy itself that person satisfies all criteria of being appointed as Independent director.
- 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.
- 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.
- Sitting fee paid to independent directors was INR 75,000 per quarter during the financial year 2020 - 21 as revised w.e.f. 07 May 2016 by Board of Directors in their meeting. Sitting fee paid is within statutory limits.

## Corporate Governance (Contd.)

7. The remuneration of key managerial personnel and senior managerial personnel is reviewed by the Committee. The remuneration of employees largely consists basic remuneration, perquisites and allowances. 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, individual performances, short & long term performance objectives appropriate to the working of the Company, etc. As per SEBI Regulations, even the remuneration of the senior managerial personnel shall be recommended by the Committee.

The non - executive directors do not draw any remuneration from the Company, except sitting fees for each meeting during the quarter of the Board and Committees thereof, which is paid to the Independent Directors only.

### Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI Regulations, 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, Stakeholders Relationship, Nomination & Remuneration and Corporate Social Responsibility Committee. 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 basis participation of independent directors in the meeting, raising of concerns to the Board, safeguarding the confidential information, rendering of independent decisions, unbiased opinions and resolution of issues in the meetings, timely inputs on the minutes, initiatives in terms of planning and new ideas. The Directors expressed their satisfaction with the evaluation process.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per the provisions of the Companies Act, 2013 and SEBI Regulations, a separate meeting of independent directors was held on 11 February 2021 for evaluation of performance of entire Board and Chairman of the Company. All 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   |
|----------------------|-----------------------------------|---|--|
| 2019 - 20            | 06 August 2020, at 12.30 p.m. IST | Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") | 1. Fixation of remuneration of Mr. Abhijit Vishwanath Upadhye as Managing Director till 31 March 2021  |
| 2018 - 19            | 08 August 2019, at 11.00 a.m.     | Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001                   | 1. Fixation of remuneration of Mr. Abhijit Vishwanath Upadhye as Managing Director till 31 March 2020<br>2. Re - appointment of Mr. Kavas Patel as an Independent Director<br>3. Issue of equity shares on preferential basis  |
| 2017 - 18            | 09 August 2018, at 11.00 a.m.     | Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001                   | 1. Approval for declassification of Promoter<br>2. Revision in overall borrowing powers<br>3. Creation of charge on assets of the Company<br>4. Material Related Party transaction approval<br>5. Approval for buyback of 59,5301% Non - Cumulative, Non - Convertible Redeemable Preference shares<br>6. Fixation of remuneration of Mr. Ravi Nigam as Managing Director for 3 years. |

- The Registered Office of the Company is situated at 201 - 202, Mayfair Towers, Wakdevadi, Shivajinagar, Pune - 411 005
- All resolutions moved in 2017 - 18 and 2018 - 19 annual general meetings were passed through e - voting facility and Poll by way of Ballot Papers at meeting made available to the shareholders. All resolutions moved in 2019 - 20 annual general meeting were passed through e - voting facility provided before and during the meeting.
- There was no Extra Ordinary General Meeting of members held in financial year 2020 - 21.
- None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

## Corporate Governance (Contd.)

### 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 Indian Accounting Standards (Ind AS) issued by Institute of Chartered Accountants of India, forms part of note no. 45 of the accounts in the annual report.
2. The Company has complied with the formalities as laid down by National Stock Exchange of India Ltd, BSE Ltd, SEBI and other statutory authorities on matter related to capital market. There were no penalties, strictures laid down on the Company relating to capital market during last three years.
3. The Company is committed to high standard of Corporate Governance and stakeholder's responsibility. The Company has a Vigil Mechanism that provides a formal channel for all its Directors, employees, and vendors to approach the Chairman of the Audit Committee and make protected disclosures about the unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. No person is denied access to the Chairman of the Audit Committee.

As per Regulation 22 of SEBI Regulations 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. Details of Chairman of Audit Committee are as under -

Name- Mr. Kavasp Patel  
Address- C-33, Rivernest, 311 North Main Road,  
Koregoan Park, Pune 411011  
Phone: +91 020 29510197; E-mail: kavasp@hotmail.com

The Whistle blower policy for Directors & Employees is an extension of the Company's Code of Conduct that encourage every Director and employee to promptly report any actual or possible violation of the Company's Code of Conduct or any event that he or she becomes aware of that could affect the business or reputation of the Company.

During the year, no event or protected disclosure from any employee or person was received by the Chairman of the Committee or the management.

4. The Company has formed a policy on Related Party Transaction. It is also available on website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in). Company does not have any material subsidiary and therefore policy with respect to material subsidiaries is not applicable to the Company.

5. 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 and packaging material prices and other business risks and these risks are analyzed from time to time by the executive management team and reviewed by the Risk Management Committee and the Board.
6. There has been no public, rights or preferential issues of shares or debentures during the year.
7. As required by Schedule V (E) of the SEBI Regulations, the Company has obtained a certificate from Statutory Auditor regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure B to the Directors' Report.
8. The Company has also adopted Policy on Material Disclosures, Policy on Preservation of Documents and Archival Policy. The policies are available on website of the company ([www.tastybite.co.in](http://www.tastybite.co.in))
9. As per Regulation 43A of the SEBI Regulations, the Company has adopted Dividend Distribution Policy in its board meeting held on 15 May 2020. The Policy is available on website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in)
10. A Certificate has been received from M/s. Pareek V. R. & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed by the Practicing Company Secretary is annexed to this Report.
11. Following fees paid (including provisions for the financial year 2020 - 21 and 2019 - 20) to Statutory Auditors and its member firm / network firm:

| Name of firm   | INR in Million |             |
|--|----------------|-------------|
|  | FY 2021        | FY 2020     |
| B S R & Associates LLP<br>(Statutory Auditors)                             | 3.57           | 2.94        |
| B S R & Co. LLP (Tax<br>Consultants - Transfer Pricing<br>& Corporate Tax) | 2.95           | 2.16        |
| KPMG   | -              | 0.45        |
| <b>Total</b>   | <b>6.52</b>    | <b>5.54</b> |

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

## Corporate Governance (Contd.)

### 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.
- Internal auditors of the Company make presentation to the audit committee on their reports.
- 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 a formal system of evaluating them. The Company also arranges various training programmes pertinent to the directors, their liabilities, responsibilities, etc.
- In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, 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 Company has adopted a Policy on Determination of Materiality for Disclosure as per Regulation 30 of the SEBI Regulations.
- The Company has adopted a Policy on Archival and Preservation of Documents as per Regulation 9 of the SEBI Regulations.
- Terms and conditions of appointment/ re - appointment of Independent Directors in terms of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Companies Act, 2013 are available on the website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in).
- Details of familiarization programme imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in).
- Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 forms part of the Annual Report. Further, no complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 and no complaints were pending as on the end of the financial year ended 31 March 2021.

The Code of Fair Disclosure 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. Financial Express/Asian Age and local newspaper viz. Loksatta; 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 National Stock Exchange of India Limited (NSE) and 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 SEBI Regulations. The website of the Company also contains presentations made to institutional investors and other official news releases, if any.
- Management Discussion and Analysis forms part of this Annual Report.

### GENERAL SHAREHOLDER INFORMATION

- |  |  |
|--|--|
| <p><b>a) Annual General Meeting</b><br/>- Date, Time and Venue</p> | <p>: 05 August 2021, at 12:30 p.m. IST<br/>The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 05 May 2020 read with circulars dated 08 April 2020, 13 April 2020 and 13 January 2021 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.</p> |
|--|--|

## Corporate Governance (Contd.)

|   |  |
|---|--|
|   | As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.  |
| <b>b) Financial Calendar</b>                                | :  |
| Tentative financial reporting for                           |  |
| - the quarter ending 30 June 2021                           | Second week of August 2021   |
| - the half year ending 30 September 2021                    | Second week of November 2021   |
| - the quarter ending 31 December 2021                       | Second week of February 2022   |
| - year ending 31 March 2022                                 | Second Week of May 2022  |
| Annual General Meeting for the year ending 31 March 2022    | August 2022  |
| <b>c) Financial Year</b>                                    | : 01 April to 31 March   |
| <b>d) Dates of Book Closure</b>                             | : 17 July 2021 to 05 August 2021 (both days inclusive)   |
| <b>e) Dividend Payment</b>                                  | : INR 2.00 on each equity share of INR 10 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting.   |
| <b>f) Listing on Stock Exchange, Address and Stock Code</b> | : <b>BSE Limited (BSE)</b><br>Code : 519091<br>Address: 1st Floor, New Trading Ring, Rotunda Bldg., P.J. Towers, Dalal Street, Mumbai 400 001<br><b>National Stock Exchange of India Limited (NSE)</b><br>Symbol: TASTYBITE<br>Address: Corporate Services, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 |
| <b>g) Corporate Identity Number (CIN) of the Company</b>    | : L15419PN1985PLC037347  |
| <b>h) ISIN Number for NSDL &amp; CDSL</b>                   | : INE488B01017   |
| <b>i) Registrar &amp; Shares Transfer Agent</b>             | : M/s KFin Technologies Private Limited. Karvy Selenium Tower B, Plot 31 - 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032<br>Ph: 040 - 67161528 Fax: 040 - 23001153<br>e - mail: <a href="mailto:rajkumar.kale@kfintech.com">rajkumar.kale@kfintech.com</a> ;   |
| <b>j) Plant location</b>                                    | : At Post 490, Village Bhandgaon, Taluka - Daund, Dist - Pune - 412214, Maharashtra  |
| <b>k) Registered Office and Correspondence address:</b>     | : 201 - 202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune – 411 005   |
| <b>l) Credit Rating:</b>                                    | : ICRA Limited has upgraded <ul style="list-style-type: none"> <li>■ <b>Long - term rating</b><br/>[ICRA]A+; upgraded from [ICRA]A</li> <li>■ <b>Short - term rating</b><br/>[ICRA]A1; reaffirmed</li> </ul>   |

Listing Fees as applicable have been paid.

## Corporate Governance (Contd.)

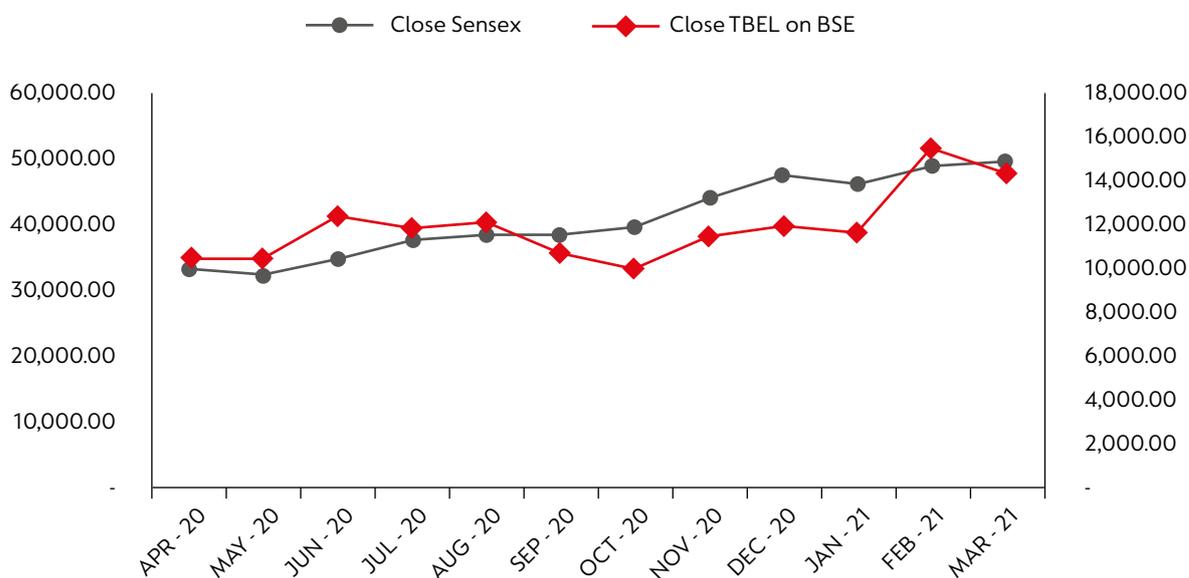
### m) Stock Market data

The market price and volume of the Company's equity shares traded on the BSE Limited; Mumbai during the year 2020 - 21 is as follows:

| Period         | TBEL share prices on BSE |              | BSE Sensex |           |
|----------------|--------------------------|--------------|------------|-----------|
|                | High (Rupees)            | Low (Rupees) | High       | Low       |
| April 2020     | 11,199.00                | 8,350.00     | 33,887.25  | 27,500.79 |
| May 2020       | 10,757.40                | 8,905.20     | 32,845.48  | 29,968.45 |
| June 2020      | 12,596.55                | 10,450.50    | 35,706.55  | 32,348.10 |
| July 2020      | 13,747.10                | 11,350.00    | 38,617.03  | 34,927.20 |
| August 2020    | 13,595.00                | 11,425.00    | 40,010.17  | 36,911.23 |
| September 2020 | 12,454.00                | 9,949.95     | 39,359.51  | 36,495.98 |
| October 2020   | 11,123.70                | 9,990.05     | 41,048.05  | 38,410.20 |
| November 2020  | 12,005.80                | 9,974.50     | 44,825.37  | 39,334.92 |
| December 2020  | 12,724.80                | 10,720.00    | 47,896.97  | 44,118.10 |
| January 2021   | 12,320.00                | 11,430.05    | 50,184.01  | 46,160.46 |
| February 2021  | 16,099.00                | 11,479.30    | 52,516.76  | 46,433.65 |
| March 2021     | 15,480.55                | 13,489.70    | 51,821.84  | 48,236.35 |

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

**BSE SENSEX VS TBEL SHARE PRICE**



## Corporate Governance (Contd.)

### Stock performance Vs NSE Nifty:

The market price and volume of the Company's equity shares traded on the NSE during the year 2020 - 21 is as follows:

| Period         | TBEL share prices on NSE |                 | NSE Nifty |           |
|----------------|--------------------------|-----------------|-----------|-----------|
|                | High<br>(Rupees)         | Low<br>(Rupees) | High      | Low       |
| April 2020     | 11,288.00                | 8,520.00        | 9,889.05  | 8,055.80  |
| May 2020       | 10,739.90                | 8,785.15        | 9,598.85  | 8,806.75  |
| June 2020      | 12,600.00                | 10,410.00       | 10,553.15 | 9,544.35  |
| July 2020      | 13,740.00                | 11,066.00       | 11,341.40 | 10,299.60 |
| August 2020    | 13,605.30                | 11,526.00       | 11,794.25 | 10,882.25 |
| September 2020 | 12,466.00                | 9,801.00        | 11,618.10 | 10,790.20 |
| October 2020   | 11,190.00                | 9,980.00        | 12,025.45 | 11,347.05 |
| November 2020  | 12,000.00                | 9,950.00        | 13,145.85 | 11,557.40 |
| December 2020  | 12,800.00                | 10,725.00       | 14,024.85 | 12,962.80 |
| January 2021   | 12,350.00                | 11,430.00       | 14,753.55 | 13,596.75 |
| February 2021  | 16,124.90                | 11,500.00       | 15,431.75 | 13,661.75 |
| March 2021     | 15,614.00                | 13,132.85       | 15,336.30 | 14,264.40 |

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

### n) Reconciliation of Share Capital Audit Report

The Securities and Exchange Board of India (SEBI) has, vide its circular dated 31 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.

### o) Distribution of Shareholding (without grouping) as on 31 March 2021

As of 31 March 2021, the distribution of the Company's shareholding was as follows:

| Category (Amount) | No. of Cases | % of Cases    | Amount (INR)     | % of Amount   |
|-------------------|--------------|---------------|------------------|---------------|
| 1 - 5000          | 9,811        | 99.84         | 328,339          | 12.80         |
| 5001 - 10000      | 4            | 0.04          | 28,931           | 1.13          |
| 10001 - 20000     | 4            | 0.04          | 55,977           | 2.18          |
| 20001 - 30000     | 3            | 0.03          | 71,890           | 2.80          |
| 30001 - 40000     | 2            | 0.02          | 60,138           | 2.34          |
| 40001 - 50000     | 1            | 0.01          | 42,441           | 1.65          |
| 50001 - 100000    | 1            | 0.01          | 73,774           | 2.88          |
| 100001 & Above    | 1            | 0.01          | 1,904,510        | 74.22         |
| <b>Total</b>      | <b>9,827</b> | <b>100.00</b> | <b>2,566,000</b> | <b>100.00</b> |

## Corporate Governance (Contd.)

### p) Shareholding Pattern (without grouping) as on 31 March 2021

| Category                                    | No. of Holders | Total Shares     | % to Equity   |
|---|----------------|------------------|---------------|
| TRUSTS                                      | 3              | 118              | 0.00          |
| RESIDENT INDIVIDUALS                        | 8,962          | 424,595          | 16.55         |
| NON RESIDENT INDIANS                        | 263            | 9,108            | 0.35          |
| CLEARING MEMBERS                            | 62             | 2,352            | 0.09          |
| FOREIGN PORTFOLIO CORP                      | 10             | 93,353           | 3.64          |
| MUTUAL FUNDS                                | 9              | 12,985           | 0.51          |
| PROMOTER COMPANIES                          | 1              | 1,904,510        | 74.22         |
| NON RESIDENT INDIAN NON REPATRIABLE         | 119            | 4,903            | 0.19          |
| BODIES CORPORATES                           | 123            | 40,444           | 1.58          |
| I E P F                                     | 1              | 42,441           | 1.65          |
| H U F                                       | 269            | 8,945            | 0.35          |
| FOREIGN CORPORATE BODIES (foreign promoter) | 1              | 300              | 0.01          |
| ALTERNATIVE INVESTMENT FUND                 | 4              | 21,946           | 0.86          |
| <b>Total</b>                                | <b>9,827</b>   | <b>2,566,000</b> | <b>100.00</b> |

### q) Dematerialization of shares and liquidity (without grouping) as on 31 March 2021

| Description  | No. of cases | Total Shares     | % to equity   |
|--------------|--------------|------------------|---------------|
| Physical     | 200          | 37,374           | 1.46          |
| NSDL         | 5,019        | 2,403,262        | 93.66         |
| CDSL         | 4,608        | 1,25,364         | 4.88          |
| <b>Total</b> | <b>9,827</b> | <b>2,566,000</b> | <b>100.00</b> |

### r) Outstanding GDR/ADR/Warrants or any convertible instruments : Not Applicable

No securities were suspended from trading during the year.

### s) There are no shares in demat suspense account of the Company.

### t) Commodities price risk and commodity hedging activities: Strategic buying, alternate vendor development, medium to long term rate contracts. Company does not undertake commodity hedging activities. The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15 November 2018 is not required to be given.

### u) Share Transfer System:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 01 April 2019, except in case of request received for transmission or transposition of securities. Further, SEBI has fixed 31 March 2021 as the cut - off date for re - lodgement of transfer deeds and the shares that are re - lodged for transfer shall be issued only in demat mode. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

## Corporate Governance (Contd.)

### v) Unclaimed dividend and transfer to Investor Education and Protection Fund (IEPF):

Section 124 of Companies Act, 2013 mandates the companies to transfer dividend which remains unclaimed for a period of 7 years, from unpaid dividend account to IEPF. In accordance with the provisions of the Act, the dividend for below mentioned years, if unclaimed for a period of 7 years, will be transferred to IEPF:

| Year      | Dividend per share in INR | Date of declaration* | Due date of transfer to IEPF** | Amount outstanding as on 31 March 2021 (INR) |
|-----------|---------------------------|----------------------|--------------------------------|--|
| 2013 - 14 | 1.00                      | 10 - 09 - 2014       | 16 - 10 - 2021                 | 95,176                                       |
| 2014 - 15 | 1.00                      | 14 - 09 - 2015       | 20 - 10 - 2022                 | 87,602                                       |
| 2015 - 16 | 2.00                      | 19 - 09 - 2016       | 25 - 10 - 2023                 | 1,65,426                                     |
| 2016 - 17 | 2.00                      | 20 - 09 - 2017       | 27 - 09 - 2024                 | 1,68,264                                     |
| 2017 - 18 | 2.00                      | 09 - 08 - 2018       | 14 - 09 - 2025                 | 1,12,018                                     |
| 2018 - 19 | 2.00                      | 08 - 08 - 2019       | 13 - 09 - 2026                 | 78,870                                       |
| 2019 - 20 | 2.00                      | 06 - 08 - 2020       | 11 - 09 - 2027                 | 73,078                                       |

\*Date of declaration is date of AGM

\*\*Due date is calculated 30 days from AGM plus 7 days and 7 years.

The Company transferred 2,600 shares in December 2020 to Investor Education and Protection Fund account. Shareholders are requested to follow the prescribed procedure for claiming the shares from the government.

The Company will transfer amount for the year 2013 - 14 that remained unpaid at the end of 7 years from the date of declaration of dividend after 16 October 2021 to the Investor Education and Protection Fund (IEPF) account as required under Section 124 of the Companies Act, 2013.

The members who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in web Form No. IEPF - 5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and sending a physical copy of the same, duly signed to the Company, along with requisite documents enumerated in the Form No. IEPF - 5. No claims shall lie against the Company in respect of the dividend / shares so transferred.

### CEO / CFO Certification:

A declaration by Mr. Abhijit Upadhye, CEO/Managing Director in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board at its meeting held on 15 May 2021.

#### Declaration stating compliance with Code of Conduct

I, declare that all Directors and members of the Senior Management have affirmed compliance with the code of conduct for the year ended 31 March 2021.

Date: 15 May 2021

Place: Pune

**Abhijit Upadhye**

Managing Director

DIN: 02076451

# Certificate of Non-Disqualification of Directors

**(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of

**TASTY BITE EATABLES LIMITED**

201-202, MAYFAIR TOWER,  
WAKDEWADI, SHIVAJINAGAR,  
PUNE – 411 005

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **TASTY BITE EATABLES LIMITED** having **CIN L15419PN1985PLC037347** having registered office at **201-202, MAYFAIR TOWER, WAKDEWADI, SHIVAJINAGAR, PUNE – 411 005, MAHARASHTRA, INDIA** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry Of Corporate Affairs, or any such other statutory authority.

| Sr. No. | Name of Director           | DIN      | Date of Appointment in Company* |
|---------|----------------------------|----------|---------------------------------|
| 1.      | Mr. Kavas Patel            | 00002634 | 29/05/2009                      |
| 2.      | Mr. Ashok Vasudevan        | 00575574 | 31/03/1999                      |
| 3.      | Mr. Abhijit Upadhye        | 02076451 | 03/11/2018                      |
| 4.      | Dr. Padinjaranda Chengappa | 06771287 | 17/01/2018                      |
| 5.      | Mr. Sukhdev David Dusangh  | 08944427 | 06/11/2020                      |
| 6.      | Ms. Dawn Allen             | 07983206 | 14/11/2017                      |
| 7.      | Ms. Rama                   | 08005849 | 22/12/2017                      |
| 8.      | Mr. Gaurav Gupta           | 07529010 | 16/02/2020                      |

\*The date of appointment is as per MCA portal.

Ensuring the eligibility of for the appointment / continuity of every Director on the board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **PAREEK V. R. & ASSOCIATES**

Practicing Company Secretaries

Firm Unique Code: S2017MH498500

**VINEET RAMOO PAREEK**

**PROPRIETOR**

**M.NO. – A49730**

**C.P. NO. – 18556**

**UDIN: A049730C000403039**

Date: 15 May 2021

Place: Pune

# Business Responsibility Report

TBEL's Business Responsibility Report 2020-21 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India.

Our Business Responsibility Report includes our responses to questions on our practices and performance on key principles defined by Regulation 34(2) (f) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, covering topics across environment, governance and stakeholders relationships.

