Tasty Bite Eatables Limited

29th Annual Report
2012 - 2013

TASTY BITE EATABLES LIMITED

MISSION STATEMENT

Purpose	To be a socially-responsible company that will delight consumers by offering
Advantage	Great taste, Good value and Real Convenience achieved through
Scope	Manufacturing & Marketing Natural, Convenient & Specialty Foods in a
Environment	knowledge driven, energetic and fun work environment

CORPORATE INFORMATION

Directors
Mr. Ashok Vasudevan, *Chairman*
Mr. Ravi Nigam, *Managing Director*
Mrs. Meera Vasudevan
Mr. K. P. Balasubramaniam
Dr. V. S. Arunachalam
Mr. Kavas Patel
Mr. Sohel Shikari, *Alternate Director*

Registered Office
204, Mayfair Towers
Wakdewadi, Shivajinagar
Pune - 411 005
Tel : 020 - 30216000
Fax : 020 - 30216035
www.tastybite.co.in

Company Secretary
Mrs. Anuja Laturkar (up to 31st May 2013)

Auditors
M/s Kalyaniwalla & Mistry
Chartered Accountants, Pune

Factory
Village Bhandgaon
Taluka Daund
Dist. Pune - 412 214
Maharashtra

Bankers
Axis Bank Limited
The Ratnakar Bank Limited

Share Transfer Agent
Karvy Computershare Pvt. Ltd.
17-24, Vithal Rao Nagar,
Madhapur, Hyderabad - 500 081

Contents

29th Annual General Meeting

Date	:	September 10, 2013
Time	:	11:00 a.m.
Venue	:	Registered Office 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005

A Request

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

FINANCIAL HIGHLIGHTS	2012-13	2011-12	2010-2011	2009-2010	2008-09
Months	**12**	**12**	**12**	**12**	**12**
Statement of Income					
Revenue	**11,192.04**	8,306.98	8,286.61	7,244.14	4,632.71
Cost of Revenue	**6,404.78**	4,862.51	5,015.13	4,103.45	2,388.19
Gross Profit	**4,787.26**	3,444.47	3,271.48	3,140.69	2,244.52
Operating Expenses	**3,481.79**	2,875.71	2,702.37	1,760.27	1,816.06
Depreciation	**269.65**	211.54	167.62	152.22	99.38
Interest	**105.41**	117.27	92.98	99.54	97.46
Provision for Tax	**297.85**	73.71	119.73	431.77	90.59
Net Profit	**632.56**	166.24	188.78	696.89	141.03
Assets Employed					
Fixed Assets - Gross	**4,898.78**	4,462.95	3,436.39	2,487.73	2,086.24
Fixed Assets - Net *	**4,413.86**	3,143.17	2,388.75	1,548.11	1,365.01
Current Assets	**4,401.47**	2,883.61	3,223.89	3,626.23	2,242.80
Current Liabilities**	**(3,108.25)**	(2,321.33)	(2,152.20)	(1,405.96)	(868.06)
Deferred Tax Asset / (liability)	**(197.35)**	(191.47)	(137.14)	(120.53)	(83.85)
Non-current lons and advances	**523.63**	43.32	68.66		
	6,033.36	**3,557.30**	**3,391.96**	**3,647.85**	**2,655.90**
Net Current Assets	**1,293.22**	562.28	1,071.69	2,220.27	1,374.74
Financed By					
Share Capital	**316.13**	316.13	316.13	316.13	316.13
Reserves	**1,312.92**	1,312.92	1,312.92	1,312.92	1,312.92
Profit (Loss) Carried Forward/ Surplus	**1,417.84**	816.00	680.28	522.02	(144.25)
Shareholders' Funds	**3,046.89**	2,445.05	2,309.33	2,151.07	1,484.80
Loan Funds	**2,986.47**	1,112.25	1,082.63	1,496.78	1,171.10
	6,033.36	**3,557.30**	**3,391.96**	**3,647.85**	**2,655.90**
Ratios					
Current Ratio	**1.42**	1.24	1.50	2.58	2.41
Working Capital Turnover	8.65	14.77	7.73	3.26	3.37
Gross Profit % To Revenue	42.8%	41.5%	39.5%	43.4%	48.4%
Net Profit % To Revenue	5.7%	2.0%	2.3%	9.6%	3.0%
Debt Equity Ratio	1.42	0.87	0.76	0.70	0.79
Capital Turnover	1.48	1.74	1.97	1.99	1.74
Fixed Assets to Shareholders' Funds	1.45	1.29	1.03	0.72	0.92
Earnings Per Share (Rs.)	24.62	6.45	7.33	27.13	5.50
No. of employees	181	165	146	148	130
Equity Dividend %	10	10	10	10	-
Net Worth	**3,046.89**	**2,445.05**	**2,309.33**	**2,151.07**	**1,484.80**