## BUSINESS RESPONSIBILITY REPORT

(As per Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

### SECTION A:

#### (a) GENERAL INFORMATION ABOUT THE COMPANY

|    |  |   |
|----|--|---|
| 1  | Corporate Identity Number (CIN) of the Company   | L15419PN1985PLC037347   |
| 2  | Name of the Company  | Tasty Bite Eatables Limited   |
| 3  | Year of Incorporation  | 1985  |
| 4  | Registered address   | 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411005 Maharashtra, India                          |
| 5  | Corporate address  | same as above   |
| 6  | Website  | <a href="http://www.tastybite.co.in">www.tastybite.co.in</a>  |
| 7  | E-mail id  | <a href="mailto:secretarial@tastybite.com">secretarial@tastybite.com</a>                                  |
| 8  | Telephone  | 020 3021 6000   |
| 9  | Financial year reported  | 01 April 2020 to 31 March 2021  |
| 10 | Whether shares listed on recognized Stock Exchange(s): (Yes / No)                              | Yes   |
| 11 | Sector(s) that the Company is engaged in (industrial activity code-wise)                       | Name and description of main product / services: Prepared foods<br>NIC code of the product / service: 107 |
| 12 | List three key products/services that the Company manufactures/ provides (as in balance sheet) | - Ready to Eat<br>- Formed Frozen Products<br>- Sauces  |

#### (b) OPERATIONS

(i) Number of locations where plants (in case of manufacturing businesses) and/or operations/offices (in case of non-manufacturing) of the Company are situated:

| Location      | Number of Plants | Number of Offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 1                | 1                 | 2     |
| International | 0                | 0                 | 0     |

(ii) Location of top 3 plants (in case of manufacturing businesses) or operations/offices (in case of non-manufacturing) in India by contribution to turnover::

#### a. National:

| State           | Maharashtra |
|-----------------|-------------|
| Turnover (in %) | 100%        |
| District        | Pune        |
| Category A      | No          |
| Category B      | No          |
| Category C      | No          |
| Category D      | No          |

# Business Responsibility Report (Contd.)

Categories defined as below:

**Category A:** In or within 50 km of protected areas like National Parks, Wildlife Sanctuaries, Biosphere Reserves, Wetlands, etc.

**Category B:** In or within 50 km of Biodiversity Hotspots

**Category C:** In high water-stressed zones defined as "Over-exploited" or "critical" by the Central Groundwater Board

**Category D:** Within Coastal Regulation Zones

**b. International:** NA

## (iii) Markets served by the Company

| Locations                        | Numbers |
|----------------------------------|---------|
| National (No. of states)         | 13      |
| International (No. of countries) | 17      |

## (iv) Turnover contribution based on markets:

| Country           | Turnover(%) |
|-------------------|-------------|
| India             | 21.09%      |
| USA               | 68.24%      |
| Rest of the world | 10.67%      |

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

(INR in Million)

|   |                          |          |
|---|--------------------------|----------|
| 1 | Authorised Capital       | 50.00    |
| 2 | Paid up Capital          | 25.66    |
| 3 | Total Turnover           | 4,042.89 |
| 4 | Total Profit after Taxes | 393.42   |
| 5 | Net Worth                | 2,066.20 |

### 6 (a)

(i) Is CSR applicable as per section 135? – Yes

(ii) Turnover – INR 4,042.89 million

(iii) Net worth – INR 2,066.20 million

### (b) Net Profits for last three financial years

(INR in Million)

| Financial year ended   | 2017-18 | 2018-19 | 2019-20 |
|--|---------|---------|---------|
| Profit before Tax  | 410.40  | 470.76  | 533.54  |
| Net Profit computed  | 407.74  | 495.20  | 566.60  |
| u/s 198 adjusted as per rule 2(1)(f) of the Companies (CSR Policy) Rules, 2014 |         |         |         |

(c) Average net profit of the company for last three financial years (as defined in explanation to sub-section (5) section 135 of the Act – INR 489.85 million

## Business Responsibility Report (Contd.)

7 Prescribed CSR Expenditure (two per cent. of the amount as in point above) – INR 9.80 million

(a) Total amount spent on CSR for the financial year – INR 9.80 million

(b) Amount spent in local area – INR 9.80 million

(c) List of activities / manner in which the amount spent during the financial year as detailed below:

| 1<br>Sr. No. | 2<br>CSR project or activity identified | 3<br>Sector in which the project is Covered  | 4<br>State / Union Territory where the Project / Program was undertaken | 5<br>Specify the district where projects or programs were undertaken | 6<br>Amount outlay (budget) project or programs wise (INR in Million) | 7<br>Amount spent on the projects or programs (INR in Million) |
|--------------|---|--|---|--|---|--|
| 1            | Toilet construction                     | Promoting sanitisation   | Maharashtra   | Osmanabad  | 1.30  | 1.30   |
| 2            | School painting                         | Promoting education  | Maharashtra   | Pune   | 0.50  | 0.50   |
| 3            | Solar panel at school                   | Promoting education  | Maharashtra   | Pune   | 0.30  | 0.30   |
| 4            | Covid 19 relief                         | Covid relief   | Maharashtra   | Pune   | -   | 2.00   |
| 5            | Donation of computers to school         | Promoting education  | Maharashtra   | Pune   | -   | 1.23   |
| 6            | Agriculture development                 | Environmental sustainability, animal welfare, conservation of natural resources and maintaining quality of soil, air & water | Maharashtra   | Pune   | -   | 7.39   |
| 7            | Rural development                       | Rural development projects   | Maharashtra   | Pune   | -   | 4.26   |
| 8            | Contribution to PM Cares                | Covid relief   | NA  | NA   | -   | 2.00   |
| 9            | Contribution to CII Foundation          | Covid relief   | NA  | NA   | -   | 2.00   |
| 10           | Contribution to Oxfam for Covid 19      | Covid relief   | NA  | NA   | -   | 2.00   |

(d) Details of Implementing Agencies:

| Sr. No. | Project Name  | Project Location Address | Details of Implementing Agency  |   |               |  |
|---------|---|--------------------------|---------------------------------|---|---------------|--|
|         |   |                          | Name                            | Address of Registered Office                                    | Contact No.   | E-Mail Address   |
| 1       | Toilet construction, school painting, Solar panels at school, Donation of computers to school | Pune, Maharashtra        | Tasty Bite Foundation           | 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune -411005  | 020 3021 6000 | <a href="mailto:ravimohan@tastybite.com">ravimohan@tastybite.com</a> |
| 2       | Rural development   | Pune, Maharashtra        | American India Foundation (AIF) | 15/11, Ground Floor, Sarva Priya Vihar, New Delhi - 110016      | 011 5182 8801 | <a href="mailto:info@aif.org">info@aif.org</a>                       |
| 3       | Agriculture development   | Pune, Maharashtra        | Krishi Vigyan Kendra (KVK)      | At Post: Malegaon Khurd, Tal. Baramati, Dist. Pune              | 02112 255 227 | <a href="mailto:jadhav_9616@yahoo.co.in">jadhav_9616@yahoo.co.in</a> |
| 4       | Donation to PM Cares, Oxfam and CII foundation  | NA                       | Tasty Bite Foundation           | 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune -4110005 | 020 3021 6000 | <a href="mailto:ravimohan@tastybite.com">ravimohan@tastybite.com</a> |

# Business Responsibility Report (Contd.)

## SECTION C: OTHER DETAILS

Holding, Subsidiary and Associate Companies:

### (a) Names of holding companies

| Sr. No. | Name of the Company                    | CIN/ FCRN             | Holding/ Subsidiary/ Associate/ Joint Venture | % of shares held |
|---------|--|-----------------------|---|------------------|
| 1       | Preferred Brands Foods (India) Pvt Ltd | U15400MH1998PTC113768 | Holding                                       | 74.22%           |
| 2       | Effem Holdings Ltd                     | NA                    | Holding                                       | 0.01%            |

### (b) Subsidiary companies:

|   |  |                |
|---|--|----------------|
| 1 | Does the Company have any Subsidiary Company/ Companies?   | No             |
| 2 | Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  | Not Applicable |
| 3 | Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%] | No             |

## SECTION D: BR INFORMATION (Governance, Leadership and Oversight)

1 Details of Director/Directors responsible for BR

a Details of the Director/Director responsible for implementation of the BR policy/policies

| No. | Particulars      | Details             |
|-----|------------------|---------------------|
| 1   | No. of Directors | One                 |
| 2   | DIN              | 02076451            |
| 3   | Name             | Mr. Abhijit Upadhye |
| 4   | Designation      | Managing Director   |

b Details of the BR head

| No. | Particulars         | Details  |
|-----|---------------------|--|
| 1   | DIN (if applicable) | 02076451   |
| 2   | Name                | Mr. Abhijit Upadhye  |
| 3   | Designation         | Managing Director  |
| 4   | Telephone number    | (020) 3021 6000  |
| 5   | e-mail id           | <a href="mailto:abhijit@tastybite.com">abhijit@tastybite.com</a> |

c Details of review by the Company:

|   |  |   |
|---|--|---|
| 1 | Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year | The Board of Directors and the Committees of the Board assesses the BR performance of the Company periodically. Managing Director review the performance of Business Responsibility every 6 months by way of evaluating the performance of departments and entire organization. |
| 2 | Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?   | The Report is published on annual basis. The same can be viewed at <a href="http://www.tastybite.co.in">www.tastybite.co.in</a> -Investors-Corporate Governance   |
| 3 | Has the company carried out independent assessment/ evaluation of the working of this policy by an internal or external agency?  | The Business Responsibility Policy is evaluated internally. Policies pertaining to health, safety and environment are audited externally by DNV (a leading global independent risk and assurance certification organisation)<br><br>The Company is ISO 14001 certified.         |

# Business Responsibility Report (Contd.)

## 2 Principle-wise (as per NVGs) BR Policy/policies

### a Details of compliance (Reply in Y/N)

| No | Questions  | P1   | P2   | P3              | P4   | P5              | P6  | P7              | P8  | P9              |
|----|--|--|--|-----------------|--|-----------------|---|-----------------|---|-----------------|
| 1  | a. Name your company's policy/policies that cover each principle and its core elements of the NGRBCs.  | Code of Conduct, Whistleblower & Vigilance Policy, Anti bribery/ Anti corruption Policy  | Product Responsibility is our Mission Statement, Code of Conducts, Integrated Management System Policy | Code of Conduct | Code of Conduct, Integrated Management System Policy | Code of Conduct | Code of Conduct, Integrated Management System | Code of Conduct | Code of Conduct, CSR policy, Integrated Management System | Code of Conduct |
| 2  | Has the policy being formulated in consultation with the relevant stakeholders?  | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
| 3  | Does the policy conform to any national / international standards? If yes, specify? (50 words)   | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
|    |  | These policies have been devised in confirmation to respective regulations/national standards that come into effect from time to time. These policies are revisited on regular basis and are updated as and when there is any change in the norms. |  |                 |  |                 |   |                 |   |                 |
| 4  | Has the policy being approved by the Board?<br><br>Is yes, has it been signed by MD/owner/ CEO/ appropriate Board Director?                                | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
| 5  | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?                                  | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
| 6  | Indicate the link for the policy to be viewed online?  | Details given below  |  |                 |  |                 |   |                 |   |                 |
| 7  | Has the policy been formally communicated to all relevant internal and external stakeholders?  | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
| 8  | Does the company have in-house structure to implement the policy/ policies.  | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
| 9  | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?                                 | Y  | Y  | Y               | Y  | Y               | Y   | Y               | Y   | Y               |

#### Details of Policies:

- Code of Conduct, Integrated Management System Policy are internally available to the employees and relevant other stakeholders.
- CSR Policy, Whistleblower & Vigilance Mechanism Policy, Mission Statements are available on [www.tastybite.co.in](http://www.tastybite.co.in)

# Business Responsibility Report (Contd.)

b If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

| No | Questions   | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|----|---|----|----|----|----|----|----|----|----|----|
| 1  | The company has not understood the Principles   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 2  | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 3  | The company does not have financial or manpower resources available for the task  | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 4  | It is planned to be done within next 6 months   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 5  | It is planned to be done within the next 1 year   | -  | -  | -  | -  | -  | -  | -  | -  | -  |
| 6  | Any other reason (please specify)   | -  | -  | -  | -  | -  | -  | -  | -  | -  |

## SECTION E: PRINCIPLE-WISE PERFORMANCE

This section is aimed at helping businesses demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions.

### P1 – Business should conduct and govern themselves with ethics, transparency and accountability

| Principle No. | Description   | Response  |
|---------------|---|---|
| 1.1           | Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs /Others?                              | Our corporate governance practices apply across the Company, contractual labours and 3 <sup>rd</sup> parties dealing with the Company.<br><br>TBEL also follows the Mars, Incorporated (ultimate holding company) business principles   |
| 1.2           | How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so. | <b>(i) Shareholder complaints:</b><br><br>During the year, 24 (Twenty Four) complaints were received from shareholders and resolved (100% complaints are closed).<br><br><b>(ii) Code of Conduct:</b><br><br>The Company's Code of Conduct outlines and creates a set of values for all concerned people to behave in an ethical manner while working for and on behalf of the Company. It takes into account factors like regulatory compliance, equal employment opportunity, non-harassment & prevention of sexual harassment, prevention of use of alcohol, illegal drug or medication, use of the Company's, Customers' and Suppliers' resources and competition.<br><br>It is applicable to all directors and employees. No complaint received under the same during the year.<br><br><b>(iii) Prevention of Sexual Harassment ("POSH") Policy:</b> The policy framework aims at educating employees on any sort of harassment (including sexual harassment) and report about it appropriately when seen or experienced at the workplace. All the cases are acted upon immediately and corrective actions are taken.<br><br>No complaint received in this regard as well. |

# Business Responsibility Report (Contd.)

| Principle No. | Description   | Response   |
|---------------|---|--|
| 1.3           | Describe the process of identifying key stakeholder groups of the company   | Mapping of stakeholders (internal and external) is outcome of analysis of issues that have / may have impact on the Company activities or are critical for stakeholders of the Company                                 |
| 1.4           | What are the channels through which stakeholders can access information about the company on issues relevant to them? | Email: <a href="mailto:secretarial@tastybite.com">secretarial@tastybite.com</a><br>Website: <a href="http://www.tastybite.co.in">www.tastybite.co.in</a><br>Meetings, newspapers, Stock Exchange, Company website etc. |

## 2. Percentage coverage by training and awareness programmes on any or all the Principles in the financial year:

| Segment                                       | Total number of training and awareness programmes held | %age coverage by awareness programmes |
|---|--|---------------------------------------|
| Board of Directors & Key Managerial Personnel | 2  | 100%                                  |
| Employees other than BoD and KMPs             | 5  | 100%                                  |
| Workmen                                       | 2  | 100%                                  |

- Whistle Blower and Vigil Mechanism Policy is available online [www.tastybite.co.in](http://www.tastybite.co.in). This is also intimated to employees/workmen and 3<sup>rd</sup> parties through contracts, trainings and interactions.
- Anti bribery and Anti Corruption Policies are part of our Code of Conduct.

## 3. Number of complaints / cases of bribery/corruption received/ registered in the financial year

|  | FY 2020-21 | FY 2019-20 |
|--|------------|------------|
| Number of complaints / cases of bribery, corruption registered with law enforcement agencies against the company or lodged with the Company internally | Nil        | Nil        |

### 4.a. Details of disclosure of interest involving members of Board:

|  | FY 2020-21 | FY 2019-20 |
|--|------------|------------|
| Number of instances of disclosure of interest by the Directors | 2          | 1          |

As and when the interest arises / ceases, the directors inform the Company and in the first meeting of the financial year.

### b. Number of complaints received in relation to issues of Conflict of Interest of the Directors

|  | FY 2020-21 | FY 2019-20 |
|--|------------|------------|
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil        | Nil        |

## 5. Percentage coverage by awareness programmes on any or all the Principles in the financial year:

| Segment  | Total Number of Awareness programmes held | % age coverage by awareness programmes  |
|--|---|---|
| Service Provider (safety and HR related audits)      | 2   | The programmes are conducted round the year to cover all the relevant principles. |
| Suppliers (virtual- compliance audits and awareness) | 40  |   |

# Business Responsibility Report (Contd.)

6. Provide details of such instances (up to 3) where corrective measures were taken on the complaints / cases of corruption and conflicts of interest. – NA

7. Does the company have a business continuity and disaster management plan? Give details in 100 words / web link.-

Yes. The plan outlines key responses to various business risks which have the potential to disrupt manufacturing activities and mitigation of identified risk to ensure continuity of the business. This plan covers emergency response plan for onsite emergencies and key business risks that affect manufacturing operations.

## P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

- 2.1 List 3 of your products or services whose design has incorporated social or environmental concerns and/or risks / opportunities and briefly describe the actions taken to mitigate the adverse environmental and social impacts in production and disposal as identified in the LCA or any other means.
- TBEL uses 50 microns and above multilayer packaging material for its products. The Company has Extended Producer Responsibility (EPR) management in tie up with Waste Management Company authorised under Plastic Waste Management Rules.
  - Development of processes and leveraging technology utilizing less water during production
  - Adopting sustainable energy policies and practices like Solar Energy, Waste Management, Environment Awareness, Occupational Health & Safety, Wind energy utilization, use of briquettes as alternate source of energy, generation of electricity from in - house biogas plant.

The Company continuously endeavors to be sustainable in conducting business and socially responsible as in our Mission Statement. While usage of multilayer plastic for packaging of food products is a reality and practical issue to be resolved throughout the globe, the Company endeavors to be sustainable by having extensive EPR system in place.

Other important points to stay sustainable are extensive usage of alternate source of energy, development of Organic supply chain, using clean label products (no preservatives and chemicals) and leveraging technology / developing processes to conserve water.

Entire concept of Organic products is based on sustainability.

2.2 For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- a Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?
- b Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Company has installed roof top Solar Panel which is generating close to 6% of total energy requirements of the Company. Usage of wind energy provides 16% and biogas provides 0.5% of total requirement. 80% of the total energy used for production is through renewable energy.

Usage of renewable energy has increase to 22.50% compared to 18% last year.

We use processes / technology which use less water in the manufacturing.

Capex investments are being done to adopt the latest technology which promotes sustainable way of manufacturing.

# Business Responsibility Report (Contd.)

2.3 Does the company have procedures in place for sustainable sourcing (including transportation)?

a If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company endeavors to integrate sustainability in sourcing of its materials. Example:

- TBEL sources 100% of fresh vegetables directly from local farmers, small groups and collection centers.
- Helping conventional Suppliers follow sustainability practices like traceability, soil conservation etc.
- Entire principle of organic certified operations is based on sustainability.

The Company helps improve capability of local farmers by providing best farm practices, etc. We also have training facilities for the farmers.

2.4 Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

The Company has taken the following initiatives to recycle products and waste:

- Plastics (including packaging) - Company has a Extended Producer Responsibility (EPR) in place. Plastic is collected by a Plastic Waste Management company and recycled.
- E-waste – E-Waste generated within the Company are in form of computers, batteries, etc. these are sold to authorised MPCB vendor for further recycling.
- Other waste - 100% food waste generated is processed in inhouse biogas facility.

2.5 a Describe the improvements in environmental and social impacts of product and processes due to R&D and Capex Investments in specific technologies

- Water consumption in factory reduced compared to previous year by making advancement in Water Treatment Plant and adopting practices / processes thereby water usage. This treated water is used in non production process in factory. New technology used in manufacturing thereby reducing water usage.

- Training to farmers are provided on regular basis.

- Vegetable sourcing from local farmers / farmer groups.

2.6 Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

- The Company procures 100% fresh vegetables and various other perishable commodities from local farmers.

a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

- The Company provides recommendation and sustainable practices training to farmers about the crops, etc.

2.7 Provide separate details of quantities collected for reuse, recycling, safe disposal after sale, and at end of life of your products of the following:

| Product                        | FY 2020-21 |        |          |                 | FY 2019-20 |        |          |                 |
|--------------------------------|------------|--------|----------|-----------------|------------|--------|----------|-----------------|
|                                | Collected  | Reused | Recycled | Safely Disposed | Collected  | Reused | Recycled | Safely Disposed |
| Plastics (including packaging) | 36 MT      | -      | -        | 36 MT           | 36 MT      | -      | -        | 36 MT           |
| E-Waste                        | 200 KG     | -      | -        | 200 KG          | 150 KG     | -      | -        | 150 KG          |
| Other Waste (food waste)       | 493 MT     | -      | -        | 493 MT          | 665 MT     | -      | -        | 665 MT          |

# Business Responsibility Report (Contd.)

## P3 – Businesses should promote the wellbeing of all employees

|  |                  |
|--|------------------|
| 3.1 Please indicate the total number of employees (staff and workmen)  | 265              |
| 3.2 Please indicate the total number of employees hired on temporary/contractual/casual basis.   | 750              |
| 3.3 Please indicate the number of permanent women employees  | 26               |
| 3.4 Please indicate the number of permanent employees with disabilities  | Nil              |
| 3.5 Do you have an employee association that is recognized by management   | Yes, Trade Union |
| 3.6 What percentage of your permanent workmen is members of this recognized employee association?  | 100%             |
| 3.7 Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year. | Nil              |
| 3.8 What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?   |                  |
| <ul style="list-style-type: none"> <li>■ Permanent Employees</li> <li>■ Permanent Women Employees</li> <li>■ Casual/Temporary/Contractual Employees</li> <li>■ Employees with Disabilities</li> </ul>    | 100%             |

3.9 Is there a mechanism available to receive and redress grievances for the following categories of employees and workmen? If yes, please name the mechanism.

| Category                       | Yes / No                                     |
|--------------------------------|--|
| Permanent Workmen              | Yes. Grievance Redressal Committee is formed |
| Other than Permanent Workmen   | Yes. Grievance Redressal Committee is formed |
| Permanent Employees            | Yes. Open Door Policy in place               |
| Other than Permanent Employees | Yes. Open Door Policy in place               |

3.10 Number of complaints made by employees and workmen:

|                                  | FY 2020-21            |                                       | FY 2019-20            |                                       |
|----------------------------------|-----------------------|---------------------------------------|-----------------------|---------------------------------------|
|                                  | Filed during the year | Pending resolution at the end of year | Filed during the year | Pending resolution at the end of year |
| Sexual Harassment                | -                     | -                                     | -                     | -                                     |
| Working Conditions               | -                     | -                                     | -                     | -                                     |
| Health & Safety                  | -                     | -                                     | -                     | -                                     |
| Discrimination at workplace      | -                     | -                                     | -                     | -                                     |
| Child Labour                     | -                     | -                                     | -                     | -                                     |
| Forced Labour/Involuntary Labour | -                     | -                                     | -                     | -                                     |
| Wages                            | -                     | -                                     | -                     | -                                     |

The Company has mandatory and non - mandatory Committees to enable the employees and workmen (including contractual workmen) to raise their concerns. Some of the Committees are Safety Committees (management & workers representative), Internal Complaints Committee (comprising of internal & external members) and Grievance Redressal Committee led by HR Head, Company Sudhar Group Committee led by MD.

# Business Responsibility Report (Contd.)

3.11 Describe the measures taken by the company to ensure a safe and healthy work place:

## Health measures-

- Workplace monitoring survey by external agency for noise monitoring, lux monitoring, dust monitoring, tap water testing etc.
- Various medical camps to ensure the workplace activities exposure / impact on employee health by conducting lung function test, eye and ear test, all blood pathogen testing and regular fitness. Various vaccinations like tetanus, swine flu, typhoid, Covid vaccine
- Prompt trained first aid team in all shifts and a regular medical practitioner available in general shift. Trainings also provided to workmen and employees on safety.
- Cool air supply in known hot area like kitchen to avoid heat stroke.
- Filter drinking water (tested) and neat and clean urinals for both men / women employee.
- Dedicated ambulance and tie up with the nearest hospital to provide referral services to take care of impaired health issue.

## Safety measures-

- Identification of process hazards and take necessary action on immediate basis is an ongoing activity.
- Daily / weekly / monthly inspection of all workplace through checklist and reporting the hazards
- External audits on regular basis.
- Training and development of all employees, workmen on regular basis including new joiner, etc.
- Regular meeting on safety aspects with all safety representatives and volunteers and uplift the ground level safety issues.
- Mock drill, Fire drill and emergency exercises to upkeep the ERT (Emergency Response Team) and check the health of emergency handling facilities and services.
- Employee participation in safety during various activities like hazard identification, safety meeting, safety week celebration and other safety promotional activities (like kaizen, near miss & spot hazards competitions).
- Incident / Accident investigation, analysis of root cause and conform the CAPA and update the actions in HIRA / Training records / monthly inspection checklist etc.
- Ensure all storage locations and other fire prone area free from fire hazards and any dangerous occurrences.
- Ensure the traffic control system and workplace transport through various mechanical aids and vehicle

|  |   |
|--|---|
| 3.12 Provide the measures undertaken by the company to ensure that statutory dues have been deducted and deposited by the 3 <sup>rd</sup> parties: | The Company undertakes compliance audits of 3 <sup>rd</sup> parties such as Contractors, etc on frequent basis. Compliance check is also done by 3 <sup>rd</sup> party auditors of the Company.   |
| 3.13 Provide the corrective actions taken for children/ adolescents identified as employed in your establishments and value chain:                 | The Company undertakes compliance audits by 3 <sup>rd</sup> parties on frequent basis. Compliance check is also done by Internal auditors of the Company. There has been no instance reported of underage / child labour in company.  |
| 3.14 Provide the corrective actions taken for forced/involuntary labour identified in your establishments and value chain:                         | No such instance found in Company.  |
| 3.15 Provide the actions taken to prevent adverse consequences to the complainant in discrimination and harassment cases:                          | The Code of Conduct including various policies specifically states that the complaints shall be kept confidential by the management/ investigating team. The Policies also mention that no adverse effect on whistleblower/ complainant under any policy, in case, the complaint is true. |

## Business Responsibility Report (Contd.)

3.16 Provide the corrective actions taken on the outcomes of health and safety audits of your establishments, including value chain partners:

The Company undergoes many audits w.r.t. Health and Safety by various customers and external agencies during the year. Various audits include audits by Customers on Minimum Mandatory Standards (MMS) and COSCO framework. Internal Audit by Mars, Incorporated (Holding Co) and ISO 45001:2018 and ISO 14001:2018 mandatorily done by external agency DNV once a year. No major non compliance highlighted in any of the report.

However minor improvements suggested w.r.t. marking on floorway, cooking oil movement from stores to kitchen area in spill palates, Scrap to collected at single place, etc. have been restored.

3.17 Percentage of accident-affected employees/workmen rehabilitated and placed in suitable employment:

Serious injury is termed as Lost Time Incident (LTI). The Company facilitates hospitalization of the employee/ workmen. Recovery time to the employee/ workmen given by the Company. Fitness certificate ensured before joining the duty. Company also facilitates Insurance for all employees. Company also provides paid leave to the employee/ workmen after accident to recover. Welfare officer continuously monitors the health of such employee.

No critical accident has occurred in Plant hence no rehabilitation required.

3.18. Details on assessment of 3<sup>rd</sup> parties:

|                                  | <b>% of value chain partners (by value of business done with such partners) that were assessed</b> |
|----------------------------------|--|
| Sexual Harassment                | TBEL undertakes general assessment w.r.t. compliance of various acts and legislation.              |
| Working Conditions               |  |
| Health & Safety                  |  |
| Discrimination at workplace      |  |
| Child Labour                     |  |
| Forced Labour/Involuntary Labour |  |
| Wages                            |  |
| Other                            |  |

### P4 – Businesses should respect the interest of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

4.1 Has the company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its stakeholders internal as well as external as below:

- Government and regulatory authorities:** Industry bodies/ forums
- Employees:** Trainings, surveys, rewards & recognitions, team building and fun activities, celebrations, learning series and meeting with personalities, communication with employees on regular basis by the top management.
- Bankers, Customers, Vendors:** Various visits and regular communications
- Shareholders:** AGM, annual reports, updates on website etc
- Local community:** Maximum workers in factory are from local community, various activities undertaken such as farmer training, CSR activities, etc.

## Business Responsibility Report (Contd.)

|  |   |
|--|---|
| 4.2 Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders   | Yes   |
| 4.3 Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so | <p>The Company is guided by its mission statement “to be a socially responsible company that will delight consumers”.</p> <p>The Community initiatives undertaken is the commitment of the business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life.</p> <p>The Company’s Community initiatives align their corporate goals with those of society. Company understands there’s more to being a part of community than just running a business. We believe in giving back to the society where we live, work and play. Keeping this ideology, as part of our “Community initiatives” program, Company has identified themes for improvement and upliftment of the society we serve. The thematic area of initiatives is centered on environment, rural education; farming &amp; soil conservation, disaster relief, etc.</p> <p>Company realized hardships faced by people during pandemic and hence provided Covid 19 relief support to the society.</p> |
| 4.4 Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups  | <ul style="list-style-type: none"> <li>■ Supplier development programmes by TBEL to help them develop specific products, in case need be.</li> <li>■ Farming training given to nearby farmers in our demo farm</li> <li>■ Sourcing of 100% fresh vegetables from local farmers/ farmer group</li> <li>■ Prioritizing the payment of MSME (even before the regulatory/ agreed timeframe) to support during pandemic</li> <li>■ Annual awards to recognize the efforts of Suppliers and 3<sup>rd</sup> parties, equal rights &amp; opportunities given to contractual labours, etc.</li> <li>■ The Company also supported its Customers during pandemic by extending the credit days.</li> </ul>  |
| 4.5 Provide details of 3 instances as to how the inputs received from stakeholders were incorporated into policies and activities of the company:  | <p>The Company believes in receiving inputs and correcting the practices/ policies in case need be. Some instances of improvements after incorporating inputs are as below:</p> <ul style="list-style-type: none"> <li>■ The Company earlier received cooking oil in metal tins. This had inherent safety risk in handling / opening the metal lids while using the oil. The packaging of oil was changed to non metal lid after the safety risk was highlighted.</li> <li>■ Inputs given by the farmers/ producers of raw material to source specific raw material within the country. This learning from our producers was implemented for better efficiency in production (pre and post) activities.</li> <li>■ Packaging line wastages reduced considerably by implementing process and changes suggested by the vendor.</li> <li>■ The Company also introduced new policies as a part of “Employee Handbook” for its employees after receiving suggestions and feedback.</li> </ul>  |

# Business Responsibility Report (Contd.)

## P5 – Businesses should respect and promote human rights

|   |  |
|---|--|
| 5.1 Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?          | The policies not only cover employees but also contractors, customers and others.  |
| 5.2 How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?                     | No complaints were received relating to human rights violation during the year.  |
| 5.3 Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No) | Yes, the Company has Open Door Policy and Grievance Redressal Policy in place to address the human rights impacts/ issues caused or contributed by the business.   |
| 5.4 Describe the internal mechanisms in place to redress grievances related to human rights issues:   | Respective Committees are formed and necessary redressal takes place. Confidentiality of all complaints are maintained throughout.   |
| 5.5 Do human rights requirements form part of your business agreements and contracts? (Yes / No):   | Yes, by way of Contracts with Customers and Employee handbook mentioning Code of Conduct with employees and 3rd parties.   |
| 5.6 Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints:   | No complaints received w.r.t. human rights. The Company follows highest standards of human rights compliances.   |
| 5.7 Details of the scope and coverage of any Human rights due diligence conducted, including in the value chain:  | The Company is from time to time audited for Social Accountability compliance by its Customers. Meanwhile, the Policies like Vigilance Mechanism and Whistle Blower are public documents. The Employee handbook also mandates the employees and business partners to mandatorily follow the business ethics. We are also guided by our Mission Statement to be a “socially responsible” company. |

## P6 – Business should respect, protect and make efforts to restore the environment (Health, Safety and Environment)

|  |  |
|--|--|
| 6.1 Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/ others | <p>The Company is ISO 14001 certified which is based on Environment standard.</p> <ul style="list-style-type: none"> <li>■ Workplace environment</li> <li>■ Ambient environment (inside and outside environment of plant)</li> <li>■ UROFOR safe products</li> </ul> <p>The Company has always considered its employees as the most valuable asset of the organization. The Company constantly undertakes initiatives to ensure the safety and well-being of its employees at workplace.</p> <p>The Company engages its employees and third party vendors, contractors in various EOHS initiatives held in the organization. The hazard identification and risk assessment is carried out in consultation with relevant stakeholders, employees and third party contractors. The implemented controls are monitored and evaluated regularly to ensure employee safety all the time at workplace.</p> <p>Few of the activities performed towards occupational health and employee safety:</p> <ul style="list-style-type: none"> <li>■ Awareness program</li> <li>■ OHSAS awareness Floor Walks</li> <li>■ Periodic Evacuation Drills</li> <li>■ Regular trainings and mock drills</li> </ul> |
|--|--|

## Business Responsibility Report (Contd.)

|   |   |
|---|---|
|   | The Company conducts regular health checkup (specific to areas of work) of all employees and workers done in factory and head office. All safety guards such as gloves, ear plugs, safety shoes, replacement of sharp tools with blunt end tools, etc. are provided<br><br>Company also conducted mass Covid 19 vaccination programme of its employees and family members.  |
| 6.2 Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc. | Yes.<br><br>(i) The Company has Business Contingency Plan in place. Also, the Company has Enterprise Risk Management and mitigation plans in place to tackle the issues.<br><br>(ii) We are working on curbing Carbon footprints. Carbon emission being curbed by dust collector to settle the carbon particles.<br><br>(iii) Using alternate source of energy for processes like solar panels, wind energy, biogas, briquettes made from sugarcane waste, etc. and reducing the resources depletion. |
| 6.3 Does the company identify and assess potential environmental risks? Y/N   | Yes. The Company has aspect impact register by which environment risk are identified  |
| 6.4 Does the company have any project related to Low Carbon Economy? If Yes, provide details:   | Extensive usage of renewable sources of energy for past many years. The Company has Solar rooftop plant, biogas plant and wind energy. The Company uses biomass fuels for 100% operations of its boiler. 80% total energy used for production is through renewable energy.  |
| 6.5 Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.                | Yes. 22.50% operation are shifted to Solar power, wind power & bio gas as renewable source of energy. Company also uses Biomass energy (i.e. Briquette) for manufacturing   |
| 6.6 Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?  | Yes.<br><br>We have emission control equipment installed in plant. Air quality is tested twice a year by NABL accredited laboratory. Also, all the parameters are within the limits set by MPCB norms.  |
| 6.7 Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year   | Nil   |

6.8 Details of environmental impact assessments of projects undertaken by the company:

|  | FY 2020-21                         | FY 2019-20                         |
|--|------------------------------------|------------------------------------|
| Environmental impact assessment conducted        | EMS certified, ISO 14001 certified | EMS certified, ISO 14001 certified |
| Whether conducted by independent external agency | Yes                                | Yes                                |

6.9 What are the material environmental risks to the business identified and the mitigation measures adopted by the company with regard to the following:

| Environmental component | Risk(s) identified | Mitigation measures adopted  |
|-------------------------|--------------------|--|
| Land use                | No Risk identified | NA   |
| Emissions               | Yes                | Pollution control equipment installed in factory. Timely maintenance of these equipment takes place. Also, audit by NABL accredited laboratory twice a year. No non compliance with any of the norms set by the government authorities highlighted |
| Water                   | Yes                | All waste water is treated in Effluent Treated Plant (ETP) and domestic waste is treated in Sewage Treatment Plant (STP)   |
| Energy                  | Yes                | MSEB dependency, Company uses DG sets as back up for the same, in case of non availability of electricity  |
| Biodiversity            | Yes                | Usage of biomass fuel  |
| Other                   | NA                 | NA   |

## Business Responsibility Report (Contd.)

6.10 Air emissions and liquid discharges per unit of production for the 3 major facilities of the company as reported to regulatory authorities:

| Parameter/Unit | Performance           | FY 2020-21        |         |         | FY 2019-20        |         |         |
|----------------|-----------------------|-------------------|---------|---------|-------------------|---------|---------|
|                |                       | Plant 1           | Plant 2 | Plant 3 | Plant 1           | Plant 2 | Plant 3 |
| Sox            | Permissible Limit     | <50.40 KG/ day    | NA      | NA      | <50.40 KG/ day    | NA      | NA      |
|                | Actual Measured Value | <detectable level | NA      | NA      | <detectable level | NA      | NA      |
| NOx            | Permissible Limit     | Not specified     | NA      | NA      | Not specified     | NA      | NA      |
|                | Actual Measured Value | <detectable level | NA      | NA      | <detectable level | NA      | NA      |
| SPM            | Permissible Limit     | <=150 MG/NM3      | NA      | NA      | <=150 MG/NM3      | NA      | NA      |
|                | Actual Measured Value | 48.6              | NA      | NA      | 47.2              | NA      | NA      |

6.11. What is the % of solid waste generated that is recycled and sent to the landfill?

Solid waste in form of raw material, semi finished food products, consumable products are used in in - house biogas plant to generate electricity. Other sludge created are used as manure in our own farm as decomposte. Noting sent to landfill.

6.12. Percentage of renewable energy consumed to total energy consumed:

|   | FY 2020-21 | FY 2019-20 |
|---|------------|------------|
| % age of renewable energy consumed to total energy consumed | 22.50%     | 18.00%     |

6.13 Provide details of solid waste management relating to the following aspects:

All the solid waste generated in used inhouse biogas facility. Nothing can be recycled in our products and used being food grade. Hazardous waste generated which is minimum in form of used machine oil and sent to MPCB authorized vendor only for disposal.

6.14 Briefly describe the solid waste management practices adopted in your establishments:

(i) 100% solid waste generated used in inhouse biogas plant.  
(ii) Sludge generated in ETP used as composte manure.

6.15 Briefly describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:

NA.  
Products manufactured have no chemicals.

6.16. List innovative technologies, solutions and initiatives undertaken resulting in lower environment footprint adopted by the company, if any.

| Sr. No. | Environmental footprint | Initiatives undertaken  |
|---------|-------------------------|---|
| A       | Land use                | No land filling done by the Company.  |
| B       | Emissions               | Emission is only from boiler. Boiler set up with 100% MPCB compliances. DG set emission within MPCB limit.  |
| C       | Water                   | The Company recycles used water and uses the same in non - production activities.                           |
| D       | Energy                  | Company uses alternate source of energy like solar energy, wind energy, biogas and biomass fuel in boilers. |
| E       | Biodiversity            | Biomass fuel (briquettes) used for steam generation.  |

# Business Responsibility Report (Contd.)

## P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. a. Number of affiliations with trade and industry chambers/ associations – 04

b. List the trade and industry chambers/ associations Company is a member of/are affiliated to:

| Sr. No. | Name of the trade and industry chambers/ associations            | Scope of Entity (State/National) |
|---------|--|----------------------------------|
| 1       | Mahratta Chamber of Commerce, Industries and Agriculture (MCCIA) | National                         |
| 2       | Confederation of Indian Industry (CII)                           | National                         |
| 3       | Association of Indian Organic Industry (AIOI)                    | National                         |
| 4       | Institute of Directors (IOD)                                     | National                         |

c. Have you advocated/ lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

No

## P8 – Businesses should support inclusive growth and equitable development

8.1 Specified programmes to support this principle:

The Company is guided by its mission statement to be socially responsible company that will delight consumers. Community initiatives undertaken is commitment of business to contribute to sustainable economic development, working with employees, their family, local community and society at large to improve quality of life.

Various programmes include support to local farmers / farmer groups for procuring 100% fresh vegetables from them, maximum workers from local community, skill building programme in youth in nearby area in association with American India Foundation, Water conservation project in association with Agriculture Development Trust (KVK), support to society at large by providing dry ration kits and ready to eat food to frontline workers during pandemic, donation to PM Cares fund, Oxfam India and CII for help to society for fighting the pandemic.

8.2 Modes through which the above projects/ programmes undertaken:

The Company follows multiple models for implementing CSR initiatives. While Covid 19 support was provided by the Company directly for INR 1.45 Million and remaining INR 8.35 Million contributed to Tasty Bite Foundation for CSR activities.

8.3 Company direct contribution to community development:

Details mentioned CSR annual report section.

8.4. Details of Social Impact Assessments (SIA) undertaken by the company for projects in the current financial year

|  |    |
|--|----|
| Has Social Impact Assessment been conducted  | No |
| Has the Social Impact Assessment been conducted by an independent external agency    | NA |
| Have the results of the Social Impact Assessment been communicated in public domain? | NA |
| Web Link   | NA |

## Business Responsibility Report (Contd.)

8.5 Steps undertaken to ensure that community development initiatives are adopted by community:

Community collaboration and participation are encouraged at all stages of CSR initiatives. Multiple interactions with local communities through people/ beneficiary meetings, meeting with local administrative officials to understand the needs to people, trainings provided etc. Extensive engagement with the community helps in better planning and execution of the projects. This ensures continued support for the initiative and adoption of good practices even after completion of project by the Company.

### P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner

9.1. % of products and services (by turnover) of your business carrying information about:

|   | <b>% of products and services carrying information</b> |
|---|--|
| Environmental and social parameters relevant to the product | 100%   |
| Safe and responsible usage                                  | 100%   |
| Recycling and safe disposal                                 | 100%   |
| Not Applicable (Yes/No)                                     | NA   |

All products have the usage instructions mentioned on them. Products also have recycling, safe disposal practices, symbols mentioned on them. Also environment, social parameters on them like presevative, chemical free, organic, etc

9.2 What percentage of customer complaints/ consumer cases are pending as on the end of financial year?

There are no pending complaints/consumer cases. All complaints are closed within 2 days basis the nature of the complaints

9.3 Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/ N.A. / Remarks (additional information)

Yes the Company provides all the mandated information alogwith additional information like handling and making the product, etc.

9.4 Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No, there is no such case filed by any stakeholder

9.5 Did your company carry out any consumer survey/ consumer satisfaction trends?

No

9.6 Channels / platforms where information on products and services of the company can be accessed (provide web link if applicable):

[www.tastybite.co.in](http://www.tastybite.co.in)

9.7 Steps taken to inform and educate consumers, especially vulnerable and marginalised consumers, about safe and responsible usage of products:

Packaging/ Label of the products has all the information related to safe & responsible usage of products

9.8 Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:

Company has regular telephonic calls with customers and also e-mail communications. During pandemic, the Company and its representatives were in constant communication with the Customers not only w.r.t. the business but also to lend any help during pandemic.

# Financial Statements

Pg. 122 - 180



# Independent Auditors' Report

To the Members of  
Tasty Bite Eatables Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Tasty Bite Eatables Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act.

Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### The key audit matter

#### Provision for inventory obsolescence

As at 31 March 2021, the Company held INR 692.79 million of inventories net of provision for inventory obsolescence of INR 30.50 million. Given the size of the inventory balance relative to the total assets of the Company and considering the estimates and judgments described below, the valuation of inventory and provision for inventory obsolescence required significant audit attention.

As disclosed in Note 3.5 and Note 10, inventories are held at the lower of cost (determined using the weighted average cost method) and net realizable value. At each reporting period, the valuation of inventory is reviewed by management for provisioning. This assessment is of higher significance and involves increased estimation uncertainty in the current period considering the possible impact of the ongoing Covid-19 pandemic on the Company's business.

### How the matter was addressed in our audit

We have performed the following procedures over valuation of inventory and provision for inventory obsolescence:

- We obtained an understanding, tested the design, implementation and operating effectiveness of controls surrounding the inventory valuation process;
- We performed testing on the Company's controls over the inventory cycle count process. In testing these controls, we observed the inventory cycle count process at selected locations on a sample basis, inspected the results of the inventory cycle count and assessed whether the variances were accounted for and approved by management;
- For a sample of inventory items, we also re-performed the weighted average cost calculation and compared the weighted average cost to the net realizable value;

# Independent Auditors' Report (Contd.)

## The key audit matter

The determination of whether inventory will be realized for a value less than cost requires management to exercise judgment and apply assumptions. Management undertakes the following procedures for determining the level of write down required:

- Performs periodic cycle counts to assess whether specific write down is required for obsolete inventory / shortages;
- Uses inventory ageing reports together with historical trends to estimate the likely future saleability / usability of slow moving and older inventory items;
- For inventory aged greater than one year or items due for expiry in the near future, management applies a percentage-based provision to inventory. The percentages are derived from historical levels of write down and forward-looking estimates based on assessment of expected utilization of production capacity considering the current market conditions;
- Management performs a line-by-line analysis of remaining inventory to ensure it is stated at lower of cost and net realizable value and a specific write down is recognized if management determines that the stock exceeds future requirements; and
- Management has also performed an analysis of the possible impact of the Covid-19 pandemic on offtake plans of its key customers and the consequent requirement to establish provisions for certain inventory items due to either possible obsolescence or reduction in net realizable value.

## How the matter was addressed in our audit

- We tested the ageing reports used by management for correctness of ageing;
- We challenged the reasonableness of the assumptions used by the management relating to expected utilization of production capacity in the near future. We also challenged Management's analysis of the possible impact of the Covid-19 pandemic on offtake plans of the Company's customers and Management's conclusions regarding the impact on the carrying values of specific inventory items; and
- We performed retrospective reviews of provisions made historically to assess the reasonableness of provisions made during the year.

## Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit /loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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.

# Independent Auditors' Report **(Contd.)**

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained,

whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) 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.

## Independent Auditors' Report (Contd.)

- 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 (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' 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 as at 31 March 2021 on its financial position in its financial statements - Refer Note 35 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.116231W/W-100024

**Rajnish Desai**

Partner

(Membership No. 101190)

UDIN: 21101190AAAABG3936

Place: Pune

Date: 15 May 2021

# Annexure A

## to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the year ended 31 March 2021

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the Ind AS financial statements for the year ended 31 March 2021, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company, except for the following:

| Sr. No. | Type of Asset               | Gross block as on 31 March 2021 | Net block as on 31 March 2021 | Remarks  |
|---------|-----------------------------|---------------------------------|-------------------------------|--|
| 1       | Freehold land – Gut No. 503 | INR 0.03 million                | INR 0.03 million              | The Company has filed a legal suit alleging illegal occupation of the land owned by the Company. |

(ii) The inventory, except goods in transit, has been physically verified by management during the year. The discrepancies noticed on such verification between the physical stock and the book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. In respect of stocks lying with third parties at the year end, written confirmations from major parties have been obtained.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.

(iv) According to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.

(vi) In our opinion and according to the information and explanations given to us, maintenance of cost records under section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.

(b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified once every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification between the physical count and the book records were not material and have been properly dealt with in the books of account.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees state insurance, income-tax, goods and services tax, professional tax, tax deducted at source, duty of customs and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise, value added tax, sales tax, service tax, and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, cess and any other statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of Income tax, Sales-Tax, Service tax, Goods and Services Tax, Duty of Customs which have not been deposited by the Company on account of disputes, except as disclosed in Enclosure 1 to this Annexure.

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. Further, the Company has not taken any loan or borrowings from any financial institutions or government and have not issued any debentures during the year.

(ix) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were taken. The Company has not raised money by way of further public offer (including debt instruments) during the year.

## Annexure A

to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the year ended 31 March 2021 (Contd.)