* includes capital work in progress

** includes current maturity of long term borrowings

Note: Figures for 2012-13, 2011-12 and 2010-11 are as per revised Schedule VI and for 2009-10 and 2008-09 are as per old Schedule VI.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It used to be fashionable in academia till a few years ago to simply define leadership styles and even organizations as either people-oriented or task-oriented. Somehow such simplicity was beguiling and hence widely accepted.

Here is another approach I'd like to propose. Organizations and indeed employees within these companies are either driven by purpose or driven by activity. In that context, I like to think of your company as the former.

It is this focus on our vision and long term strategy that has resulted in Tasty Bite achieving consistent growth over the last 15 years, with very little exception.

For the year ending March 31, 2013, your company registered an impressive 35% growth and crossed the billion-rupee mark for the first time in its history with revenues of Rs. 112 crores. Net profits at Rs.6.3 crores grew more than 280%!

Some major highlights for the year include:

- The Tasty Bite Foodservice business (TFS) grew 75% over last year and now is almost ½ of our exports business! You will recall 5 years ago, this was only 17.5 % of our exports
- By no means was this at the cost of exports. In fact during this 5-year period exports grew 100% from Rs. 36.1 crores to Rs. 71.8 crores.
- In the US, Tasty Bite continued its dominant position in the Indian prepared foods segment with a market share consistently higher than 50% throughout the year.
- Early this year, the company launched Asian Noodles to major acclaim in the US and at the time of writing this report, Tasty Bite is the #1 best-selling, ready-to-eat Noodles in the Natural foods industry, nationwide!
- Buoyed by our success in India, our parent company Preferred Brands International launched the TFS business in the US.
- Major expansion in the TFS business in India resulted in the state-of-the-art sauce plant being commissioned earlier this year and we will continue to expand our frozen foods section as well.

You have heard us chant the mantra of our mission statement every year where we renew our commitment to sustainability even as we commit to providing consumer delight. This year saw some major initiatives in this regard.

For the first time we initiated a carbon foot print study in your company by a major independent global organization and have benchmarked the results against which we will measure our programs and success in the coming years.

We commenced a large organic farming program in India and have slowly begun the task of converting some of our major raw materials to organic produce. In fact, as a result of the work done last year, Tasty Bite is poised to launch a range of organic prepared rices in the US and Australian markets. Shipments are about to commence very shortly.

We have also begun the journey of converting the Tasty Bite farm into an Organic center and have also started an outreach program with the farmers in the community to join us in the effort.

The food industry is a prodigious consumer of water. Your company consumes, literally lakhs of liters everyday. In recognition of our responsibility to the environment and to augment the water we use in the farm we have begun a major rainwater-harvesting program this year. It is only a few weeks old and I hope to have a more detailed report next year.

As part of our disaster relief effort, I am really pleased by the nature and the extent of the involvement of your company's employees in the Uttarakhand tragedy. A major food and clothes drive was launched touching virtually all employees. We realize of course, nothing we do will ever be enough, but we only hope that all we do will make a small difference, to someone-somewhere.

At a global level though, the economic recovery in our major markets of N.America, Australia and India are far from resilient. I had mentioned last year that the world seemed to be standing still. Clearly your company is not.