- (x) According to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all the transactions with related parties are in compliance with sections 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.116231W/W-100024

**Raajnish Desai**

Partner

(Membership No. 101190)

UDIN: 21101190AAAABG3936

Place: Pune

Date: 15 May 2021

## Enclosure 1 to Annexure A

Details of statutory dues, which have not been deposited on account of dispute:

| Name of the statute      | Nature of the dues | Period to which the amount relates (Financial year) | Gross amount (INR million) | Amount paid under protest (INR million) | Amount unpaid (INR million) | Forum where dispute is pending                                |
|--------------------------|--------------------|---|----------------------------|---|-----------------------------|---|
| The Income Tax Act, 1961 | Income Tax         | 2007 - 2008   | 10.77                      | 5.08                                    | 5.69                        | The Income Tax Appellate Tribunal, Pune                       |
| The Income Tax Act, 1961 | Income Tax         | 2013 - 2014   | 29.64                      | -                                       | 29.64                       | The Income Tax Appellate Tribunal, Pune                       |
| Customs Act, 1962        | Customs Duty       | 2013 - 2014<br>and<br>2014 - 2015                   | 26.50                      | 11.73                                   | 14.77                       | The Customs Excise and Service Tax Appellate Tribunal, Mumbai |

## Annexure B

to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the year ended 31 March 2021

### Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of Tasty Bite Eatables Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed

under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

#### Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## Annexure B

to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the year ended 31 March 2021. (Contd.)

### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become

inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Associates LLP**

Chartered Accountants  
Firm's Registration No.116231W/W-100024

**Raajnish Desai**

*Partner*

Place: Pune  
Date: 15 May 2021

(Membership No. 101190)  
UDIN: 21101190AAAABG3936



# Balance Sheet

as at 31 March 2021

(Currency - INR in million, except per share data)

| Particulars  | Notes  | 31 March 2021   | 31 March 2020   |
|--|--------|-----------------|-----------------|
| <b>ASSETS</b>  |        |                 |                 |
| <b>Non-current assets</b>  |        |                 |                 |
| Property, plant and equipment  | 6A     | 1,118.53        | 894.87          |
| Capital work-in-progress   | 6A     | 424.49          | 265.03          |
| Right-of-Use Asset   | 6B     | 664.46          | 87.19           |
| Intangible assets  | 7      | 2.73            | 2.41            |
| <b>Financial assets</b>  |        |                 |                 |
| Other financial assets   | 8      | 3.46            | 3.10            |
| Deferred tax assets (net)  | 34     | 5.96            | 19.67           |
| Income tax assets (net)  |        | 26.99           | 31.08           |
| Other non-current assets   | 9      | 231.09          | 189.37          |
| <b>Total non-current assets (i)</b>  |        | <b>2,477.71</b> | <b>1,492.72</b> |
| <b>Current assets</b>  |        |                 |                 |
| Inventories  | 10     | 692.79          | 595.56          |
| <b>Financial assets</b>  |        |                 |                 |
| Trade receivables  | 11     | 543.40          | 570.29          |
| Cash and cash equivalents  | 12     | 348.19          | 76.78           |
| Bank balances other than cash and cash equivalents                                       | 13     | 0.87            | 0.80            |
| Derivative contract assets   | 14     | 9.73            | -               |
| Other financial assets   | 15     | 0.63            | 0.51            |
| Other current assets   | 16     | 401.78          | 260.30          |
| <b>Total current assets (ii)</b>   |        | <b>1,997.39</b> | <b>1,504.24</b> |
| <b>TOTAL ASSETS (i+ii)</b>   |        | <b>4,475.10</b> | <b>2,996.96</b> |
| <b>EQUITY AND LIABILITIES</b>  |        |                 |                 |
| <b>Equity</b>  |        |                 |                 |
| Equity share capital   | 17     | 25.66           | 25.66           |
| Other equity   | 18     | 2,040.54        | 1,605.72        |
| <b>Total equity (i)</b>  |        | <b>2,066.20</b> | <b>1,631.38</b> |
| <b>Liabilities</b>   |        |                 |                 |
| <b>Non-current liabilities</b>   |        |                 |                 |
| <b>Financial liabilities</b>   |        |                 |                 |
| Borrowings   | 19A    | 496.76          | 207.84          |
| Lease Liabilities  | 38     | 636.95          | 81.08           |
| Provisions   | 20     | 73.58           | 68.99           |
| <b>Total non-current liabilities (ii)</b>  |        | <b>1,207.29</b> | <b>357.91</b>   |
| <b>Current liabilities</b>   |        |                 |                 |
| <b>Financial liabilities</b>   |        |                 |                 |
| Borrowings   | 19B    | 495.95          | 339.12          |
| Trade payables   | 21     |                 |                 |
| - Total outstanding dues of micro enterprises and small enterprises                      |        | 18.55           | 2.72            |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises |        | 472.87          | 475.96          |
| Derivative contract liabilities  | 22     | 3.74            | 55.80           |
| Lease Liabilities  | 38     | 44.55           | 10.21           |
| Other financial liabilities  | 23     | 151.20          | 113.35          |
| Other current liabilities  | 24     | 10.28           | 6.89            |
| Provisions   | 25     | 4.47            | 3.62            |
| <b>Total current liabilities (iii)</b>   |        | <b>1,201.61</b> | <b>1,007.67</b> |
| <b>TOTAL EQUITY AND LIABILITIES (i+ii+iii)</b>   |        | <b>4,475.10</b> | <b>2,996.96</b> |
| <b>Summary of significant accounting policies</b>  | 1 - 5  |                 |                 |
| <b>Notes to the financial statements</b>   | 6 - 48 |                 |                 |

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W/W - 100024

**Raajnish Desai**

Partner

Membership No: 101190

For and on behalf of the Board of Directors of

**Tasty Bite Eatables Limited**

CIN: L15419PN1985PLC037347

**Abhijit Upadhye**

Managing Director

DIN: 02076451

**Ashok Vasudevan**

Chairman

DIN: 00575574

**Gaurav Gupta**

Chief Financial Officer

**Minal Talwar**

Company Secretary

Place: Pune

Date: 15 May 2021

Place: Pune

Date: 15 May 2021

# Statement of Profit and Loss

for the year ended 31 March 2021

(Currency - INR in million, except per share data)

| Particulars  | Notes  | 31 March 2021   | 31 March 2020   |
|--|--------|-----------------|-----------------|
| Revenue from operations  | 26     | 3,853.13        | 4,257.74        |
| Other income   | 27     | 189.76          | 290.56          |
| <b>Total income</b>  |        | <b>4,042.89</b> | <b>4,548.30</b> |
| <b>Expenses</b>  |        |                 |                 |
| Costs of materials consumed  | 28     | 2,480.92        | 2,862.95        |
| Changes in inventories of finished goods and work-in-progress                    | 29     | (45.86)         | (31.34)         |
| Employee benefits expense  | 30     | 297.41          | 314.36          |
| Finance costs  | 31     | 30.25           | 35.20           |
| Depreciation and amortisation expense  | 32     | 171.65          | 168.48          |
| Other expenses   | 33     | 582.77          | 665.11          |
| <b>Total expenses</b>  |        | <b>3,517.14</b> | <b>4,014.76</b> |
| <b>Profit before income tax</b>  |        | <b>525.75</b>   | <b>533.54</b>   |
| <b>Income tax expense</b>  |        |                 |                 |
| - Current tax  | 34     | 134.28          | 162.49          |
| - Deferred tax (credit) / charge   | 34     | (1.95)          | (37.57)         |
|  |        | <b>132.33</b>   | <b>124.92</b>   |
| <b>Profit after tax for the year</b>   |        | <b>393.42</b>   | <b>408.62</b>   |
| <b>Other comprehensive income / (loss)</b>                                       |        |                 |                 |
| Items that will not be reclassified subsequently to profit and loss:             |        |                 |                 |
| - Remeasurement of defined benefit obligation (asset)                            |        | 0.40            | (8.61)          |
| - Income tax related to items that will not be reclassified to profit and loss   |        | (0.10)          | 2.17            |
| Items that will be reclassified subsequently to profit and loss:                 |        |                 |                 |
| - Effective portion of gain / (loss) on Hedging Instruments in a Cash Flow Hedge |        | 61.78           | (113.07)        |
| - Income tax related to items that will be reclassified to profit and loss       |        | (15.55)         | 28.46           |
| <b>Other comprehensive income / (loss) for the year, net of tax</b>              |        | <b>46.53</b>    | <b>(91.05)</b>  |
| <b>Total comprehensive income for the year</b>                                   |        | <b>439.95</b>   | <b>317.57</b>   |
| <b>Earnings per equity share (nominal value of share INR 10)</b>                 | 37     |                 |                 |
| (1) Basic (Rs.)  |        | 153.32          | 159.24          |
| (2) Diluted (Rs.)  |        | 153.32          | 159.24          |
| <b>Summary of significant accounting policies</b>                                | 1 - 5  |                 |                 |
| <b>Notes to the financial statements</b>   | 6 - 48 |                 |                 |

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W/W - 100024

**Raajnish Desai**

Partner

Membership No: 101190

**For and on behalf of the Board of Directors of****Tasty Bite Eatables Limited****CIN: L15419PN1985PLC037347****Abhijit Upadhye**

Managing Director

DIN: 02076451

**Ashok Vasudevan**

Chairman

DIN: 00575574

**Gaurav Gupta**

Chief Financial Officer

**Minal Talwar**

Company Secretary

Place: Pune

Date: 15 May 2021

Place: Pune

Date: 15 May 2021

# Statement of Cash Flows

for the year ended 31 March 2021

(Currency - INR in million, except per share data)

| Particulars  | 31 March 2021   | 31 March 2020   |
|--|-----------------|-----------------|
| <b>A. Cash flow from operating activities:</b>   |                 |                 |
| Profit before tax  | 525.75          | 533.54          |
| Adjustments for  |                 |                 |
| Depreciation and amortisation  | 171.65          | 168.48          |
| (Profit) on disposal / loss on write off of Property, plant and equipment  | (1.08)          | 3.21            |
| Provision for capital work-in-progress   | 4.05            | -               |
| Liabilities written back to the extent no longer required  | (0.86)          | (3.08)          |
| Bad debts written off  | 0.52            | 0.31            |
| Allowance for doubtful receivables   | 6.56            | 1.39            |
| Advances written off   | 1.06            | 0.32            |
| Unrealised foreign exchange (gain) / loss on translation of assets and liabilities   | (34.49)         | 29.22           |
| Finance cost   | 30.25           | 35.20           |
| Interest income  | (3.36)          | (1.97)          |
| Provision (reversed) / established against inventories (net)   | (22.55)         | 35.71           |
| <b>Operating profit before working capital changes</b>   | <b>677.50</b>   | <b>802.33</b>   |
| <b>Working capital adjustments:</b>  |                 |                 |
| Change in trade payables   | 16.70           | 93.70           |
| Change in other current financial liabilities  | 32.06           | (3.08)          |
| Change in other current liabilities  | 3.39            | 3.22            |
| Change in provisions   | 5.84            | 10.90           |
| Change in trade receivables  | 10.94           | (176.40)        |
| Change in inventories  | (74.68)         | (142.24)        |
| Change in other non-current financial assets   | (0.36)          | 0.48            |
| Change in other current financial assets   | (0.12)          | (0.30)          |
| Change in other non-current assets   | 1.03            | 10.84           |
| Change in other current assets   | (141.48)        | (62.96)         |
| <b>Cash generated from operating activities</b>  | <b>530.82</b>   | <b>536.49</b>   |
| Direct taxes paid (net of refunds, if any)   | (130.19)        | (168.16)        |
| <b>Net cash from operating activities (A)</b>  | <b>400.63</b>   | <b>368.33</b>   |
| <b>B. Cash flow from investing activities:</b>   |                 |                 |
| Purchase of property, plant and equipment including intangible assets, capital work-in-progress and movement in capital advances | (570.59)        | (518.12)        |
| Proceeds from sale of property, plant and equipment  | 6.16            | -               |
| Interest received  | 3.36            | 1.97            |
| <b>Net cash (used in) investing activities (B)</b>   | <b>(561.07)</b> | <b>(516.15)</b> |

# Statement of Cash Flows

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| <b>C. Cash flow from financing activities:</b>                        |               |               |
| Repayment of lease liabilities  | (17.03)       | (8.33)        |
| Proceeds from current borrowings                                      | 984.14        | 348.38        |
| Repayments of current borrowings                                      | (795.70)      | (82.84)       |
| Proceeds from non-current borrowings                                  | 366.25        | -             |
| Repayments of non-current borrowings                                  | (71.87)       | (68.57)       |
| Payment of dividend (including dividend distribution tax)             | (5.13)        | (6.19)        |
| Finance Cost Paid - Lease Liabilities                                 | (20.49)       | (7.91)        |
| Finance Cost Paid - Others  | (8.32)        | (27.49)       |
| <b>Net cash generated from / (used in) financing activities (C)</b>   | <b>431.85</b> | <b>147.05</b> |
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | <b>271.41</b> | <b>(0.77)</b> |
| Cash and cash equivalents at the beginning of the year                | 76.78         | 77.55         |
| <b>Cash and cash equivalents at the end of the year</b>               | <b>348.19</b> | <b>76.78</b>  |

## Components of cash and cash equivalents (refer note: 12)

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Cash on hand  | 0.04          | 0.04          |
| Balances with banks   |               |               |
| In current accounts   | 168.15        | 76.74         |
| in deposit account (original maturities less than three months) | 180.00        | -             |
|   | <b>348.19</b> | <b>76.78</b>  |
| <b>Summary of significant accounting policies</b>               | 1 - 5         |               |
| <b>Notes to the financial statements</b>                        | 6 - 48        |               |

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W - 100024

### Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 15 May 2021

### For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

### Abhijit Upadhye

Managing Director

DIN: 02076451

### Gaurav Gupta

Chief Financial Officer

Place: Pune

Date: 15 May 2021

### Ashok Vasudevan

Chairman

DIN: 00575574

### Minal Talwar

Company Secretary

# Statement of Changes in Equity

as at 31 March 2021



Tasty Bite Eatables Limited  
37<sup>th</sup> Annual Report 2020-21

(Currency - INR in million, except per share data)

| Statement of Changes in Equity                                  | Equity             |                      | Reserves and surplus |                   | Items of OCI   |                               |                | Total Equity    |
|---|--------------------|----------------------|----------------------|-------------------|--|-------------------------------|----------------|-----------------|
|   | Securities Premium | Share based payments | Capital Reserve      | Retained Earnings | Remeasurements of defined benefit obligation / (asset) | Cash Flow Hedge Reserve (Net) |                |                 |
| <b>Balance as at 1 April 2019</b>                               | <b>25.66</b>       | <b>9.48</b>          | <b>17.28</b>         | <b>5.73</b>       | <b>1,236.15</b>  | <b>(11.63)</b>                | <b>37.32</b>   | <b>1,319.99</b> |
| Add: Profit for the year  | -                  | -                    | -                    | -                 | 408.62   | -                             | -              | 408.62          |
| Add: Other comprehensive income (net of tax)                    | -                  | -                    | -                    | -                 | -  | (6.44)                        | (84.61)        | (91.05)         |
| Less: Payment of dividend (including dividend distribution tax) | -                  | -                    | -                    | -                 | (6.19)   | -                             | -              | (6.19)          |
| <b>Balance as at 31 March 2020</b>                              | <b>25.66</b>       | <b>9.48</b>          | <b>17.28</b>         | <b>5.73</b>       | <b>1,638.58</b>  | <b>(18.07)</b>                | <b>(47.29)</b> | <b>1,631.38</b> |
| <b>Balance as at 1 April 2020</b>                               | <b>25.66</b>       | <b>9.48</b>          | <b>17.28</b>         | <b>5.73</b>       | <b>1,638.58</b>  | <b>(18.07)</b>                | <b>(47.29)</b> | <b>1,631.38</b> |
| Add: Profit for the year  | -                  | -                    | -                    | -                 | 393.42   | -                             | -              | 393.42          |
| Add: Other comprehensive income (net of tax)                    | -                  | -                    | -                    | -                 | -  | 0.30                          | 46.23          | 46.53           |
| Less: Payment of dividend (including dividend distribution tax) | -                  | -                    | -                    | -                 | (5.13)   | -                             | -              | (5.13)          |
| <b>Balance as at 31 March 2021</b>                              | <b>25.66</b>       | <b>9.48</b>          | <b>17.28</b>         | <b>5.73</b>       | <b>2,026.87</b>  | <b>(17.77)</b>                | <b>(1.06)</b>  | <b>2,066.20</b> |

The nature and purpose of reserves and surplus and terms of other comprehensive income has been disclosed under note 18.

## Summary of significant accounting policies

1 - 5

## Notes to the financial statements

6 - 48

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W - 100024

### Rajnish Desai

Partner

Membership No: 101190

### For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

### Abhijit Upadhye

Managing Director

DIN: 02076451

### Gaurav Gupta

Chief Financial Officer

### Ashok Vasudevan

Chairman

DIN: 00575574

### Minal Talwar

Company Secretary

Place: Pune

Date: 15 May 2021

Place: Pune

Date: 15 May 2021

# Notes to the Financial Statements

for the year ended 31 March 2021

## 1. Background

Tasty Bite Eatables Limited ('the Company') is a company domiciled in India with its registered office situated at Shivajinagar, Pune and its manufacturing facility near Pune. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited. The Company is in the business of manufacturing and selling 'Prepared Foods'.

## 2. Basis of preparation

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's significant accounting policies are included in Note 3.

The financial statements of the Company for the year ended 31 March 2021 were authorized for issue by the Company's Board of Directors on 15 May 2021.

### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest million (except per share data) to two decimals, unless otherwise indicated.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

### 2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| Items   | Measurement basis   |
|---|---|
| Certain financial assets and liabilities (including derivative instruments) | Fair value  |
| Net defined benefit (asset) / liability                                     | Fair Value of plan assets less present value of defined benefit obligations |

### 2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### Judgements, Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies, assumptions and estimation uncertainties that have the most significant effects on the amounts recognized / significant risk resulting in a material adjustment in the financial statements is included in the following notes:

Note 3.3 – Estimation of useful life used by the management for property, plant and equipment and intangible asset

Note 3.5 and 10 – Estimation of provisions for expired, near expiry and slow-moving inventories

Note 44 – Measurement of defined benefit obligations: key actuarial assumptions

Note 35 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 38 – Lease accounting and assessment of incremental borrowing rate

Note 34 – Estimation of current tax expense and tax payable

Note 34 – Recognition of deferred tax asset

Note 11 – Impairment of Trade Receivables

### 2.5 Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to measurement of fair values. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

The established framework is reviewed and monitored by the Chief financial officer, which includes the responsibility for reviewing and monitoring all significant fair value measurements, including level 3 fair values. Chief financial officer regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorized into different levels in a Fair value hierarchy based on inputs used in the valuation techniques as follows.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2:** inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure fair value of asset or liability fall into different levels of fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in following notes:

Note 47 – Financial Instruments – Fair Value

## 2.6 Current-non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non – current classification.

### Assets

An asset is classified as current when it satisfies any of the following criteria:

- a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;

- b) it is held primarily for the purpose of being traded;
- c) it is expected to be realized within 12 months after the reporting date; or
- d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

### Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

## 2.7 Impact of Covid – 19

“The Company has considered internal and external sources of information as of the date of approval of the financial results in determining the possible impact, if any, of the resurgence of the Covid-19 pandemic on the carrying amounts of its trade receivables, inventories, financial and non-financial assets. The Company has used the principle of prudence in applying judgements and making estimates. Based on this evaluation, the Company does not expect any material impact on its financial results.”

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

## 3. Significant accounting policies

### 3.1 Foreign Currency transaction

Transaction in foreign currencies are translated into the functional currency of the Company at the exchange rate on the date of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

Exchange difference are recognised in profit and loss, except exchanges differences arising from the translation of the qualifying cash flow hedges to the extent the hedges are effective, which are recognized in Other Comprehensive Income (OCI).

### 3.2 Financial Instruments

#### i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### ii. Classification and subsequent measurement

##### Financial assets

On initial recognition, a financial asset is classified as measured at

- Amortised cost;
- Fair value through profit and loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets (except for derivative contract assets) not measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

##### **Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest**

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or require prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is significant at initial recognition.

## Financial assets: Subsequent measurement gains and losses

|                                    |  |
|------------------------------------|--|
| Financial assets at FVTPL          | These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, refer note 48 and 49 for derivatives designated as hedging instruments.  |
| Financial assets at amortised cost | These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. |

## Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Refer note 47 and 48 for financial liabilities designated as hedging instrument.

### iii. Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

## Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

### v. Derivative financial instrument and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedge relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument are expected to offset each other.

## **Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedge item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecasted transaction, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedge expected future cash flow affect profit or loss.

If the hedge future cash flow is not expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

## **3.3 Property, Plant and Equipment**

### ***i. Recognition and measurement***

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Machinery spares that meet the definition of PPE are capitalised and depreciated over the useful life of the principal item of an asset. All other repair and maintenance costs, including regular servicing, are recognised in the Statement of Profit and Loss as incurred. When a replacement occurs, the carrying value of the replaced part is de-recognised.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

### ***ii. Subsequent expenditure***

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

### ***iii. Depreciation***

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is recognized in the statement of profit and loss.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

The estimated useful lives of item of property, plant and equipment for the current and comparative periods are as follows:

| Category of asset        | Useful life followed (in years) | Useful life as per Schedule II (in years) |
|--------------------------|---------------------------------|---|
| Factory Building         | 30                              | 30  |
| Electrical installations | 10                              | 10  |
| Plant and equipment      | 15                              | 15  |
| -Form Plate              | 2                               | 15  |
| Office equipment         | 5                               | 5   |
| Furniture & Fixtures     | 10                              | 10  |
| Vehicle                  | 10                              | 10  |
| Computers                | 3                               | 3   |
| -Server                  | 6                               | 6   |
| -Printer                 | 5                               | 3   |
| Lab Equipment            | 10                              | 10  |

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represents the period over which the management expects to use these assets.

Assets installed on leasehold premises are depreciated over the period of lease. Freehold land is not depreciated.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

Capital work-in-progress (CWIP) Projects under commissioning and other CWIP are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Capital advances given to acquire property, plant and equipment are recorded as non-current assets and subsequently transferred to CWIP on acquisition of related assets.

### 3.4 Intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it

relates. All other expenditure is recognised in profit or loss as incurred.

Amortization is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method and is included in depreciation and amortization in Statement of Profit and Loss.

The estimated useful lives are as follows:

| Assets            | Estimated useful life |
|-------------------|-----------------------|
| Computer Software | 5 Years               |

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

### 3.5 Inventories

The cost of inventory is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of overheads (both fixed and variable). Fixed overheads are included in cost of manufactured inventory based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. The net realizable value of work – in – progress is determined with reference to the selling price of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of finished products will exceed their net realizable value.

### 3.6 Impairment of financial instruments

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is 'credit- impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

Evidence that a financial asset is credit - impaired includes the following observable data:

- significant financial difficulty of the customer or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the customer will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

### Measurement of expected credit loss

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward - looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the customer is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); and
- the financial asset is 180 days or more past due.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured

as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write - off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

### 3.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and not subject to amortization are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash-flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows for which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit and Loss.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

## 3.8 Employee benefits

### i. Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

### iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding

interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognizes gain and losses on the settlement of a defined benefit plan when the settlement occurs.

### iv. Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

### v. Employee Shared based payment

Specified employees of the Company were eligible for equity settled stock options under Preferred Brand Inc.'s ('PBI Inc.' or the Holding Company's) 2009 Non-Qualified Stock Option and Equity Plan ('the Equity Plan'). However, during the year 2015 a value pool agreement was entered into, by and between PBI Inc., the Company and the holders of outstanding options ('Holders'), wherein PBI Inc. and the Holders agreed to cancel the Options and terminate the Grant Agreements in exchange for a consideration payable by PBI Inc. in lieu of such cancellation of unvested options to the employees of the Company.