Ashok Vasudevan
Chairman

NOTICE

Notice is hereby given that the Twenty-Ninth Annual General Meeting of the Members of Tasty Bite Eatables Limited will be held on Tuesday, 10th September 2013 at 11.00 a.m. at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2013, the Profit & Loss Account for the financial year ended on that date and the reports of the Directors and the Auditors thereon.
2. To declare dividend on 59,530 1% Non-Cumulative, Non convertible Redeemable Preference shares of Rs. 100/- each for the Financial Year 2012-13.
3. To declare dividend of Re. 1 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the Financial Year 2012-13.
4. To appoint a Director in place of Mrs. Meera Vasudevan, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint a Director in place of Mr. K P Balasubramaniam, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and to pass with or without modification, the following resolution as an Ordinary Resolution.

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

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

Dated : May 8, 2013 | **Ravi Nigam**
Place : Pune | **Managing Director**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING, DULY STAMPED AND SIGNED.**
2. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting. Members who hold shares in demateralised form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Annual General Meeting (AGM).

3. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf, at the AGM.
4. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 31, 2013 to Tuesday, September 10, 2013 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
6. The dividend, upon declaration by the members at the AGM shall be credited / dispatched before October 9, 2013, to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (RTA) on or before Friday, August 30, 2013. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, August 30, 2013. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA.
7. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director so as to reach the Company at least seven days before the date of the AGM so that the required information may be made available at the AGM.
8. Members are requested to bring their own copy of the Annual Report to the meeting. No extra copies of the Annual Report will be distributed at the meeting.
9. All the documents referred to in the Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of AGM.
10. Members are requested to notify changes, if any, in their registered addresses and all correspondence, including dividend matters to the Company's RTA.
11. The Company prefers use of ECS for payment of dividend. Considering the advantages, members are requested to enroll for ECS facility. In order to avoid loss of dividend warrants in transit, undue delay in receiving the warrants and to protect against fraudulent encashment of dividend warrants, members are requested to provide ECS Mandate on or before Friday, August 30, 2013 to the RTA, under the signature of the sole/first joint holder, the following information which will be used by the Company for dividend payment:
    a. Name of Sole/First joint holder and Folio No.
    b. Particulars of Bank account viz
        i. Name of the Bank
        ii. Name of the Branch
        iii. Complete address of the Bank with Pin Code
        iv. Branch Code (9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank)
        v. Account Type (Savings Bank or Current account)
        vi. Bank account number allotted by the Bank
12. The Members holding shares in physical form are requested to send their ECS Mandate to RTA. If shares are held in dematerialised form, bank particulars registered against their respective depository accounts and provided by the Depository Participants (DPs) will be used by the Company for dividend payments. Shareholders who wish to change such bank particulars may advise their DPs about such change with complete details of bank account including MICR Code before the book closure. The Company or its RTA cannot act on any request received directly from members holding shares in electronic form for any change of bank particulars or bank mandate.

13. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2009-10 onwards, are requested to write to the Company or its RTA, mentioning the relevant folio number(s)/ DP ID and Client ID, for issuance of demand draft.

14. SEBI vide circular dated May 20, 2009 has made it mandatory for transferees requesting for transfer of shares of listed companies in physical form, to furnish a copy of their PAN, duly self attested to the RTA, whilst lodgement of such shares.

15. Ministry of Corporate Affairs (MCA) vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively have clarified that a company would be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2013 will be sent in electronic form to those Members who have registered their e-mail address with their DP and available to the Company by the Depositories or available with the Company in case of physical holding.

    However, in case a Member wishes to receive a physical copy of the said documents, he is requested to send an e-mail to secretarial@tastybite.com, duly quoting his DP ID and Client ID or the Folio number, as the case may be.

    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 and made available for inspection at the Registered Office of the Company during business hours.

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, A BRIEF RESUME OF THE DIRECTORS PROPOSED TO BE REAPPOINTED VIDE ITEM NOS. 4 & 5 MENTIONED IN THE NOTICE IS DETAILED BELOW:

Mrs. Meera Vasudevan, aged about 54 years, wife of Mr. Ashok Vasudevan, Chairman of the Company, is a Non-Executive Director of the Company. She holds a Bachelor's Degree in English and Post Graduate qualifications in Marketing and Advertising from the University of Madras, India and Advanced Marketing from INSEAD, France. She is the co-founder of ASG-Omni LLC, a strategic consulting firm that designs entry strategies for large US corporations looking to do business in India. Prior to this, she co- founded Quantum Market Research, India's first specialist and now largest qualitative research company. She has conducted global brand research for leading consumer companies such as Unilever, Colgate, Cadbury, Mars, Citibank, Pepsi, Estee Lauder, Johnson & Johnson. She has also worked closely with Government departments and UNICEF on social research projects.

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

Mr. K. P. Balasubramaniam, aged about 71 years, is an Independent Director of the company He is a graduate in Science (Maths) with Diploma in Business Administration from London, Fellow Member of the Institute of Directors, London and Member of British Institute of Management London. He has a rich and vast experience in Beer, Food Products and Garment Industries. He has successfully negotiated trade agreements for promoting different brands of Mysore Breweries Ltd. He has also promoted Export Garments & Spices for Pal Industries Ltd. He has introduced manufacture and distribution of Mineral Water with Brand name "Stream" in Karnataka & Andhra Pradesh.

He is also a Director of many other Companies in India viz. TMC Enterprises Private Limited, Jaybeer Investment

& Finance Private Limited, EIE Enterprises Private Limited, Kar Mobiles Limited and Ritz Hotel (Mysore) Limited. He is the Chairman of the Audit, Shareholders' Grievance and Remuneration Committee of the Board of Directors of the Company and Member of Audit and Share transfer / Investor Service Committee of Kar Mobiles Limited.

He holds 2291 Equity Shares of Rs. 10 each out of which 1500 shares are held as joint holder.

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

Dated : May 8, 2013
Place : Pune

Ravi Nigam
Managing Director

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased in presenting the Twenty Ninth Annual Report together with Audited Statement of Accounts for the year ended 31st March 2013.

FINANCIAL RESULTS **(Rs. In lacs)**

Particulars	**Year Ended March 31, 2013**	**Year Ended March 31, 2012**
Total Revenue	**11,192.04**	8,306.98*
Profit Before Depreciation, Interest & Tax	**1,313.84**	568.76
Interest	**105.41**	117.27
Depreciation	**269.65**	211.54
Profit (Loss) before Extraordinary Items	**938.78**	239.95
Extraordinary Item	**8.37**	-
Profit (Loss) before Tax	**930.41**	239.95
Provision for Taxation	**(291.97)**	(19.38)
Provision for Deferred Tax	**(5.88)**	(54.33)
Net Profit	**632.56**	166.24
Profit/(Deficit) in the statement of Profit & Loss	**816.00**	680.28
Appropriations		
Dividend on Preference Shares	**0.60**	0.60
Dividend on Equity shares	**25.66**	25.66
Tax on Dividend	**4.46**	4.26
Profit/ (Loss) transferred to Balance Sheet	**1,417.84**	816.00

*amount regrouped

FINANCIAL PERFORMANCE & OPERATIONS

The year 2012-13 has been a landmark year for your company. Total revenues crossed the Rs. 100 Cr mark during the year increasing 35% over the previous year to close the year at Rs. 112 Cr.

At operations level, the turnover for FY 12-13 was Rs. 105.7 Cr as against Rs. 78.1 Cr in previous FY, an increase of 35%. Revenues from both exports and domestic market rose significantly. Exports increased by 22% to reach Rs. 71.6 Cr whereas domestic turnover grew 75% to Rs. 33.9 Cr in the current financial year.

Also, the Company got the benefits of volume leverage and productivity improvement as a result of operating efficiencies realized in the second half of the year.

Better results are largely attributable to increase in domestic customers coupled with increased product range and better margins. On export front also, the Company benefitted on account of consistent margins during the year due to forex gains. The effect was well reflected in the profits after tax which increased to Rs. 6.3 Cr from Rs. 1.6 Cr in previous year.