In accordance with Ind-AS 102, the classification of the share-based payment transaction depends on the nature of the award granted and whether the entity has an obligation to settle the transaction and if the entity has either an obligation to settle in its own equity instruments or no obligation to settle at all, then the transaction is accounted as Equity Settled. Since, the Company does not have any obligation to reimburse corresponding cost

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

of share-based payment transaction to PBI Inc., it has classified the settlement as Equity Settled.

Since the amount of cash payment is pre-determined by the Holding Company based on the Value Pool agreement and the employees covered were specifically mentioned in the said agreement, the Company is of the view that the share based payment shall be measured at such amount agreed since the Company does not have any separate obligation towards the settlement.

## 3.9 Revenue

### i. Sale of goods

The Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in customer contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value of the consideration received or receivable, after deduction of any discounts or rebates and any taxes or duties collected on behalf of the government such as goods and services tax. Accumulated experience is used to estimate the provision for such discounts and rebates. Due to the short nature of credit period given to customers, there is no financing component in the contract. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Customers do not have a contractual right to return goods.

### ii. Export incentive

Export incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Under Ind AS 115, income from export incentive schemes is presented as Other non-operating income as the same is not receivable from customers.

## 3.10 Recognition of interest income or expense:

Interest income is recognised using effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments

or receipts through the expected life of financial instrument to:

- The gross carrying amount of the financial assets; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when asset is not credit – impaired) or to the amortised cost of the liability. However, for financial asset that have become credit – impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset.

## 3.11 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### IND AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 - Leases which replaced the erstwhile standard and its interpretations. Ind AS 116 had outlined the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors thereby introducing a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116-Leases effective 1 April 2019, using the modified retrospective method.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset;
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- the Company has the right to direct the use of the asset.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Please refer Note 6B for details of the right-of-use asset held by the Company.

### 3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is

measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

### 3.13 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

#### Contingencies

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of economic

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements. A contingent asset is not recognized unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

### 3.14 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred. Investment income earned on the temporary investment of specific borrowings is deducted from the borrowing costs eligible for capitalisation.

### 3.15 Research and development expenditure

Revenue expenditure on research and development is recognised as an expense in the period in which they are incurred.

### 3.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity and equivalent potential dilutive equity shares outstanding during the year, except where the result would be anti-dilutive.

### 3.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

### 3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 3.19 Dividend

The Company recognizes a liability to make cash distributions to equity shareholders when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders of the Company.

## 4. Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2020-21.

## 5. Standard issued but not effective

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013 revising Division I, II and III of Schedule III and are applicable from 1 April 2021. The amendments primarily relate to:

- a) Change in existing presentation requirements for certain items in the Balance sheet, for e.g. lease liabilities, security deposits, current maturities of long-term borrowings, effect of prior period errors on Equity Share capital.
- b) Additional disclosure requirements in specified formats, for e.g. ageing of trade receivables, trade payables, capital work in progress, intangible assets, shareholding of promoters.
- c) Disclosure if funds have been used other than for the specific purpose for which it was borrowed from banks and financial institutions.
- d) Additional Regulatory Information, for e.g. compliance with layers of companies, title deeds of immovable properties, financial ratios, loans and advances to key managerial personnel.
- e) Disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency.

The Company is currently evaluating the impact of these amendments, which are applicable from FY 2022.

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

## 6A. Property, plant and equipment

(Currency - INR in million, except per share data)

| Reconciliation of carrying amount           | Freehold land | Leasehold improvements | Factory Building | Plant and equipment | Lab Equipment | Electrical installation | Computers | Office equipment | Furniture and fixtures | Vehicles | Total    | Capital work-in-progress |
|---|---------------|------------------------|------------------|---------------------|---------------|-------------------------|-----------|------------------|------------------------|----------|----------|--------------------------|
| <b>Gross Carrying Amount</b>                |               |                        |                  |                     |               |                         |           |                  |                        |          |          |                          |
| Balance as at 1 April 2019                  | 1.36          | 3.86                   | 224.67           | 819.60              | 8.14          | 45.27                   | 7.06      | 7.33             | 26.64                  | 0.75     | 1,144.68 | 103.19                   |
| Additions                                   | 10.64         | -                      | 8.07             | 196.90              | 2.83          | 8.03                    | 4.36      | 1.86             | 1.51                   | -        | 234.20   | 396.03                   |
| Disposals during the year                   | -             | -                      | 0.09             | 45.89               | -             | 1.58                    | -         | -                | -                      | -        | 47.56    | 234.20                   |
| Balance as at 31 March 2020                 | 12.00         | 3.86                   | 232.65           | 970.61              | 10.97         | 51.72                   | 11.42     | 9.19             | 28.15                  | 0.75     | 1,331.32 | 265.03                   |
| Balance as at 1 April 2020                  | 12.00         | 3.86                   | 232.65           | 970.61              | 10.97         | 51.72                   | 11.42     | 9.19             | 28.15                  | 0.75     | 1,331.32 | 265.03                   |
| Additions                                   | -             | -                      | 99.18            | 237.48              | 5.73          | 10.79                   | 1.47      | 6.36             | 8.46                   | -        | 369.47   | 530.19                   |
| Disposals during the year                   | -             | -                      | 0.18             | 16.63               | -             | -                       | 2.21      | -                | -                      | -        | 19.02    | 370.73                   |
| Balance as at 31 March 2021                 | 12.00         | 3.86                   | 331.65           | 1,191.46            | 16.70         | 62.51                   | 10.68     | 15.55            | 36.61                  | 0.75     | 1,681.77 | 424.49                   |
| <b>Accumulated depreciation</b>             |               |                        |                  |                     |               |                         |           |                  |                        |          |          |                          |
| Accumulated depreciation as at 1 April 2019 | -             | 2.40                   | 39.70            | 251.86              | 1.74          | 14.16                   | 2.06      | 4.36             | 9.23                   | 0.03     | 325.54   | -                        |
| Depreciation for the year                   | -             | 0.80                   | 19.78            | 120.93              | 1.23          | 4.87                    | 2.33      | 1.41             | 3.85                   | 0.07     | 155.27   | -                        |
| Accumulated depreciation on disposals       | -             | -                      | 0.03             | 42.75               | -             | 1.58                    | -         | -                | -                      | -        | 44.36    | -                        |
| Balance as at 31 March 2020                 | -             | 3.20                   | 59.45            | 330.04              | 2.97          | 17.45                   | 4.39      | 5.77             | 13.08                  | 0.10     | 436.45   | -                        |
| Accumulated depreciation as at 1 April 2020 | -             | 3.20                   | 59.45            | 330.04              | 2.97          | 17.45                   | 4.39      | 5.77             | 13.08                  | 0.10     | 436.45   | -                        |
| Depreciation for the year                   | -             | 0.66                   | 18.66            | 105.45              | 1.48          | 5.54                    | 3.04      | 1.69             | 4.14                   | 0.07     | 140.73   | -                        |
| Accumulated depreciation on disposals       | -             | -                      | 0.06             | 11.67               | -             | -                       | 2.21      | -                | -                      | -        | 13.94    | -                        |
| Balance as at 31 March 2021                 | -             | 3.86                   | 78.05            | 423.82              | 4.45          | 22.99                   | 5.22      | 7.46             | 17.22                  | 0.17     | 563.24   | -                        |
| <b>Carrying amount (net)</b>                |               |                        |                  |                     |               |                         |           |                  |                        |          |          |                          |
| At 31 March 2020                            | 12.00         | 0.66                   | 173.20           | 640.57              | 8.00          | 34.27                   | 7.03      | 3.42             | 15.07                  | 0.65     | 894.87   | 265.03                   |
| At 31 March 2021                            | 12.00         | -                      | 253.60           | 767.64              | 12.25         | 39.52                   | 5.46      | 8.09             | 19.39                  | 0.58     | 1,118.53 | 424.49                   |

- a) Depreciation charged to the statement of profit and loss for the year on exchange differences capitalised is INR 6.18 million (2020: INR 8.33 million)
- b) Amount of foreign exchange included in Property, plant and equipment and remaining to be depreciated as at 31 March 2021 is INR 16.85 million (31 March 2020: INR 23.03 million)
- c) The title deeds of Leasehold Land, net block aggregating INR 0.03 million (31 March 2020: INR 0.03 million) are in the process of perfection of title
- d) Capital work-in-progress comprises of buildings, electrical equipments and plant & machineries which are not ready for management's intended use

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 6B Right-of-Use Asset

|   | Building      | Total         |
|---|---------------|---------------|
| <b>Balance as at 1 April 2019</b>       | 97.42         | 97.42         |
| Add: Initial direct cost                | -             | -             |
| Add: Addition during the year           | 2.20          | 2.20          |
| Less: depreciation charged for the year | 12.43         | 12.43         |
| <b>Balance as at 31 March 2020</b>      | <b>87.19</b>  | <b>87.19</b>  |
| Add: Initial direct cost                | -             | -             |
| Add: Addition during the year           | 607.24        | 607.24        |
| Less: depreciation charged for the year | 29.97         | 29.97         |
| <b>Balance as at 31 March 2021</b>      | <b>664.46</b> | <b>664.46</b> |

a) The Company's leases mainly comprise of buildings. The Company leases buildings for manufacturing and warehouse facilities.

## 7. Intangible Assets (other than internally generated)

| Reconciliation of carrying amount                  | Software    | Total       |
|--|-------------|-------------|
| <b>Gross Carrying Amount</b>                       |             |             |
| <b>Balance as at 1 April 2019</b>                  | <b>3.09</b> | <b>3.09</b> |
| Additions  | 1.26        | 1.26        |
| <b>Balance as at 31 March 2020</b>                 | <b>4.35</b> | <b>4.35</b> |
| <b>Balance as at 1 April 2020</b>                  | <b>4.35</b> | <b>4.35</b> |
| Additions  | 1.26        | 1.26        |
| <b>Balance as at 31 March 2021</b>                 | <b>5.61</b> | <b>5.61</b> |
| <b>Accumulated amortisation</b>                    |             |             |
| <b>Accumulated amortisation as at 1 April 2019</b> | <b>1.16</b> | <b>1.16</b> |
| Amortisation for the year                          | 0.78        | 0.78        |
| <b>Balance as at 31 March 2020</b>                 | <b>1.94</b> | <b>1.94</b> |
| <b>Balance as at 1 April 2020</b>                  | <b>1.94</b> | <b>1.94</b> |
| Amortisation for the year                          | 0.94        | 0.94        |
| <b>Balance as at 31 March 2021</b>                 | <b>2.88</b> | <b>2.88</b> |
| <b>Carrying amount (net)</b>                       |             |             |
| At 31 March 2020                                   | 2.41        | 2.41        |
| <b>At 31 March 2021</b>                            | <b>2.73</b> | <b>2.73</b> |

## 8. Other non - current financial assets

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| (Unsecured considered good, unless otherwise stated) |               |               |
| Security deposits                                    |               |               |
| Considered good                                      | 3.46          | 3.10          |
|  | <b>3.46</b>   | <b>3.10</b>   |

## 9. Other non - current assets

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| (Unsecured considered good, unless otherwise stated) |               |               |
| Capital Advances                                     | 208.99        | 166.24        |
| Prepayments  | -             | 0.05          |
| Advance to suppliers                                 |               |               |
| Considered doubtful                                  | 0.02          | 0.63          |
| Provision for doubtful advances                      | (0.02)        | (0.63)        |
| Receivable from government authorities               | 22.10         | 23.08         |
|  | <b>231.09</b> | <b>189.37</b> |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 10. Inventories

| Particulars                  | 31 March 2021 | 31 March 2020 |
|------------------------------|---------------|---------------|
| Raw materials                | 340.18        | 302.58        |
| Work-in-progress             | 52.13         | 53.88         |
| Finished goods*              | 147.81        | 100.20        |
| Stores, spares & consumables | 47.42         | 35.79         |
| Packing materials            | 105.25        | 103.11        |
|                              | <b>692.79</b> | <b>595.56</b> |

\*includes goods in transit INR 61.26 million (2020: INR 9.09 million)

Inventories are presented net of provisions INR 30.50 million (2020: INR 53.05 million)

## 11. Trade receivables

| Particulars                                  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| - considered good - Secured                  | -             | -             |
| - considered good - Unsecured                | 544.55        | 563.32        |
| Less: Allowance for expected credit loss     | (1.15)        | (1.39)        |
| - having significant increase in credit risk | 2.90          | 8.36          |
| Less: Allowance for credit impairment        | (2.90)        | -             |
| - credit impaired                            | 3.90          | -             |
| Less: Allowance for credit impairment        | (3.90)        | -             |
| <b>Total trade receivables</b>               | <b>543.40</b> | <b>570.29</b> |
| <b>Current portion</b>                       | <b>543.40</b> | <b>570.29</b> |
| <b>Non-current portion</b>                   | <b>-</b>      | <b>-</b>      |

Refer below (receivables by type of counterparty) for breakup of outstanding receivables from related parties. All of these receivables are unsecured and considered good.

There are no receivables secured against borrowings.

For terms and conditions of trade receivables owing from related parties, see note 45

| Exposure to the credit risk for trade receivables by geographic region: | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| India   | 103.96        | 162.21        |
| Rest of the world   | 439.44        | 408.08        |
|   | <b>543.40</b> | <b>570.29</b> |

| Exposure to the credit risk for trade receivables by type of counterparty:          | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Related parties (also refer note 45 for receivables outstanding from related party) | 381.54        | 303.03        |
| Other than related parties  | 161.86        | 267.26        |
|   | <b>543.40</b> | <b>570.29</b> |

| Movement in the allowance for expected credit losses: | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Balance as at the beginning of the year               | 1.39          | -             |
| Allowance for loss (net of reversals)                 | 7.08          | 1.70          |
| Amounts written off                                   | (0.52)        | (0.31)        |
| Balance as at the end of the year                     | <b>7.95</b>   | <b>1.39</b>   |

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 11. Trade receivables (Contd.)

|   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| 0-90 days past due  | 533.29        | 563.32        |
| 91-180 days past due  | 12.92         | 6.28          |
| More than 180 days past due                                     | 5.14          | 2.08          |
| <b>Gross carrying amount of trade receivables</b>               | <b>551.35</b> | <b>571.68</b> |
| Allowance for expected credit losses                            | (7.95)        | (1.39)        |
| <b>Carrying amount of trade receivables (net of impairment)</b> | <b>543.40</b> | <b>570.29</b> |

Refe Note 48 for Company's exposure to credit and currency risk.

## 12 Cash and cash equivalents

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Cash on hand  | 0.04          | 0.04          |
| Bank balances   |               |               |
| In current account  | 168.15        | 76.74         |
| in deposit account (original maturities less than three months) | 180.00        | -             |
|   | <b>348.19</b> | <b>76.78</b>  |

## 13. Bank balances other than cash and cash equivalents

| Particulars                   | 31 March 2021 | 31 March 2020 |
|-------------------------------|---------------|---------------|
| Earmarked balances with banks |               |               |
| Unpaid dividend accounts      | 0.87          | 0.80          |
|                               | <b>0.87</b>   | <b>0.80</b>   |

## 14 Derivative contract - assets

| Particulars                       | 31 March 2021 | 31 March 2020 |
|-----------------------------------|---------------|---------------|
| Foreign exchange forward contract | 9.73          | -             |
|                                   | <b>9.73</b>   | <b>-</b>      |

## 15 Other current financial assets

| Particulars       | 31 March 2021 | 31 March 2020 |
|-------------------|---------------|---------------|
| Other receivables | 0.63          | 0.51          |
|                   | <b>0.63</b>   | <b>0.51</b>   |

## 16. Other current assets

| Particulars                            | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Advance for supply of goods            | 130.04        | 67.61         |
| Advances to employees                  | 1.25          | 1.50          |
| Prepayments                            | 14.99         | 13.84         |
| Export incentives receivable           | 159.74        | 111.27        |
| Receivable from government authorities | 95.76         | 66.08         |
|  | <b>401.78</b> | <b>260.30</b> |

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 17. Equity share capital

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| <b>Authorised</b>   |               |               |
| 4,400,000 (2020: 4,400,000) equity shares of INR 10/- each  | 44.00         | 44.00         |
| 60,000 (2020: 60,000) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of INR 100/- each. | 6.00          | 6.00          |
| <b>Issued, subscribed and paid up shares</b>  |               |               |
| 2,566,000 (2020: 2,566,000) equity shares of INR 10/- each fully paid up                                  | 25.66         | 25.66         |
|   | <b>25.66</b>  | <b>25.66</b>  |

### A) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

| Equity shares                                  | As at 31 March 2021 |        | As at 31 March 2020 |        |
|--|---------------------|--------|---------------------|--------|
|  | No. of shares       | Amount | No. of shares       | Amount |
| At the commencement and at the end of the year | 25,66,000           | 25.66  | 25,66,000           | 25.66  |

### B) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of equity shareholders are in proportion to their share of paid up equity capital of the Company.

### C) Particulars of shareholders holding more than 5% of a class of shares:

| Name of the shareholder   | As at 31 March 2021 |               | As at 31 March 2020 |               |
|---|---------------------|---------------|---------------------|---------------|
|   | No. of shares       | % Holding     | No. of shares       | % Holding     |
| <b>Equity shares of INR 10/- each fully paid up held by</b>       |                     |               |                     |               |
| Preferred Brands Foods (India) Private Limited, 'Holding company' | 19,04,510           | 74.22%        | 19,04,510           | 74.22%        |
|   | <b>19,04,510</b>    | <b>74.22%</b> | <b>19,04,510</b>    | <b>74.22%</b> |

### D) Shares held by holding company or ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

| Name of the shareholder   | As at 31 March 2021 |              | As at 31 March 2020 |              |
|---|---------------------|--------------|---------------------|--------------|
|   | No. of shares       | Amount       | No. of shares       | Amount       |
| <b>Equity shares of INR 10/- each fully paid up held by</b>       |                     |              |                     |              |
| Effem Holdings Limited  | 300                 | 0.00         | 300                 | 0.00         |
| Preferred Brands Foods (India) Private Limited, 'Holding company' | 19,04,510           | 19.05        | 19,04,510           | 19.05        |
|   | <b>19,04,810</b>    | <b>19.05</b> | <b>19,04,810</b>    | <b>19.05</b> |

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 18. Other equity

| Reserves and Surplus   | 31 March 2021   | 31 March 2020   |
|--|-----------------|-----------------|
| Securities premium reserve   | 9.48            | 9.48            |
| Capital reserve  | 5.73            | 5.73            |
| Employee share based payment reserve                                   | 17.29           | 17.28           |
| Retained earnings  | 2,026.87        | 1,638.58        |
| Other comprehensive income   | (18.83)         | (65.35)         |
|  | <b>2,040.54</b> | <b>1,605.72</b> |
| <b>Securities premium</b>  |                 |                 |
| At the commencement and at the end of the year                         | 9.48            | 9.48            |
| <b>Capital reserve</b>   |                 |                 |
| At the commencement and at the end of the year                         | 5.73            | 5.73            |
| <b>Employee share based payment reserve</b>                            |                 |                 |
| At the commencement and at the end of the year                         | 17.29           | 17.28           |
| <b>Retained earnings</b>   |                 |                 |
| Opening balance  | 1,638.58        | 1,236.15        |
| Net profit for the year  | 393.42          | 408.62          |
| Dividends paid (including dividend distribution tax thereon)           | (5.13)          | (6.19)          |
| <b>Closing balance</b>   | <b>2,026.87</b> | <b>1,638.58</b> |
| <b>Components of other comprehensive income</b>                        |                 |                 |
| <b>Remeasurement of defined benefit obligation (asset), net of tax</b> |                 |                 |
| Opening balance  | (18.07)         | (11.63)         |
| Addition during the year   | 0.30            | (6.44)          |
| <b>Closing balance - (deficit)</b>                                     | <b>(17.77)</b>  | <b>(18.07)</b>  |
| <b>Cash Flow Hedge Reserve, net of tax</b>                             |                 |                 |
| Opening balance  | (47.29)         | 37.32           |
| Addition during the year   | 46.23           | (84.61)         |
| <b>Closing balance - (Loss)</b>  | <b>(1.06)</b>   | <b>(47.29)</b>  |
| <b>Total other comprehensive income</b>                                | <b>(18.83)</b>  | <b>(65.36)</b>  |

## Dividends

The following dividends were declared and paid by the Company during the financial year:

| Particulars  | 31 March 2021* | 31 March 2020** |
|--|----------------|-----------------|
| INR 2 (2020: INR 2) per equity share                               | 5.13           | 5.13            |
| Dividend distribution tax (DDT) on dividend to equity shareholders | -              | 1.06            |
|  | <b>5.13</b>    | <b>6.19</b>     |

\*Dividend paid during the year ended 31 March 2021 is related to dividend proposed during the year ended 31 March 2020

\*\*Dividend paid during the year ended 31 March 2020 is related to dividend proposed during the year ended 31 March 2019

After the reporting dates the following dividends (excluding DDT) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. DDT has been abolished from F.Y. 2020

| Proposed Dividend   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| On equity shares of INR 10 each amount of proposed dividend | 5.13          | 5.13          |
| Dividend per equity share (INR)                             | 2.00          | 2.00          |

## Nature and purpose of reserve and surplus and items of other comprehensive income

### Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 18. Other equity (Contd..)

### Capital reserve

Capital reserve is created for government subsidies and other liabilities.

### Employee share based payment reserve

Employee share based payment reserve is created in accordance with Ind AS 102 consequent to the value pool agreement between PBI Inc., the Company and the holders of the outstanding options.

### Cash Flow Hedge Reserve, net of tax

Change in fair value of hedge instruments are hedging instruments used by Company as a part of its management of foreign risk associated with its highly probable forecast sale. For hedging foreign currency risk and interest rate risk the Company uses foreign currency forward contract and interest rate swaps respectively, both of which are designated as cash flow hedges.

### Remeasurement of defined benefit obligation (asset), net of tax

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

## 19. Borrowings

### Unsecured, at amortised cost

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| <b>A. Non-current borrowings</b>                         |               |               |
| From banks   |               |               |
| - External Commercial Borrowings ('ECB')                 | 130.96        | 207.84        |
| From related party                                       |               |               |
| - External Commercial Borrowings ('ECB') (refer note 45) | 365.80        | -             |
|  | <b>496.76</b> | <b>207.84</b> |
| <b>B. Current borrowings</b>                             |               |               |
| <b>Unsecured, at amortised cost</b>                      |               |               |
| Working capital loans from banks                         |               |               |
| - Packing Credit Foreign Currency ('PCFC')               | 495.95        | 339.12        |
|  | <b>495.95</b> | <b>339.12</b> |

Information about the Company's exposure to interest risk, foreign currency risk and liquidity risks is included in note 48

Refer note 23 for current maturities of long term debt.

Terms and conditions of outstanding borrowings are as follows:

| Particulars     | Currency | Nominal interest rate | Maturity (year) | Terms  | Carrying amounts |               |
|-----------------|----------|-----------------------|-----------------|--|------------------|---------------|
|                 |          |                       |                 |  | 31 March 2021    | 31 March 2020 |
| ECB - Mizuho    | USD      | 3m LIBOR + 0.90%      | 2016 - 2024     | Repayable in 8 years by way of 32 quarterly equal instalments commencing from June 2016  | 93.55            | 128.49        |
| ECB - MUFG - I  | USD      | 3m LIBOR + 0.90%      | 2018 - 2024     | Moratorium period is 2 years and the loan is repayable in 6 years by way of 24 quarterly equal installments commencing from July 2018    | 99.07            | 133.45        |
| ECB - MUFG - II | USD      | 3m LIBOR + 0.75%      | 2018 - 2022     | Moratorium period is for 1 year and the loan is repayable in 4 years by way of 16 quarterly equal installments commencing from June 2018 | 9.15             | 18.84         |

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 19. Borrowings (Contd..)