The expansion work relating to the domestic business is going on in full swing and it is expected to commission in the first half of the ensuing financial year.

DIVIDEND

The Board of Directors at their meeting held on May 8, 2013, recommended a final dividend of Re. 1 per equity Share (10% on the face value of Rs. 10 each), subject to the approval of shareholders at the ensuing AGM.

In addition to the above, the Company has provided for a Preference dividend of 1% aggregating to Rs. 59,530/- on its 59,530 1% Non Cumulative Non Convertible Redeemable Preference Shares of Rs. 100 each for the financial year 2012-13.

The total dividend payout would involve a cash outgo of Rs. 30.72 lacs including tax on dividend being borne by the Company.

Upon declaration by the members at the ensuing Annual General Meeting, the dividend shall be paid 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 on or before Friday, 30 August, 2013. In respect of shares held in dematerialised 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, 30 August, 2013.

FINANCE

The Company continues its relationship with Axis Bank Limited (Axis) for its working capital requirements of Rs. 13 Cr. including LER limits of Rs. 3.5 Cr.

During the year, the Company availed credit facilities of Rs. 2.5 Cr from Ratnakar Bank Limited on account of closure of its facilities with Citibank N.A. ('Citibank'). Subsequently, the charge created on the assets of the Company in favour of Citibank has been satisfied on April 1, 2013.

During the year under review, the Company received approval from Reserve Bank of India to avail External Commercial Borrowing (ECB) of US$4.0 million from Worldbusiness Capital Inc., US to fund the expansion of its manufacturing facilities. As on March 31, 2013, the Company has fully drawn down the same.

As on March 31, 2013, the Company has completed repayment of five installments of USD 50,000 each towards the External Commercial Borrowing of USD 1 mn to its holding company Preferred Brands International Inc. Also, the Term Loan availed from Axis Bank Ltd., has been repaid in full during the year.

ICRA Ltd. assigned long term rating of ICRA BBB (pronounced as ICRA triple B) with a stable outlook and short term rating as ICRA A2 (pronounced as ICRA A two) to Rs. 25 Cr credit line of the Company.

FIXED DEPOSITS

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

DIRECTORS

Mrs. Meera Vasudevan and Mr. K P Balasubramaniam, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment.

The information of these Directors retiring by rotation at the ensuing Annual General Meeting as stipulated under

Clause 49 of the listing agreement is given in the Notice.

Mr. Sohel Shikari has been appointed as Alternate Director to Mrs. Meera Vasudevan during the year due to the absence of Mrs. Meera Vasudevan from India.

CORPORATE GOVERNANCE

Your Company places great significance to good Corporate Governance as an important step towards building investors' confidence, improve investors' protection and maximize long-term shareholders' value. Accordingly, it has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchange are complied with.

A detailed report on Corporate Governance forms a part of this Annual Report. Your Company has also obtained a certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance and is annexed as Annexure A to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm:

(i) that in preparation of the accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

(ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the year under review;

(iii) that they have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(iv) that they have prepared the annual accounts for the financial year ended March 31, 2013 on a 'going concern' basis.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. The Company's Management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner, the Balance Sheet as on March 31, 2013, the Profits and Cash Flows for the Financial Year 2012-13.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Tasty Bite Eatables Limited (TBEL) manufactures the "Tasty Bite," brand of shelf stable, all-natural, ready-to-serve (RTS) ethnic food products. Tasty Bite is the leading brand in the prepared ready-to-eat Indian foods category in the US and amongst the top four in the Asian category. The brand offers a variety of shelf-stable pouches of Indian entrées and sides made with farm-fresh, natural ingredients.

Tasty Bite continues to strengthen its position and continues to be the No. 1 shelf-stable Indian brand. In the broader Indian and pan-Asian category, Tasty Bite commands a 65% share of the natural category growing 17.1% YoY while in the conventional supermarket category has a 24% market share and growing 13.6% YoY[1].

The products of the Company are marketed in North America and Australia through its associated enterprises Preferred Brands International and Preferred Brands Australia, respectively.

The grocery segment pertaining to the Company's products, namely the international/ethnic foods category is approximately $2.5 billion in size and growing at a rate of 15-20%. Ethnic food mainly consists of Mexican/Hispanic foods, Asian and Indian Foods. This is one of the fastest growing segments of supermarkets and driven by an increasingly diverse population, a growing interest in international foods driven by travel and cooking shows and the growing number of ethnic restaurants.

Reasons behind the increasing popularity of ethnic foods are:

- the expanding ethnic population influencing the American palate and piquing "mainstream" Americans' interest in new cuisines
- Spice and flavors are gaining traction and consumer demand for such products continue to grow
- Exposure to international foods when Americans dine at restaurants
- Increasing trend of cooking and recreating ethnic dishes at home. Cooking is experiencing something of resurgence due in part to a newfound frugality prompted by the economic recession. Americans are eating out less and cooking more meals at home.
- Popularity of cooking television shows
- And rise in international travel over the last decade boosting interest in global cuisines.

Asian foods holds the second-largest share (29%) of the ethnic foods market and continues a steady growth trend. Sales of Asian foods made strong gains, increasing nearly 15% from 2007-09 while Indian foods have also been growing at a compounded rate of 10% over the last five years. Asian foods are a much larger industry, having sales of $700 million, compared to Indian foods which is a $41 million category.

The three major global food trends driving the growth of the Company's revenues in its international markets are:

- Increased focus on illnesses (like diabetes, heart disease, and obesity) has resulted in consumers taking health into consideration when making food choices and purchasing packaged foods.
- Consumers are increasingly eating at home and are seeking products that are convenient to prepare and integrate into their meals while adding new flavors and cuisines.

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[1] IRI Scan data for 52 week period ending June 2013

- Growth of international cuisines also called specialty foods. Cuisines such as Indian and Asian are growing in demand.

Tasty Bite continues to occupy the 'sweet spot' across these three industry mega-trends. Tasty Bite products are ready-to-serve, microwavable, all natural and vegetarian.

In addition to the export market, the domestic Indian market provides growing opportunities for the Company in the food-service arena. In India, the Company develops and manufactures a range of products for institutional users such as quick-service restaurants, HORECA (hotels, restaurants and catering institutions), and other retail and corporate customers. The Company's strategy is to partner with industry leaders in these segments to develop and manufacture products specifically for the Indian consumer market. The Company has started focusing on developing and manufacturing products for leading market players of packaged food industry. This segment is expected to see robust growth over the next several years.

The Indian quick service restaurant is approximately US $800 mn in size and estimated to be growing at a rate of approximately 40% per annum. A recent study indicates that an urban Indian eats out over 6 times a month (a 300% growth compared to a decade back), many a time at such restaurants. This change in eating habits has grown and will continue to grow given the young demographics of the country, rising disposable incomes and the emergence of dual income nuclear families. Over the course of the last fiscal year, the Company's domestic food service business grew 75%.

The other growth area is expected to be in packaged foods. According to a study by Assocham, the packaged food industry in India is likely to double by 2015 to reach a size of USD 30 billion from the current USD 15 billion owing to rising incomes, changing urban lifestyles and modern retail trade. Consumers are seeking products that are convenient and reduce preparatory time of meals at home and also seeking products offering newer flavours and ingredients.

The Company's mission statement reflects its consumer focus approach to its strategy. The Company also continues to use the Spice Card approach in order to align business and functional initiatives to the overall strategy of the Company.

Purpose	To be a socially-responsible company that will delight consumers by offering
Advantage	Great taste, Good value and Real Convenience achieved through
Scope	Manufacturing & Marketing Natural, Convenient & Specialty Foods in a
Environment	knowledge driven, energetic and fun work environment

This strategy has resulted in growth of 11.49% per annum in total revenues over the past four years with growth in export market of 6.15% per annum and domestic sales increases of 33.15% CAGR.