### Unsecured, at amortised cost

| Particulars                                      | Currency | Nominal interest rate | Maturity (year) | Terms  | Carrying amounts |               |
|--|----------|-----------------------|-----------------|--|------------------|---------------|
|  |          |                       |                 |  | 31 March 2021    | 31 March 2020 |
| ECB - Mars Nederland's (Loan from Related Party) | USD      | 2.2%                  | 2021-2029       | Moratorium period is 2 years and the loan is repayable in 6 years by way of 24 quarterly equal installments commencing from Jan 2023 | 365.80           | -             |
| PCFC - Mizuho bank Ltd                           | USD      | LIBOR + 0.40%         | 2021            | Short term pre - shipment credit facility with a maturity period of 180 days from the date of shipment                               | 495.95           | 339.12        |
| <b>Total borrowings</b>                          |          |                       |                 |  | <b>1,063.52</b>  | <b>619.90</b> |
| Classified as:                                   |          |                       |                 |  |                  |               |
| - Non current borrowings                         |          |                       |                 |  | 496.76           | 207.84        |
| - Current borrowings                             |          |                       |                 |  | 495.95           | 339.12        |
| - Current maturities of non - current borrowings |          |                       |                 |  | 70.81            | 72.94         |
| <b>Total borrowings</b>                          |          |                       |                 |  | <b>1,063.52</b>  | <b>619.90</b> |

### Reconciliation of Borrowings (Non - current & Current)

|  | 31 March 2021   | 31 March 2020 |
|--|-----------------|---------------|
| Non - current borrowings                       | 496.76          | 207.84        |
| Current Borrowings                             | 495.95          | 339.12        |
| Current maturities of non - current borrowings | 70.81           | 72.94         |
| <b>Total Borrowings</b>                        | <b>1,063.52</b> | <b>619.90</b> |
| Proceeds from borrowings                       | 1,350.39        | 468.37        |
| Repayment of borrowings                        | (867.56)        | (271.41)      |
| Effect of Re-instatement during the year       | (39.21)         | 37.76         |
| <b>Movement of borrowings (net)</b>            | <b>443.62</b>   | <b>234.72</b> |

There is no default throughout the year ended 31 March 2021 and 31 March 2020 in repayment of principal and interest.

## 20. Non - current provisions

| Particulars                                   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Employee benefits obligations (refer note 44) |               |               |
| Gratuity                                      | 39.62         | 40.27         |
| Compensated absences                          | 33.96         | 28.72         |
|   | <b>73.58</b>  | <b>68.99</b>  |

## 21 Trade payables

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Trade payables other than related parties  |               |               |
| - outstanding dues of micro enterprises and small enterprises (refer note 36)      | 18.55         | 2.72          |
| - outstanding dues of creditors other than micro enterprises and small enterprises | 472.87        | 475.96        |
|  | <b>491.42</b> | <b>478.68</b> |

Refer Note 48 for the Company's exposure to currency and liquidity risks

# Notes to the Financial Statements

as at 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 22. Derivative contract - liability

| Particulars        | 31 March 2021 | 31 March 2020 |
|--------------------|---------------|---------------|
| Forward Contracts  | -             | 50.52         |
| Interest rate swap | 3.74          | 5.28          |
|                    | <b>3.74</b>   | <b>55.80</b>  |

## 23. Other current financial liabilities

| Particulars                                 | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Current maturities of unsecured bank loans  | 70.81         | 72.94         |
| Interest accrued but not due on borrowings  | 2.36          | 0.92          |
| Interest payable on MSME dues               | 0.77          | 0.34          |
| Deposits received from dealers              | 0.50          | 0.50          |
| Payable for capital goods                   | 16.39         | 9.97          |
| Employee dues                               | 14.22         | 27.89         |
| Unclaimed dividend (refer note below)       | 0.85          | 0.79          |
| Payables to related parties (refer note 45) | 45.30         | -             |
|   | <b>151.20</b> | <b>113.35</b> |

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at 31 March 2021 (31 March 2020: Nil).

## 24. Other current liabilities

| Particulars            | 31 March 2021 | 31 March 2020 |
|------------------------|---------------|---------------|
| Statutory dues payable | 10.28         | 6.89          |
|                        | <b>10.28</b>  | <b>6.89</b>   |

## 25. Current Provisions

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Employee benefits obligations (also refer Note 44) |               |               |
| Gratuity   | 2.06          | 1.18          |
| Compensated absences                               | 2.41          | 2.44          |
|  | <b>4.47</b>   | <b>3.62</b>   |

## 26. Revenue from operations

| Particulars                     | 31 March 2021   | 31 March 2020   |
|---------------------------------|-----------------|-----------------|
| <b>Revenue from customers</b>   |                 |                 |
| <b>Sale of products</b>         |                 |                 |
| Finished Goods                  | 3,797.78        | 4,221.91        |
| Traded Goods                    | 47.07           | 24.49           |
|                                 | <b>3,844.85</b> | <b>4,246.40</b> |
| <b>Other operating revenues</b> |                 |                 |
| Sale of scrap                   | 8.28            | 11.34           |
|                                 | <b>8.28</b>     | <b>11.34</b>    |
|                                 | <b>3,853.13</b> | <b>4,257.74</b> |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 27. Other income

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Export benefits / sale of duty scripts  | 149.74        | 256.70        |
| Interest income under the effective interest method on cash and cash equivalent | 0.78          | 0.93          |
| Interest income from others   | 2.58          | 1.04          |
| Gain on sale of Fixed Assets  | 1.08          | -             |
| Liabilities written back to the extent no longer required                       | 0.86          | 3.08          |
| Net gain on account of foreign currency transactions                            | 29.14         | 28.81         |
| Miscellaneous income  | 5.58          | -             |
|   | <b>189.76</b> | <b>290.56</b> |

## 28. Costs of materials consumed

| Particulars   | 31 March 2021   | 31 March 2020   |
|---|-----------------|-----------------|
| Inventory of raw material and packing materials at the beginning of the year  | 405.69          | 338.99          |
| Add: Purchases  | 2,520.66        | 2,929.65        |
| Less: Inventory of raw materials and packing materials at the end of the year | 445.43          | 405.69          |
|   | <b>2,480.92</b> | <b>2,862.95</b> |

## 29. Changes in inventories of finished goods and work-in-progress

| Particulars                                   | 31 March 2021        | 31 March 2020  |
|---|----------------------|----------------|
| <b>Inventory at the beginning of the year</b> |                      |                |
| - Finished goods                              | 100.20               | 78.30          |
| - Work-in-progress                            | 53.88                | 44.44          |
|   | <b>(A) 154.08</b>    | <b>122.74</b>  |
| <b>Inventory at the end of the year</b>       |                      |                |
| - Finished goods                              | 147.81               | 100.20         |
| - Work-in-progress                            | 52.13                | 53.88          |
|   | <b>(B) 199.94</b>    | <b>154.08</b>  |
| <b>Change in Inventories</b>                  |                      |                |
| - Finished goods                              | (47.61)              | (21.90)        |
| - Work-in-progress                            | 1.75                 | (9.44)         |
| <b>Increase in Inventory</b>                  | <b>(A-B) (45.86)</b> | <b>(31.34)</b> |

## 30. Employee benefits expense

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Salaries, wages and bonus                                      | 265.96        | 279.87        |
| Contribution to provident fund and other funds (refer note 44) | 15.79         | 15.09         |
| Gratuity (refer note 44)                                       | 8.64          | 7.76          |
| Staff welfare expenses   | 7.02          | 11.64         |
|  | <b>297.41</b> | <b>314.36</b> |

## 31. Finance Costs

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Interest expense on financial liabilities measured at amortised cost | 9.76          | 14.46         |
| Exchange differences regarded as an adjustment to borrowing cost     | -             | 12.83         |
| Interest on lease liability  | 20.49         | 7.91          |
|  | <b>30.25</b>  | <b>35.20</b>  |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 32. Depreciation and amortisation expense

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Depreciation of Property, plant and equipment (Refer note 6A) | 140.74        | 155.27        |
| Depreciation on Right-of-use Asset (Refer note 6B)            | 29.97         | 12.43         |
| Amortisation of Intangible assets (Refer note 7)              | 0.94          | 0.78          |
|   | <b>171.65</b> | <b>168.48</b> |

## 33. Other expenses

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Consumption of Stores and spares                                      | 71.66         | 71.96         |
| Security and contract labour charges                                  | 150.12        | 204.91        |
| Power and fuel  | 114.42        | 131.95        |
| Freight and forwarding charges  | 14.64         | 22.21         |
| Rent (also refer note 38)   | 49.85         | 57.88         |
| Rates and taxes   | 1.42          | 1.65          |
| Insurance   | 16.21         | 9.28          |
| Repairs and maintenance   | 22.84         | 22.44         |
| Advertisement and business promotion expenses                         | 0.64          | 2.12          |
| Travelling and conveyance expenses                                    | 13.07         | 20.07         |
| Communication costs   | 3.92          | 6.01          |
| Legal and professional fees   | 33.22         | 37.82         |
| Auditor's remuneration (refer note (i) below)                         | 3.57          | 2.94          |
| Loss on fixed assets sold / discarded (net)                           | -             | 3.21          |
| Provision for capital work-in-progress                                | 4.05          | -             |
| Advances written off  | 1.06          | 0.32          |
| Bad debts written off   | 0.52          | 0.31          |
| Allowance for doubtful receivables                                    | 6.56          | 1.39          |
| Corporate social responsibilities expenditure (refer note (ii) below) | 9.80          | 8.37          |
| Miscellaneous expenses  | 65.20         | 60.27         |
|   | <b>582.77</b> | <b>665.11</b> |

### i) Payments to auditors (excluding taxes)

| Particulars               | 31 March 2021 | 31 March 2020 |
|---------------------------|---------------|---------------|
| As auditor                |               |               |
| Statutory audit           | 1.88          | 1.30          |
| Limited reviews           | 0.90          | 0.75          |
| Tax audit                 | 0.25          | 0.25          |
| GST audit                 | 0.13          | -             |
| Certifications            | 0.30          | 0.40          |
| Reimbursement of expenses | 0.12          | 0.24          |
| <b>Total</b>              | <b>3.57</b>   | <b>2.94</b>   |

### ii) Details of corporate social responsibility expenditure

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| a) Gross amount required to be spent by the Company during the year | 9.80          | 8.37          |
| b) Amount spent during the year:                                    |               |               |
| (i) On acquisition of asset   | -             | -             |
| (ii) Others   | 9.80          | 8.37          |
| <b>Total</b>  | <b>9.80</b>   | <b>8.37</b>   |
| c) Unspent amount   | -             | -             |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 34. Income tax expense

| A. Amounts recognised in profit or loss           | 31 March 2021 | 31 March 2020  |
|---|---------------|----------------|
| Current year                                      | 134.95        | 165.26         |
| Changes in estimates related to prior years       | (0.67)        | (2.77)         |
| <b>Current tax (a)</b>                            | <b>134.28</b> | <b>162.49</b>  |
| Attributable to -                                 |               |                |
| Origination and reversal of temporary differences | (1.95)        | (37.57)        |
| <b>Deferred tax (b)</b>                           | <b>(1.95)</b> | <b>(37.57)</b> |
| <b>Tax expense (a) + (b)</b>                      | <b>132.33</b> | <b>124.92</b>  |

| B. Income tax recognised in other comprehensive income                         | 31 March 2021 |                       |              | 31 March 2020   |                       |                |
|--|---------------|-----------------------|--------------|-----------------|-----------------------|----------------|
|  | Before tax    | Tax (expense) benefit | Net of tax   | Before tax      | Tax (expense) benefit | Net of tax     |
| Remeasurement of defined benefit obligation (asset)                            | 0.40          | (0.10)                | 0.30         | (8.61)          | 2.17                  | (6.44)         |
| Effective portion of gain / (loss) on Hedging Instruments in a Cash Flow Hedge | 61.78         | (15.55)               | 46.23        | (113.07)        | 28.46                 | (84.61)        |
|  | <b>62.18</b>  | <b>(15.65)</b>        | <b>46.53</b> | <b>(121.68)</b> | <b>30.63</b>          | <b>(91.05)</b> |

| C. Reconciliation of effective tax rate                                      | 31 March 2021 |               | 31 March 2020 |               |
|--|---------------|---------------|---------------|---------------|
|  | %             | Amount        | %             | Amount        |
| <b>Profit before tax</b>   |               | 525.75        |               | 533.54        |
| <b>Tax using the Company's domestic tax rate</b>                             | 25.17%        | 132.32        | 25.17%        | 134.28        |
| <b>Effect of:</b>  |               |               |               |               |
| Non deductible expenses  | -0.17%        | (0.91)        | 0.98%         | 5.22          |
| Changes in estimates related to prior years and effect of change in tax rate | 0.18%         | 0.92          | -2.73%        | (14.58)       |
| <b>Effective tax rate / Income tax expense recognised in P&amp;L</b>         | <b>25.17%</b> | <b>132.33</b> | <b>23.41%</b> | <b>124.92</b> |

The Taxation Laws (Amendment) Ordinance, 2019 promulgated on 20 September 2019 (The Taxation Laws (Amendment) Act, 2019 of 11 December 2019) provides an option to domestic companies to pay income tax at reduced rate of 25.17% subject to certain conditions. The Management has elected to exercise this option and accordingly, provision for income tax and deferred tax as at 31 March 2020 and 31 March 2021 are recognised at 25.17%.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 34. Income tax expense (Contd.)

| D. Recognised deferred tax assets and liabilities                             | Deferred tax (assets) |                | Deferred tax liabilities |                | Net deferred tax (assets) / liabilities |                |
|---|-----------------------|----------------|--------------------------|----------------|---|----------------|
|   | 31 March 2021         | 31 March 2020  | 31 March 2021            | 31 March 2020  | 31 March 2021                           | 31 March 2020  |
|   |                       |                |                          |                |   |                |
| <b>Deferred tax assets and liabilities are attributable to the following:</b> |                       |                |                          |                |   |                |
| Property, plant and equipment and intangible assets                           |                       | -              | 25.66                    | 28.14          | 25.66                                   | 28.14          |
| Inventories   | (7.68)                | (13.35)        | -                        | -              | (7.68)                                  | (13.35)        |
| Trade receivables   | (2.00)                | (0.35)         | -                        | -              | (2.00)                                  | (0.35)         |
| Other non-current assets  | (0.01)                | (0.16)         | -                        | -              | (0.01)                                  | (0.16)         |
| Provision - employee benefits   | (19.65)               | (18.28)        | -                        | -              | (19.65)                                 | (18.28)        |
| Provision - others  | (0.28)                | (0.36)         | -                        | -              | (0.28)                                  | (0.36)         |
| Cash flow hedge reserve   | -                     | (14.04)        | 1.51                     | -              | 1.51                                    | (14.04)        |
| Finance lease   | (3.36)                | (1.03)         | -                        | -              | (3.36)                                  | (1.03)         |
| Other items   | (0.15)                | (0.24)         | -                        | -              | (0.15)                                  | (0.24)         |
|   | <b>(33.13)</b>        | <b>(47.81)</b> | <b>27.17</b>             | <b>28.14</b>   | <b>(5.96)</b>                           | <b>(19.67)</b> |
| Offsetting of deferred tax assets and deferred tax liabilities                | 27.17                 | 28.14          | (33.13)                  | (47.81)        | -                                       | -              |
| <b>Net deferred tax (assets) / liabilities</b>                                | <b>(5.96)</b>         | <b>(19.67)</b> | <b>(5.96)</b>            | <b>(19.67)</b> | <b>(5.96)</b>                           | <b>(19.67)</b> |

| Movement in temporary differences:                  | Balance as at 31 March 2019 | Recognised in profit or loss during 2019-20 | Recognised in OCI during 2019-20 | Balance as at 31 March 2020 | Recognised in profit or loss during 2020-21 | Recognised in OCI during 2020-21 | Balance as at 31 March 2021 |
|---|-----------------------------|---|----------------------------------|-----------------------------|---|----------------------------------|-----------------------------|
| Property, plant and equipment and intangible assets | 54.91                       | (26.77)                                     | -                                | 28.14                       | (2.48)                                      | -                                | 25.66                       |
| Inventories   | (6.06)                      | (7.30)                                      | -                                | (13.35)                     | 5.67  | -                                | (7.68)                      |
| Trade receivables                                   | -                           | (0.35)                                      | -                                | (0.35)                      | (1.65)                                      | -                                | (2.00)                      |
| Other non-current assets                            | (1.25)                      | 1.09  | -                                | (0.16)                      | 0.15  | -                                | (0.01)                      |
| Provision - employee benefits                       | (18.55)                     | 2.45  | (2.17)                           | (18.28)                     | (1.48)                                      | 0.10                             | (19.65)                     |
| Provision - others                                  | (0.14)                      | (0.22)                                      | -                                | (0.36)                      | 0.08  | -                                | (0.28)                      |
| Cash flow hedge reserve                             | 20.01                       | (5.60)                                      | (28.46)                          | (14.04)                     | 0.00  | 15.55                            | 1.51                        |
| Finance lease                                       | -                           | (1.03)                                      | -                                | (1.03)                      | (2.33)                                      | -                                | (3.36)                      |
| Other items   | (0.39)                      | 0.15  | -                                | (0.24)                      | 0.09  | -                                | (0.15)                      |
|   | <b>48.53</b>                | <b>(37.58)</b>                              | <b>(30.63)</b>                   | <b>(19.67)</b>              | <b>(1.93)</b>                               | <b>15.65</b>                     | <b>(5.96)</b>               |

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income, tax planning strategies and impact of other marketing conditions including Covid-19 in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry-forward period are reduced.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 35. Contingent liabilities and commitments (to the extent not provided for)

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| <b>Contingent liabilities</b>  |               |               |
| Claims against the Company not acknowledged as debts   |               |               |
| Income tax matters   | 40.41         | 40.41         |
| Custom duty matters (see note below)   | 14.77         | 14.77         |
| Employees / labour claims  | 1.15          | 0.88          |
| <b>Commitments</b>   |               |               |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 586.49        | 224.23        |
| Export commitments on account of import under advance licenses   | 93.13         | 44.59         |
| <b>Total</b>   | <b>735.95</b> | <b>324.88</b> |

### Note 35 (a)

Income tax demand comprise demand from the Indian tax authorities, upon completion of their tax review for the assessment years 2008-09 and 2014-15. The tax demands are mainly on account of certain transfer pricing adjustments of expenses claimed by the Company under the Income Tax Act. The matters are pending before the ITAT.

#### Vivad se Vishwas Scheme

The Vivad se Vishwas (VsV) Scheme was announced during the Union Budget, 2020, to provide for dispute resolution in respect of pending income tax litigation. The objective of Vivad se Vishwas is to inter alia reduce pending income tax litigation and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long-drawn and vexatious litigation process.

The Company has opted for Vivad se Vishwas scheme for its pending Income Tax case pertaining to AY 2006-07 and the relevant taxes were paid during the year. Closure order from income tax department is awaited.

Custom duty demand comprise demand from the Office of the Commissioner of Custom of INR 14.77 million (31 March 2020: INR 14.77 million). The tax demands are mainly related to benefit received by the Company under Vishesh Krishi and Gram Udyog Yojana (VKGUY), which as per Department's contention, have been availed under incorrect and inadmissible notification. Management is of the view that such benefits are admissible and cannot be denied only because of incorrect mentioning of the notification. This litigation is pending before CESTAT.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt judgements / decision pending with various forums/authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where the provision is required and disclosed as contingent liabilities where applicable, in its financial statements.

### Note 35 (b)

Based on the Supreme Court judgement dated 28th February 2019, the Company has reassessed the components to be included in basic salary for the purpose of employer's contribution towards Provident Fund. However, there has been no corresponding amendment in the Act or Scheme framed under the Provident Fund Act, consequent to Supreme Court judgement. Management does not expect the Supreme Court decision to have any significant impact on the Company's financial position as at 31 March 2021

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 36. Compliance with Micro, Small and Medium Enterprises Development Act, 2006

| Particulars  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| a) The principal amount and the interest due thereon remaining unpaid to supplier at the end of each accounting year;  |               |               |
| - Principal  | 18.55         | 2.72          |
| - Interest   | 0.77          | 0.34          |
| b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;   |               |               |
| - Interest paid  | -             | -             |
| - Payment made to suppliers (other than interest) beyond the appointed day during the year   | -             | -             |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act   | -             | -             |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year, in relation to the year  | 0.77          | 0.34          |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED ACT | -             | -             |

## 37. Earnings per share

### Basic / Diluted earnings per share

The calculation of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purpose of basic earnings per share calculation are as follows:

| i. Profit attributable to equity shareholders (Basic)  |      | 31 March 2021 | 31 March 2020 |
|--|------|---------------|---------------|
| Profit for the year, attributable to the equity holders  |      | 393.42        | 408.62        |
| <b>ii. Weighted average number of equity shares (Basic)</b>  |      |               |               |
|  | Note | 31 March 2021 | 31 March 2020 |
| <b>In million of shares</b>  |      |               |               |
| Opening balance  | 17   | 2.57          | 2.57          |
| Effect of changes during the year  |      | -             | -             |
| <b>Weighted average number of equity shares for the year</b>   |      | <b>2.57</b>   | <b>2.57</b>   |
| <b>Total basic / diluted earnings per share attributable to equity share holder of the Company (INR)</b> |      | <b>153.32</b> | <b>159.24</b> |

## 38. Leases

### Transition to IND AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, had notified Ind AS 116 - Leases which replaced the erstwhile standard and its interpretations. Ind AS 116 had outlined the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors thereby introducing a single, on-balance sheet lease accounting model for lessees.

The Company had adopted Ind AS 116, w.e.f. 1 April 2019 using the modified retrospective approach whereby an ROU asset of INR 97.42 million was recognized on transition date equivalent to the Lease Liability of INR 97.42 million. A weighted average incremental borrowing rate on the basis of communication received from its bankers from time to time was applied for recognition of lease liabilities on the date of transition. The incremental borrowing rate used was with in range of 8.30% - 8.40% depending on the amount involved and tenure of the lease agreement.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 38. Leases (Contd.)

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

### A. Right-of-Use assets

| Particulars                             | Building      |
|---|---------------|
| Balance as at 1 April 2019              | 97.42         |
| Add: Initial direct cost                | -             |
| Add: Addition during the year           | 2.20          |
| Less: Depreciation charged for the year | (12.43)       |
| <b>Balance as at 31 March 2020</b>      | <b>87.19</b>  |
| Balance as at 1 April 2020              | 87.19         |
| Add: Initial direct cost                | -             |
| Add: Addition during the year           | 607.24        |
| Less: Depreciation charged for the year | 29.97         |
| <b>Balance as at 31 March 2021</b>      | <b>664.46</b> |

### B. Lease liabilities

| Particulars                              | Amount        |
|--|---------------|
| Balance as at 1 April 2019               | 97.42         |
| Add: Addition during the year            | 2.20          |
| Add: Interest Accrued on Lease liability | 7.91          |
| Less: Cash outflows for leases           | (16.24)       |
| <b>Balance as at 31 March 2020</b>       | <b>91.29</b>  |
| Balance as at 1 April 2020               | 91.29         |
| Add: Addition during the year            | 607.24        |
| Add: Interest Accrued on Lease liability | 20.49         |
| Less: Cash outflows for leases           | (37.52)       |
| <b>Balance as at 31 March 2021</b>       | <b>681.51</b> |

#### Bifurcation of Lease Liabilities

| Particulars  | 31 March 2021 | 31 March 2020 |
|--------------|---------------|---------------|
| Current      | 44.55         | 10.21         |
| Non-Current  | 636.95        | 81.08         |
| <b>Total</b> | <b>681.50</b> | <b>91.29</b>  |

### C. Interest expenses on lease liabilities

| Particulars                   | 31 March 2021 | 31 March 2020 |
|-------------------------------|---------------|---------------|
| Interest on lease liabilities | 20.49         | 7.91          |

### D. Expenses on short term leases / low value assets

The Company incurred INR 49.85 million (2020: INR 57.88 million) towards expenses relating to short-term leases and leases of low-value assets

### E. Amounts recognised in the statement of cash flow

| Particulars                   | 31 March 2021 | 31 March 2020 |
|-------------------------------|---------------|---------------|
| Total cash outflow for leases | 37.52         | 16.24         |

Note: For Maturity profile of Lease Liabilities refer note 48 A. iii.

#### Impact of Covid - 19

The leases that the Company has entered with lessors majorly pertains for buildings taken on lease to conduct its business in the ordinary course and no changes in terms of those leases are expected due to the Covid-19 pandemic.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 39. Details of Specified Bank Notes held

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2021.

## 40. Capital management

A business objective of the Company is to sustain the strongest possible equity base in order to foster confidence in all key stakeholders and promote the Company's onward development. A sound equity base is also a key factor in ensuring a stable risk rating with lenders, which is important for obtaining acceptable borrowing terms for the Company. The Board of Directors and the shareholders of the Company ensure a responsible dividend policy and an appropriate return on invested capital to promote value growth and safeguard the Company's future.

The Board of Directors of the Company are kept informed about the equity position of the Company as part of quarterly reporting. Measures are implemented as necessary, taking the tax and legal frameworks into account, to sustain an appropriate capital base that enables the Company to attain operating targets and to meet the strategic goals.

| Particulars   | 31 March 2021   | 31 March 2020   |
|---|-----------------|-----------------|
| Total borrowings  | 1,063.52        | 619.90          |
| Less: cash and cash equivalent                          | 348.19          | 76.78           |
| <b>Adjusted net debt</b>                                | <b>715.33</b>   | <b>543.12</b>   |
| Total equity  | 2,066.20        | 1,631.38        |
| Less: effective portion of cash flow hedge (net of tax) | (1.06)          | (47.29)         |
| <b>Adjusted equity</b>                                  | <b>2,067.26</b> | <b>1,678.67</b> |
| <b>Adjusted net debt to adjusted equity ratio</b>       | <b>0.35</b>     | <b>0.32</b>     |

The Company is required to comply with certain covenants for the borrowing facilities availed by the Company. The Company has complied with these covenants throughout the reporting period.

## 41. Disclosure in respect of Research and Development activities as per the requirements of Guidelines issued by the Department of Scientific and Research ('DSIR'):

The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India has recognized Tasty Bite Research Center ('TBRC') as an "In-house R&D facility" with effect from 21 June 2011.

| Amount eligible for deduction under section 35(2AB) of the Income Tax Act, 1961: | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Amount debited to Statement of profit and loss, excluding depreciation           | -             | -             |
| Amount not debited to Statement of profit and loss                               | -             | -             |
| <b>Total eligible expenditure</b>  | <b>-</b>      | <b>-</b>      |

**Note:** The Taxation Laws (Amendment) Ordinance, 2019 promulgated on 20 September 2019 (The Taxation Laws (Amendment) Act, 2019 of 11 December 2019) provides an option to domestic companies to pay income tax at reduced rate of 25.17% subject to condition that the company shall not be eligible for weighted deduction u/s 35(2AB), TBEL has opted for the lower tax rate and therefore forgoing the benefit of said deduction under The income tax Act, 1961.

Revenue expenditure on Research and development activities charged to Statement of profit and loss.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

Capital expenditure for Research and development included under fixed assets:

| Particulars  | Plant and equipments |               |
|--|----------------------|---------------|
|  | 31 March 2021        | 31 March 2020 |
| <b>Gross block</b>   |                      |               |
| As at the beginning of the year                            | 19.12                | 17.58         |
| Additions (represents capital expenditure during the year) | 0.14                 | 1.54          |
| <b>As at the end of the year</b>                           | <b>19.26</b>         | <b>19.12</b>  |
| <b>Accumulated depreciation / amortisation</b>             |                      |               |
| As at the beginning of the year                            | 8.88                 | 7.39          |
| Charge for the year  | 1.43                 | 1.48          |
| <b>As at the end of the year</b>                           | <b>10.31</b>         | <b>8.88</b>   |
| <b>Net block</b>   | <b>8.94</b>          | <b>10.25</b>  |

## 42. Transfer pricing regulations

The Company has established a comprehensive system of maintenance of information and documentation as required by the transfer pricing legislation under section 92- 92F of the Income Tax Act, 1961. The Company is in process of preparing related documentation for the financial year 2020-2021.

The management is of the opinion that its international transactions are at arm's length such that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation as at and for the year ended 31 March 2021.

## 43. Segment Information

### A. Business Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company recognizes its sale of Prepared Foods activity as its only primary business segment since its operations predominantly consist of manufacture and sale of Prepared Foods to its customers. The 'Chief Operating Decision Maker' monitors the operating results of the Company's business as single segment. Accordingly in context of 'Ind AS 108 - Operating Segments' the principle business of the Company constitute a single reportable segment.

### B. Information about major customers

Revenue from one of the customers of the Company's single segment i.e. Prepared Foods is INR 2,864.21 million (2020: INR 2,104.76 million) which is more than 10 percent of the total revenue for the year ended 31 March 2021 and 31 March 2020.

## 44. Assets and liabilities relating to employee benefits

| Particulars                                   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Net defined benefit liability - Gratuity plan | 41.68         | 41.45         |
| Liability for compensated absences            | 36.37         | 31.16         |
| <b>Total employee benefit liabilities</b>     | <b>78.05</b>  | <b>72.61</b>  |
| <b>Non-current</b>                            | <b>73.58</b>  | <b>68.99</b>  |
| Gratuity                                      | 39.62         | 40.27         |
| Compensated absences                          | 33.96         | 28.72         |
| <b>Current</b>                                | <b>4.47</b>   | <b>3.62</b>   |
| Gratuity                                      | 2.06          | 1.18          |
| Compensated absences                          | 2.41          | 2.44          |

For details about the related employees benefit expenses (including those of Defined Contribution Plan), see Note 30

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 44. Assets and liabilities relating to employee benefits (Contd.)

The Company operates the following post employment benefit plans:

The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. Benefit plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days for every completed year of service or part thereof in excess of six months., based on the rates of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered and funded through Tasty Bite Employees Gratuity Trust.

These defined benefit plans expose the Company to actuarial risk, such as longevity risk, interest rate risk, market (investment) risk and salary increment risk.

### A. Funding

Gratuity Plan is funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Gratuity Plan is based on separate actuarial valuation for funding purposes for which assumption may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to pay INR 8 million as contributions to its defined benefit plans in 2021-2022.

### B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

| Reconciliation of present value of defined benefit obligation (A)               | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Balance at the beginning of the year  | 63.25         | 47.08         |
| Current service cost  | 5.84          | 4.97          |
| Interest cost   | 4.27          | 3.56          |
| Actuarial (gain) / loss on obligations recognised in other comprehensive income |               |               |
| - changes in demographic assumptions  | 0.62          | 1.86          |
| - changes in financial assumptions  | 3.58          | 1.93          |
| - experience variance   | (2.49)        | 4.46          |
| Benefits paid   | -             | (0.61)        |
| <b>Balance as the end of the year</b>   | <b>75.07</b>  | <b>63.25</b>  |

| Reconciliation of present value of plan assets (B) | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Balance at the beginning of the year               | 21.80         | 14.65         |
| Investment Income                                  | 1.47          | 1.12          |
| Employers contributions                            | 8.00          | 7.00          |
| Benefits paid                                      | -             | (0.61)        |
| Return on plan assets                              | 2.12          | (0.35)        |
| <b>Balance as the end of the year</b>              | <b>33.39</b>  | <b>21.80</b>  |
| <b>Net defined benefit liability (A) - (B)</b>     | <b>41.68</b>  | <b>41.45</b>  |

### C. (i) Expense recognised in profit or loss

| Particulars          | 31 March 2021 | 31 March 2020 |
|----------------------|---------------|---------------|
| Current service cost | 5.84          | 4.97          |
| Interest cost        | 4.27          | 3.56          |
| Interest income      | (1.47)        | (1.12)        |
| <b>Total</b>         | <b>8.64</b>   | <b>7.41</b>   |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 44. Assets and liabilities relating to employee benefits (Contd.)

### C. (ii) Remeasurements recognised in other comprehensive income

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Actuarial (gain) loss on defined benefit obligation | 1.72          | 8.26          |
| Return on plan assets excluding interest income     | (2.12)        | 0.35          |
| <b>Total</b>  | <b>(0.40)</b> | <b>8.61</b>   |

### D. Plan assets

Plan assets comprise of the following:

| Particulars                               | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| State Government securities               | 47%           | 28%           |
| High quality corporate bonds / debentures | 37%           | 44%           |
| Equity shares of listed companies         | 11%           | 24%           |
| Other Investments                         | 5%            | 4%            |
|   | <b>100%</b>   | <b>100%</b>   |

### E. Defined benefit obligation

#### i. Actuarial assumptions

| Principal actuarial assumptions at the reporting date: | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Discount rate  | 6.85%         | 6.75%         |
| Future salary growth:                                  |               |               |
| First Year   | 14.00%        | 9.00%         |
| Second Year  | 8.25%         | 8.25%         |
| Third Year and thereafter                              | 7.25%         | 7.25%         |
| Attrition rate:  |               |               |
| Upto 30 years  | 5.00%         | 5.00%         |
| 31 - 44 Years  | 1.00%         | 5.00%         |
| Above 44 Years   | 0.00%         | 0.00%         |
| Mortality rate (% of IALM 2012-14)                     | 100%          | 100%          |

Assumptions regarding future mortality are based on published statistics and mortality tables (i.e. India Assured Live Mortality (2012-14)).

At 31 March 2021, the weighted average duration of the defined benefit obligation is 12 years

#### ii. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows (valued on undiscounted basis):

| Payout in the next | 31 March 2021 | 31 March 2020 |
|--------------------|---------------|---------------|
| 1 year             | 2.06          | 1.18          |
| 2 to 5 years       | 18.07         | 17.94         |
| 6 to 10 years      | 27.10         | 27.58         |
| More than 10 years | 162.32        | 110.32        |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 44. Assets and liabilities relating to employee benefits (Contd.)

### iii. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

| Effect in INR MN                   | 31 March 2021 |          | 31 March 2020 |          |
|------------------------------------|---------------|----------|---------------|----------|
|                                    | Increase      | Decrease | Increase      | Decrease |
| Discount rate (1% movement)        | (8.33)        | 9.96     | (6.48)        | 7.62     |
| Future salary growth (1% movement) | 9.66          | (8.23)   | 7.39          | (6.40)   |
| Attrition rate (50% movement)      | (0.18)        | 0.17     | (0.40)        | 0.46     |
| Mortality rate (10% movement)      | (0.02)        | (0.00)   | (0.02)        | 0.00     |

**Note:** Sensitivity Analysis in relation to Discount Rate, Salary Growth, Attrition Rate and Mortality Rate as shown above comprise of Increase and decrease from the value of defined benefit obligation as disclosed in note 44(B) above.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 45. Related party disclosures

### A. Parent, Ultimate holding company and Fellow Subsidiary

| Sr. No. | Name   | Relationship             |
|---------|--|--------------------------|
| 1       | Mars, Incorporated, USA  | Ultimate Holding Company |
| 2       | Effem Holdings Limited   | Holding Company          |
| 3       | Preferred Brands International, Inc. USA (PBI Inc. is Holding company of Preferred Brands Foods (India) Private Limited) | Holding Company          |
| 4       | Preferred Brands Foods (India) Private Limited   | Holding Company          |
| 5       | Preferred Brands Australia Pty. Ltd.   | Fellow Subsidiary        |
| 6       | Preferred Brands UK Ltd.   | Fellow Subsidiary        |
| 7       | Mars Australia Pty. Ltd.   | Fellow Subsidiary        |
| 8       | Mars Food UK Limited   | Fellow Subsidiary        |
| 9       | Royal Canin India Private Limited  | Fellow Subsidiary        |
| 10      | Mars International India Pvt. Ltd.   | Fellow Subsidiary        |
| 11      | Mars GmbH  | Fellow Subsidiary        |
| 12      | Mars LLC   | Fellow Subsidiary        |
| 13      | Mars Canada, Inc.  | Fellow Subsidiary        |
| 14      | Wrigley India Private Limited  | Fellow Subsidiary        |
| 15      | Mars Food USA  | Fellow Subsidiary        |
| 16      | MARS Nederland's   | Fellow Subsidiary        |

### B. Entities controlled by Key Management Personnel

| Sr. No. | Name                                |
|---------|-------------------------------------|
| 1       | Tasty Bite Employees Gratuity Trust |
| 2       | Tasty Bite Foundation               |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 45. Related party disclosures (Contd.)

### C. Transactions with Key Management Personnel

| Sr. No. | Name   | Relationship                                   |
|---------|--|--|
| 1       | Mr. Ashok Vasudevan  | Non-Executive Chairman                         |
| 2       | Mr. Abhijit Upadhye  | Managing Director                              |
| 3       | Mr. Gaurav Gupta   | Chief Financial Officer and Alternate Director |
| 4       | Ms. Minal Talwar   | Company Secretary                              |
| 5       | Ms. Rama Kannan  | Non-Executive Independent Director             |
| 6       | Mr. Chengappa Ganapati   | Non-Executive Independent Director             |
| 7       | Mr. Kavas Patel  | Non-Executive Independent Director             |
| 8       | Ms. Dawn Amanda Allen  | Non-Executive Director                         |
| 9       | Mr. P V V Srinivas Rao (From 06 February 2019 upto 05 November 2020) | Non-Executive Director                         |
| 10      | Mr. Sukhdev David Dusangh (From 06 November 2020)                    | Non-Executive Director                         |

| Key Management Personnel compensations  | Abhijit Upadhye |               | Gaurav Gupta  |               | Minal Talwar  |               |
|---|-----------------|---------------|---------------|---------------|---------------|---------------|
|   | 31 March 2021   | 31 March 2020 | 31 March 2021 | 31 March 2020 | 31 March 2021 | 31 March 2020 |
|   |                 |               |               |               |               |               |
| Short term employee benefits            | 24.23           | 30.00         | 7.74          | 7.44          | 1.54          | 1.36          |
| Long term benefits                      | -               | 10.02         | -             | -             | -             | -             |
| <b>Post-employment benefits payable</b> |                 |               |               |               |               |               |
| Defined benefit plan - Gratuity         | 1.01            | 0.94          | 0.86          | 0.68          | 0.29          | 0.20          |
| Compensated absences - Leave encashment | 4.46            | 3.73          | 1.26          | 1.02          | 0.27          | 0.21          |
|   | <b>29.70</b>    | <b>44.69</b>  | <b>9.86</b>   | <b>9.14</b>   | <b>2.10</b>   | <b>1.77</b>   |
| Compensation payable at the end of year | 3.30            | 17.02         | -             | -             | -             | -             |

### Remuneration to Non - Executive Independent Directors

| Name of the Director | 31 March 2021 | 31 March 2020 |
|----------------------|---------------|---------------|
| Rama Kannan          | 0.30          | 0.30          |
| Chengappa Ganapati   | 0.30          | 0.30          |
| Kavas Patel          | 0.30          | 0.30          |
|                      | <b>0.90</b>   | <b>0.90</b>   |

### D. Related party transactions other than those with Key Management Personnel

| Transaction / Balance                      | Enterprise                                     | 31 March 2021 | 31 March 2020 |
|--|--|---------------|---------------|
| <b>Sale of Goods</b>                       | Preferred Brands International, Inc. USA       | 2,864.21      | 2,104.76      |
|  | Mars Australia Pty. Ltd.                       | 16.15         | 32.03         |
|  | Mars Food UK Limited                           | 5.14          | 86.11         |
|  | Mars GmbH                                      | 8.39          | 150.39        |
|  | Mars Canada, Inc.                              | 22.94         | 48.52         |
|  | Mars LLC                                       | 3.60          | 1.10          |
|  | Mars Food USA                                  | 19.76         | -             |
| <b>Sale of MEIS Scripts</b>                | Royal Canin India Private Limited              | 24.35         | 65.14         |
|  | Mars International India Pvt. Ltd.             | 6.67          | -             |
| <b>Dividend paid on equity shares</b>      | Preferred Brands Foods (India) Private Limited | 3.81          | 3.81          |
| <b>External Commercial Borrowing Taken</b> | MARS Nederland's                               | 365.80        | -             |
| <b>Repayment of Working Capital loan</b>   | Royal Canin India Private Limited              | -             | 60.00         |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 45. Related party disclosures (Contd.)

### D. Related party transactions other than those with Key Management Personnel (Contd..)

| Transaction / Balance                                       | Enterprise                                       | 31 March 2021 | 31 March 2020 |
|---|--|---------------|---------------|
| <b>Interest on loan taken</b>                               | Royal Canin India Private Limited                | -             | 3.15          |
|   | MARS Nederland's (External Commercial Borrowing) | 1.74          | -             |
| <b>Contributions made</b>                                   | Tasty Bite Employees Gratuity Trust              | 8.00          | 7.00          |
|   | Tasty Bite Foundation                            | 7.77          | 8.37          |
| <b>Balance outstanding</b>                                  |  |               |               |
| <b>A. Trade receivables</b>                                 | Preferred Brands International, Inc. USA         | 361.17        | 269.57        |
|   | Mars Australia Pty. Ltd.                         | -             | 1.82          |
|   | Mars Food UK Limited                             | 1.68          | 6.18          |
|   | Mars GmbH  | 4.66          | 9.74          |
|   | Mars Canada, Inc.                                | 2.74          | 14.60         |
|   | Mars LLC   | 1.34          | 1.12          |
|   | Mars Food USA                                    | 9.95          | -             |
| <b>B. Other receivables</b>                                 | Preferred Brands International, Inc. USA         | -             | 0.50          |
| <b>C. Loans payables</b>                                    | MARS Nederland's (External Commercial Borrowing) | 365.80        | -             |
| <b>D. Other payables</b>                                    | Preferred Brands International, Inc. USA         | 45.30         | -             |
| <b>Expense charged to related parties in the nature of:</b> |  |               |               |
| <b>A. Courier and postage</b>                               | Preferred Brands International, Inc. USA         | -             | 1.01          |
| <b>B. Reimbursements</b>                                    | Preferred Brands International, Inc. USA         | -             | 4.04          |
|   | Preferred Brands Foods (India) Private Limited   | 2.40          | 1.64          |
|   | Mars GmbH  | 0.64          | 0.82          |
|   | Mars Food UK Limited                             | 1.63          | 5.22          |
|   | Mars Australia Pty. Ltd.                         | 6.24          | 1.98          |
|   | Mars Canada, Inc.                                | 3.16          | -             |
|   | Tasty Bite Foundation                            | 0.93          | -             |
| <b>Expense charged by related parties in the nature of:</b> |  |               |               |
| <b>A. Reimbursements</b>                                    | Preferred Brands International, Inc. USA         | 0.18          | 4.18          |
|   | Mars International India Pvt. Ltd.               | 2.15          | 1.71          |
| <b>B. Project Maintenance Charges</b>                       | Wrigley India Private Limited                    | 7.42          | 2.42          |
|   | Mars International India Pvt. Ltd.               | 3.95          | 2.80          |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 46. Disclosure for revenue from contracts with customers

| Particulars   | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 |
|---|-----------------------------|-----------------------------|
| <b>Revenue recognised from contracts with customers</b> | <b>3,853.13</b>             | <b>4,257.74</b>             |
| <b>Disaggregation of revenue</b>                        |                             |                             |
| (A) Based on type of goods                              |                             |                             |
| Sale of goods   |                             |                             |
| Finished Goods  | 3,797.78                    | 4,221.91                    |
| Traded goods  | 47.07                       | 24.49                       |
| Sale of scrap   | 8.28                        | 11.34                       |
|   | <b>3,853.13</b>             | <b>4,257.75</b>             |
| (B) Based on market                                     |                             |                             |
| India   | 812.68                      | 1,451.45                    |
| United States of America                                | 2,629.27                    | 1,934.20                    |
| Rest of the world                                       | 411.18                      | 872.09                      |
|   | <b>3,853.13</b>             | <b>4,257.74</b>             |

Refer note 26 for Revenue from operations.

### Performance obligations

The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customers. The control of goods is transferred to the customer based on the delivery terms as follows:

| Terms of sale  | Transfer of control                        |
|----------------|--|
| Domestic sales |  |
| Ex works       | On dispatch                                |
| Door delivery  | When goods are handed over to the customer |
| Export sales   | On the date of bill of lading              |

No significant judgment is involved in evaluating when a customer obtains control of the promised goods. The payment is generally due within 30-60 days. There are no obligations on account of refunds or returns.

### Disclosure for transaction price allocated to the remaining performance obligations

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, in accordance with paragraph 121 of Ind AS 115, the Company is not required to disclose information about its remaining performance obligation since the Company does not have any performance obligation that has an original expected duration of more than one year.

### Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

### Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the single performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

### Details of contract balances:

There are no contract assets as at 31 March 2021 and 31 March 2020. Refer note 11 for information on trade receivables.

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 46. Disclosure for revenue from contracts with customers (Contd.)

### Details of contracts liabilities:

The following table provides information about contract liabilities from contracts with customers:

| Particulars                                   | Year ended    | Year ended    |
|---|---------------|---------------|
|   | 31 March 2021 | 31 March 2020 |
| Contract liabilities (Advance from customers) | -             | -             |

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended 31 March 2021 are as follows:

| Particulars   | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| <b>Advance from customers at the beginning of the year</b>  | -             | -             |
| Revenue recognised that was included in the advance from customers balance at the beginning of the year | -             | -             |
| Increase due to cash received, excluding amounts recognised as revenue during the year                  | -             | -             |
| <b>Advance from customers at the end of the year</b>  | -             | -             |

## 47. Financial instruments - Fair value

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

| 31 March 2021                                       | Note | Carrying amount |             |                |               | Fair value |             |           |
|---|------|-----------------|-------------|----------------|---------------|------------|-------------|-----------|
|   |      | FVTPL           | FVOCI       | Amortised cost | Total         | Level 1**  | Level 2**   | Level 3** |
| <b>Financial assets measured at fair value</b>      |      |                 |             |                |               |            |             |           |
| Forward exchange contracts used for hedging         | 14   | -               | 9.73        | -              | 9.73          | -          | 9.73        | -         |
| <b>Financial assets not measured at fair value*</b> |      |                 |             |                |               |            |             |           |
| Security deposits                                   | 8    | -               | -           | 3.46           | 3.46          | -          | -           | -         |
| Trade receivables                                   | 11   | -               | -           | 543.40         | 543.40        | -          | -           | -         |
| Cash and cash equivalent                            | 12   | -               | -           | 348.19         | 348.19        | -          | -           | -         |
| Bank balance other than cash and cash equivalent    | 13   | -               | -           | 0.87           | 0.87          | -          | -           | -         |
| Other receivables                                   | 15   | -               | -           | 0.63           | 0.63          | -          | -           | -         |
| <b>Total financial assets</b>                       |      | -               | <b>9.73</b> | <b>896.55</b>  | <b>906.28</b> | -          | <b>9.73</b> | -         |

| 31 March 2021  | Note | Carrying amount |             |                 |                 | Fair value |             |           |
|--|------|-----------------|-------------|-----------------|-----------------|------------|-------------|-----------|
|  |      | FVTPL           | FVOCI       | Amortised cost  | Total           | Level 1**  | Level 2**   | Level 3** |
| <b>Financial liabilities measured at fair value</b>      |      |                 |             |                 |                 |            |             |           |
| Interest rate swaps used for hedging                     | 22   | -               | 3.74        | -               | 3.74            | -          | 3.74        | -         |
| <b>Financial liabilities not measured at fair value*</b> |      |                 |             |                 |                 |            |             |           |
| External Commercial Borrowings                           | 19A  | -               | -           | 496.76          | 496.76          | -          | -           | -         |
| Lease Liability  | 38   | -               | -           | 681.50          | 681.50          | -          | -           | -         |
| Working capital loans from banks                         | 19B  | -               | -           | 495.95          | 495.95          | -          | -           | -         |
| Trade payables   | 21   | -               | -           | 491.42          | 491.42          | -          | -           | -         |
| Current portion of unsecured bank loans                  | 23   | -               | -           | 70.81           | 70.81           | -          | -           | -         |
| Interest accrued but not due on borrowings               | 23   | -               | -           | 2.36            | 2.36            | -          | -           | -         |
| Payable for capital goods                                | 23   | -               | -           | 16.39           | 16.39           | -          | -           | -         |
| Deposits received from dealers                           | 23   | -               | -           | 0.50            | 0.50            | -          | -           | -         |
| Employee dues  | 23   | -               | -           | 14.22           | 14.22           | -          | -           | -         |
| Unclaimed dividend                                       | 23   | -               | -           | 0.85            | 0.85            | -          | -           | -         |
| Payables to related parties (refer note 45)              | 23   | -               | -           | 45.30           | 45.30           | -          | -           | -         |
| Interest payable on MSME dues                            | 23   | -               | -           | 0.77            | 0.77            | -          | -           | -         |
| <b>Total financial liabilities</b>                       |      | -               | <b>3.74</b> | <b>2,316.83</b> | <b>2,320.57</b> | -          | <b>3.74</b> | -         |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 47. Financial instruments - Fair value (Contd.)

| 31 March 2020                                       | Note | Carrying amount |       |                |               | Fair value |           |           |
|---|------|-----------------|-------|----------------|---------------|------------|-----------|-----------|
|   |      | FVTPL           | FVOCI | Amortised cost | Total         | Level 1**  | Level 2** | Level 3** |
| <b>Financial assets not measured at fair value*</b> |      |                 |       |                |               |            |           |           |
| Security deposits                                   | 8    | -               | -     | 3.10           | 3.10          | -          | -         | -         |
| Trade receivables                                   | 11   | -               | -     | 570.29         | 570.29        | -          | -         | -         |
| Cash and cash equivalent                            | 12   | -               | -     | 76.78          | 76.78         | -          | -         | -         |
| Bank balance other than cash and cash equivalent    | 13   | -               | -     | 0.80           | 0.80          | -          | -         | -         |
| Other receivables                                   | 15   | -               | -     | 0.51           | 0.51          | -          | -         | -         |
| <b>Total financial assets</b>                       |      | -               | -     | <b>651.48</b>  | <b>651.48</b> | -          | -         | -         |

| 31 March 2020  | Note | Carrying amount |       |                 |                 | Fair value |              |           |
|--|------|-----------------|-------|-----------------|-----------------|------------|--------------|-----------|
|  |      | FVTPL           | FVOCI | Amortised cost  | Total           | Level 1**  | Level 2**    | Level 3** |
| <b>Financial liabilities measured at fair value</b>      |      |                 |       |                 |                 |            |              |           |
| Forward exchange contracts used for hedging              | 22   | -               | 50.52 | -               | 50.52           | -          | 50.52        | -         |
| Interest rate swaps used for hedging                     | 22   | -               | 5.28  | -               | 5.28            | -          | 5.28         | -         |
| <b>Financial liabilities not measured at fair value*</b> |      |                 |       |                 |                 |            |              |           |
| External Commercial Borrowings                           | 19A  | -               | -     | 207.84          | 207.84          | -          | -            | -         |
| Lease Liability  | 38   | -               | -     | 91.29           | 91.29           | -          | -            | -         |
| Working capital loans from banks                         | 19B  | -               | -     | 339.12          | 339.12          | -          | -            | -         |
| Trade payables   | 21   | -               | -     | 478.68          | 478.68          | -          | -            | -         |
| Current portion of unsecured bank loans                  | 23   | -               | -     | 72.94           | 72.94           | -          | -            | -         |
| Interest accrued but not due on borrowings               | 23   | -               | -     | 0.92            | 0.92            | -          | -            | -         |
| Payable for capital goods                                | 23   | -               | -     | 9.97            | 9.97            | -          | -            | -         |
| Deposits received from dealers                           | 23   | -               | -     | 0.50            | 0.50            | -          | -            | -         |
| Employee dues  | 23   | -               | -     | 27.89           | 27.89           | -          | -            | -         |
| Unclaimed dividend                                       | 23   | -               | -     | 0.79            | 0.79            | -          | -            | -         |
| Interest payable on MSME dues                            | 23   | -               | -     | 0.34            | 0.34            | -          | -            | -         |
| <b>Total financial liabilities</b>                       |      | -               | -     | <b>1,230.28</b> | <b>1,286.08</b> | -          | <b>55.80</b> | -         |

\* Financial assets and liabilities such as trade receivables, employee dues, cash and cash equivalent, bank balance other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, borrowing, trade payables, deposits from dealers, unclaimed dividend, Other payables etc. are largely short-term in nature. The fair values of these financial assets and liabilities approximate their carrying amount due to the short-term nature of such assets and liabilities.

\*\* Also refer Note 2.5

### B. Measurement of fair value

Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes of similar instruments
- the fair value of interest rate swaps is calculated at the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts and principle swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 48. Financial instruments - Risk Management

### A. Financial risk management

The Company has exposure to the following risk arising from financial instruments:

- credit risk (see (ii) below);
- liquidity risk (see (iii) below); and
- market risk (see (iv) below).

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established a Risk Management Framework, which is reviewed and monitored by the Chief Financial Officer (CFO). The CFO reports regularly to the board of directors.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal auditors. Internal auditors undertake regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

#### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Companies receivable from customer and loans, if any.

The carrying amounts of financial asset represents the maximum credit risk exposure.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside India. Credit risk is managed by a periodic review of amounts outstanding from customers by treasury head and the chief financial officer. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Company's historical experience for customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period for customers. Credit risk is also controlled by analysing credit limits and credit worthiness of customers on a continuous basis.

Refer Note 11 for the following information:

- Exposure to the credit risk for trade receivables by geographic region
- Exposure to the credit risk for trade receivables by type of counterparty (concentration of credit risk)
- Movement in the allowance for impairment
- Carrying amount of trade receivables (net of impairment)

Also refer note 3.6 for policy related to impairment

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 48. Financial instruments - Risk Management (Contd.)

### Cash and cash equivalent and bank balances other than cash and cash equivalent ('collectively referred as Bank balance')

The Bank balance is held with Banks. Credit risk on Bank balance is limited as the Company generally invest in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Bank balances comprising current accounts are maintained with banks with high credit ratings assigned by credit rating agencies

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for liquidity and funding. The Company manages its liquidity risk by continuously monitoring its working capital and by preparing month on month cash flow projections to monitor liquidity requirements.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company aims to maintain the level of its working capital at an amount in excess of expected cash outflows on account of financial liability over the next six months.

| Working capital  | 31 March 2021 | 31 March 2020 |
|--|---------------|---------------|
| Total current assets (both - financial and non financial) (A)      | 1,997.39      | 1,504.24      |
| Total current liabilities (both - financial and non financial) (B) | 1,201.61      | 1,007.67      |
| <b>Working capital (A-B)</b>                                       | <b>795.78</b> | <b>496.57</b> |

In addition, the Company maintains the following line of credit:

| Facility             | Amount of facility | Amount utilised |               |
|----------------------|--------------------|-----------------|---------------|
|                      |                    | 31 March 2021   | 31 March 2020 |
| Working capital loan | 750.00             | 495.95          | 339.12        |
| <b>Total</b>         | <b>750.00</b>      | <b>495.95</b>   | <b>339.12</b> |

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

| As at 31 March 2021                         | Carrying amount | Contractual cash flows |              |               |               |                   | Total           |
|---|-----------------|------------------------|--------------|---------------|---------------|-------------------|-----------------|
|   |                 | 6 months or less       | 6-12 months  | 1-2 years     | 2-5 years     | More than 5 years |                 |
| <b>Non-derivative financial liabilities</b> |                 |                        |              |               |               |                   |                 |
| ECB - Mizuho                                | 93.55           | 15.59                  | 15.59        | 31.18         | 31.19         | -                 | 93.55           |
| ECB - MUFG - I                              | 99.07           | 15.24                  | 15.24        | 30.48         | 38.11         | -                 | 99.07           |
| ECB - MUFG - II                             | 9.15            | 4.57                   | 4.58         | -             | -             | -                 | 9.15            |
| ECB - Mars Nederland's                      | 365.80          | -                      | -            | 15.24         | 182.90        | 167.66            | 365.80          |
| PCFC  | 495.95          | 495.95                 | -            | -             | -             | -                 | 495.95          |
| Lease Liabilities                           | 681.50          | 21.44                  | 23.11        | 51.57         | 200.97        | 384.41            | 681.50          |
| Trade payables                              | 491.42          | 491.42                 | -            | -             | -             | -                 | 491.42          |
| Other current financial liabilities         | 80.39           | 80.39                  | -            | -             | -             | -                 | 80.39           |
| <b>Total</b>                                | <b>2,316.83</b> | <b>1,124.60</b>        | <b>58.52</b> | <b>128.47</b> | <b>453.17</b> | <b>552.07</b>     | <b>2,316.83</b> |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 48. Financial instruments - Risk Management (Contd.)

| As at 31 March 2020                         | Carrying amount | Contractual cash flows |              |              |               |                   | Total           |
|---|-----------------|------------------------|--------------|--------------|---------------|-------------------|-----------------|
|   |                 | 6 months or less       | 6-12 months  | 1-2 years    | 2-5 years     | More than 5 years |                 |
| <b>Non-derivative financial liabilities</b> |                 |                        |              |              |               |                   |                 |
| ECB - Mizuho                                | 128.49          | 16.06                  | 16.06        | 32.12        | 64.25         | -                 | 128.49          |
| ECB - MUFG - I                              | 133.45          | 15.70                  | 15.70        | 31.40        | 70.65         | -                 | 133.45          |
| ECB - MUFG - II                             | 18.84           | 4.71                   | 4.71         | 9.42         | -             | -                 | 18.84           |
| PCFC  | 339.12          | 339.12                 | -            | -            | -             | -                 | 339.12          |
| Lease Liabilities                           | 91.29           | 5.10                   | 5.10         | 11.09        | 39.02         | 30.98             | 91.29           |
| Trade payables                              | 478.68          | 478.68                 | -            | -            | -             | -                 | 478.68          |
| Other current financial liabilities         | 40.41           | 40.41                  | -            | -            | -             | -                 | 40.41           |
| <b>Total</b>                                | <b>1,230.28</b> | <b>899.78</b>          | <b>41.57</b> | <b>84.03</b> | <b>173.92</b> | <b>30.98</b>      | <b>1,230.28</b> |

### iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to foreign exchange risk through purchases from overseas suppliers and sales to overseas customers in various foreign currencies. The Company uses derivatives to manage market risk. All such transactions are carried out within the guidelines set by the Company. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

### A) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency (INR) of the Company. The primary exposure of the company is in US Dollars (USD) and British Pounds (GBP).

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges. At any point of time, the Company hedges 60% of its estimated foreign currency exposure in respect of forecasted sales

### Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as at reporting date is as follows:

| Particulars   | 31 March 2021   |                | 31 March 2020   |               |
|---|-----------------|----------------|-----------------|---------------|
|   | INR             | USD            | INR             | USD           |
| Trade receivables   | 381.96          | 5.22           | 273.74          | 3.63          |
| Other receivables   | -               | -              | 0.50            | 0.01          |
| Advances for supply of goods  | 47.30           | 0.65           | 11.06           | 0.15          |
| Borrowings  | (1,063.52)      | (14.54)        | (619.90)        | (8.23)        |
| Trade payables  | (140.62)        | (1.92)         | (109.35)        | (1.45)        |
| Payables to related parties (refer note 45)                         | (45.30)         | (0.62)         | -               | -             |
| Payable on account of capital purchases                             | -               | -              | (1.48)          | (0.02)        |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>(820.18)</b> | <b>(11.21)</b> | <b>(445.43)</b> | <b>(5.91)</b> |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 48. Financial instruments - Risk Management (Contd.)

| Particulars   | 31 March 2021 |             | 31 March 2020 |             |
|---|---------------|-------------|---------------|-------------|
|   | INR           | GBP         | INR           | GBP         |
| Trade receivables   | 50.14         | 0.50        | 108.19        | 1.15        |
| Capital Advances  | 1.82          | 0.02        | -             | -           |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>51.96</b>  | <b>0.52</b> | <b>108.19</b> | <b>1.15</b> |

| Particulars   | 31 March 2021 |          | 31 March 2020 |             |
|---|---------------|----------|---------------|-------------|
|   | INR           | JPY      | INR           | JPY         |
| Capital Advances  | -             | -        | 3.21          | 4.58        |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>-</b>      | <b>-</b> | <b>3.21</b>   | <b>4.58</b> |

INR & Foreign Currency (in million)

| Particulars   | 31 March 2021 |          | 31 March 2020 |             |
|---|---------------|----------|---------------|-------------|
|   | INR           | AUD      | INR           | AUD         |
| Trade receivables   | -             | -        | 1.82          | 0.04        |
| Advances for supply of goods  | -             | -        | 0.12          | 0.00        |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>-</b>      | <b>-</b> | <b>1.94</b>   | <b>0.04</b> |

| Particulars   | 31 March 2021 |             | 31 March 2020 |               |
|---|---------------|-------------|---------------|---------------|
|   | INR           | EUR         | INR           | EUR           |
| Trade Receivables   | 4.59          | 0.05        | 9.74          | 0.12          |
| Advances for supply of goods  | -             | -           | 0.01          | 0.00          |
| Capital Advances  | 0.15          | 0.00        | 0.57          | 0.01          |
| Trade payables  | (0.53)        | (0.01)      | (13.94)       | (0.17)        |
| Payable on account of capital purchases                             | (4.11)        | (0.05)      | (0.58)        | (0.01)        |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>0.10</b>   | <b>0.00</b> | <b>(4.20)</b> | <b>(0.05)</b> |

| Particulars   | 31 March 2021 |             | 31 March 2020 |             |
|---|---------------|-------------|---------------|-------------|
|   | INR           | CAD         | INR           | CAD         |
| Trade Receivables   | 2.75          | 0.05        | 14.60         | 0.27        |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>2.75</b>   | <b>0.05</b> | <b>14.60</b>  | <b>0.27</b> |

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar and other currencies against INR at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assume that all other variables as remain constant other than change in foreign currency rate to INR.

1 % increase or decrease in foreign currency rate will have following impact on profit before tax:

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

## 48. Financial instruments - Risk Management (Contd.)

(Currency - INR in million, except per share data)

| Particulars   | Impact on profit before tax* |             |               |             | Impact on equity, net of tax* |             |               |             |
|---|------------------------------|-------------|---------------|-------------|-------------------------------|-------------|---------------|-------------|
|   | 31 March 2021                |             | 31 March 2020 |             | 31 March 2021                 |             | 31 March 2020 |             |
|   | Strengthening                | Weakening   | Strengthening | Weakening   | Strengthening                 | Weakening   | Strengthening | Weakening   |
| USD   | (8.20)                       | 8.20        | (4.45)        | 4.45        | (6.14)                        | 6.14        | (3.33)        | 3.33        |
| GBP   | 0.52                         | (0.52)      | 1.08          | (1.08)      | 0.39                          | (0.39)      | 0.81          | (0.81)      |
| JPY   | -                            | -           | 0.03          | (0.03)      | -                             | -           | 0.02          | (0.02)      |
| AUD   | -                            | -           | 0.02          | (0.02)      | -                             | -           | 0.01          | (0.01)      |
| EUR   | -                            | -           | (0.04)        | 0.04        | -                             | -           | (0.03)        | 0.03        |
| CAD   | 0.03                         | (0.03)      | 0.15          | (0.15)      | 0.02                          | (0.02)      | 0.11          | (0.11)      |
| <b>Net exposure in respect of recognised assets and liabilities</b> | <b>(7.65)</b>                | <b>7.65</b> | <b>(3.21)</b> | <b>3.21</b> | <b>(5.73)</b>                 | <b>5.73</b> | <b>(2.41)</b> | <b>2.41</b> |

\* Amount in brackets represents unfavourable position

### B) Interest Rate risk

The Company adopts the policy of ensuring that between 80% and 90% of its interest rate risk exposure on its non-current borrowings is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at floating rate and using interest rate swaps as hedges of the variability in cash flows to interest rate risk. Interest rate risk related to External Commercial Borrowings have been fully hedged using forward contracts on same dates as the loan are due for repayment.

| Exposure to interest rate risk  | 31 March 2021 | 31 March 2020 |
|---|---------------|---------------|
| Variable-rate instruments (financial liabilities - includes ECB and PCFC) | 1,063.52      | 619.90        |
| Less: Effect of interest rate swap (created on ECB)                       | (201.77)      | (280.78)      |
| <b>Net exposure in respect of recognised assets and liabilities</b>       | <b>861.75</b> | <b>339.12</b> |

### Fair value sensitivity analysis for fixed - rate instruments / cash flow sensitivity analysis for variable - rate instruments

| Particulars                                       | Impact on profit before tax |                 |                 |                 | Impact on equity, net of tax |                 |                 |                 |
|---|-----------------------------|-----------------|-----------------|-----------------|------------------------------|-----------------|-----------------|-----------------|
|   | 31 March 2021               |                 | 31 March 2020   |                 | 31 March 2021                |                 | 31 March 2020   |                 |
|   | 100 bp increase             | 100 bp decrease | 100 bp increase | 100 bp decrease | 100 bp increase              | 100 bp decrease | 100 bp increase | 100 bp decrease |
| Variable-rate instruments (financial liabilities) | (10.64)                     | 10.64           | (6.20)          | 6.20            | (7.96)                       | 7.96            | (4.64)          | 4.64            |
| Less: Effect of interest rate swap                | 2.02                        | (2.02)          | 2.81            | (2.81)          | 1.51                         | (1.51)          | 2.10            | (2.10)          |
| <b>Sensitivity (net)</b>                          | <b>(8.62)</b>               | <b>8.62</b>     | <b>(3.39)</b>   | <b>3.39</b>     | <b>(6.45)</b>                | <b>6.45</b>     | <b>(2.54)</b>   | <b>2.54</b>     |

### C) Cash flow hedges - hedge exposures

| Particulars                                     | 31 March 2021 |             |                  | 31 March 2020 |             |                  |
|---|---------------|-------------|------------------|---------------|-------------|------------------|
|   | 1-6 months    | 6-12 months | More than 1 year | 1-6 months    | 6-12 months | More than 1 year |
| <b>Foreign currency forward contracts - USD</b> |               |             |                  |               |             |                  |
| Net exposure                                    | 7.93          | 5.72        | -                | 11.21         | 8.32        | -                |
| Average INR:USD forward contract rate           | 75.93         | 76.32       | -                | 73.29         | 75.72       | -                |
| <b>Foreign currency forward contracts - GBP</b> |               |             |                  |               |             |                  |
| Net exposure                                    | 3.00          | 1.16        | -                | 2.48          | 4.10        | -                |
| Average INR:GBP forward contract rate           | 99.40         | 102.01      | -                | 94.45         | 96.61       | -                |
| <b>Foreign currency forward contracts - EUR</b> |               |             |                  |               |             |                  |
| Net exposure                                    | 0.26          | 0.14        | -                | 0.27          | 0.49        | -                |
| Average INR:EUR forward contract rate           | 89.21         | 92.28       | -                | 82.74         | 85.75       | -                |

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 48. Financial instruments - Risk Management (Contd.)

| Particulars                      | 31 March 2021 |             |                  | 31 March 2020 |             |                  |
|----------------------------------|---------------|-------------|------------------|---------------|-------------|------------------|
|                                  | 1-6 months    | 6-12 months | More than 1 year | 1-6 months    | 6-12 months | More than 1 year |
| <b>Interest rate swaps - USD</b> |               |             |                  |               |             |                  |
| Net exposure                     | 35.41         | 35.41       | 130.96           | 36.47         | 36.47       | 207.84           |
| Average fixed interest rate      | 2.53%         | 2.53%       | 2.53%            | 2.53%         | 2.53%       | 2.53%            |

### Details of item designated as hedging instruments

| Particulars                               | 31 March 2021   |             |               | 31 March 2020   |        |                |
|---|-----------------|-------------|---------------|-----------------|--------|----------------|
|   | Nominal Amount  | Assets      | Liabilities   | Nominal Amount  | Assets | Liabilities    |
| <b>Foreign currency forward contracts</b> |                 |             |               |                 |        |                |
| Forward contracts sales, receivables      | 1,038.28        | 9.73        | -             | 1,451.24        | -      | (50.52)        |
| <b>Interest rate risk</b>                 |                 |             |               |                 |        |                |
| Interest rate swaps                       | 201.77          | -           | (3.74)        | 280.78          | -      | (5.28)         |
|   | <b>1,240.05</b> | <b>9.73</b> | <b>(3.74)</b> | <b>1,732.02</b> | -      | <b>(55.80)</b> |

All the above categories of hedging instruments have been included in derivative assets/derivative liabilities. Management of the Company believes that there are no items to be recognised in profit or loss as hedge ineffective, except for realised portion of foreign exchange against the relevant forward contract. The amount recognised as effective hedge is disclosed under Other comprehensive income.

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

| Cash flow hedges - Equity head 'Effective portion of cash flow hedges' | 31 March 2021 | 31 March 2020  |
|--|---------------|----------------|
| <b>Change in fair value:</b>   |               |                |
| Foreign currency risk  | 9.73          | (50.52)        |
| Interest rate risk   | (3.74)        | (5.28)         |
|  | <b>5.99</b>   | <b>(55.80)</b> |
| <b>Amount classified to profit and loss:</b>                           |               |                |
| Foreign currency risk  | -             | -              |
| Interest rate risk   | -             | -              |
| Tax on movements in relevant items of OCI during the year              | (7.05)        | 8.51           |
| <b>Balance as at the end of the year</b>                               | <b>(1.06)</b> | <b>(47.29)</b> |

### Impact of Covid - 19

The Company based on an internal assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the Covid-19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

## D) Other Risks

Financial assets carried at amortized cost as at 31 March 2021 is INR 896.55 million (2020: INR 651.48 million).

The Company has assessed the counterparty credit risk in connection with Cash and cash equivalents and Other bank balances amounting to INR 349.06 million as at 31 March 2021 (2020: INR 77.58 million).

# Notes to the Financial Statements

for the year ended 31 March 2021 (Contd.)

(Currency - INR in million, except per share data)

## 48. Financial instruments - Risk Management (Contd.)

Trade receivables amounting to INR 543.40 million as at 31 March 2021 are valued at considering provision for allowance under the expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the Covid-19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case.

Based on this internal assessment, the allowance for doubtful trade receivables is considered adequate.

The accompanying notes referred to above form an integral part of financial statements

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

### Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 15 May 2021

### For and on behalf of the Board of Directors of Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

### Abhijit Upadhye

Managing Director

DIN: 02076451

### Gaurav Gupta

Chief Financial Officer

Place: Pune

Date: 15 May 2021

### Ashok Vasudevan

Chairman

DIN: 00575574

### Minal Talwar

Company Secretary

## **Forward - looking statements**

Some information in this report may contain forward - looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward - looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward - looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward - looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



## Tasty Bite Eatables Limited

201 - 202, Mayfair Towers,  
Wakdevadi, Shivajinagar, Pune - 411005,  
Maharashtra, India  
[www.tastybite.co.in](http://www.tastybite.co.in)