TBEL manufactures its products in a world-class, versatile manufacturing facility located near Pune, India encompassing manufacture of products in multiple formats (shelf-stable, frozen), multiple packaging (pouches, trays), multiple cuisines and multiple pack sizes. The Company prides itself on its quality and has endeavored to set industry standards of quality assurance.

In the second half of the year, the Company started benefitting from its investments made in the previous financial year to enhance its manufacturing capacity to over 100,000 meals per day in addition to manufacturing prepared frozen formed products. The increase in efficiency derived by way of reduction of direct manufacturing costs.

The Company started implementing a US$ 6 million capital expenditure program during FY13 to augment its manufacturing capacity for its food service business. A state-of-art new sauce manufacturing plant and a frozen foods line have been installed and will be commissioned in mid-2013.

The Tasty Bite Research Center (TBRC) continues to build on its strong foundation or Research & Development in products, ingredients and processes and provide the Company with a sustainable platform for growth. TBRC is recognized by the Department of Science and Industrial Research (DSIR) as an "In-house R&D

facility". A strong team of highly skilled culinary professionals and food technologists work towards development of improving existing SKUs, adding new SKUs to existing product categories as well as focusing on developing new product categories. TBRC is committed towards delivering 'consumer delight' by building on the Company's strategic advantage of providing consumers great taste, good value and a high-speed response. During the course of the year TBRC developed, innovative, ready-to-eat Asian range of noodles was launched in the US market. TBRC also collaborates with global food and technology experts to develop new recipes and understand new technologies for its international and domestic markets.

The Company has been recognized for its sustained export performance and is currently certified as an Export House.

B. FINANCIAL PERFORMANCE

Financial Highlights

Performance Indicators

Some salient features of the Company's financial performance in fiscal FY13 are summarized as below:

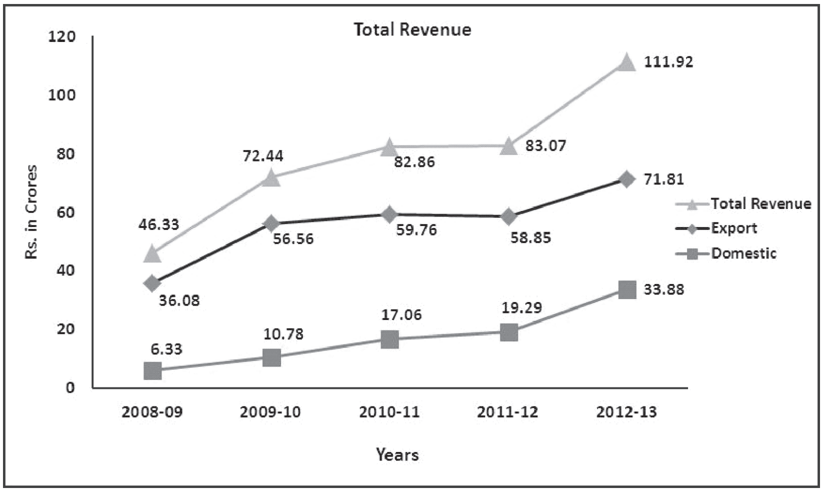
Particulars	FY 2012-13 Amt in Rs. Crs	FY 2011-12 Amt in Rs. Crs*	% Growth
Gross Revenues	111.92	83.07	34.73%
Revenue from Operations	105.70	78.14	35.27%
Earnings before interest, taxes, depreciation amortization (EBITDA)	13.5	5.67	138.10%
Profit after tax (PAT)	6.32	1.66	280.72%

Revenue Growth

Revenue break-up across key business divisions for the financial year ended March 31, 2013 and 2012 and revenue growth in 2012-13 is given below:

Particulars (Rs. in Crores)	2012-13	% to turnover	2011-12	% to turnover	% Growth in 2012-13
Export Sales	71.81	64.2%	58.85	70.8%	22.0%
Domestic Sales	33.88	30.3%	19.29	23.2%	75.6%
Operational Income	5.83	5.2%	4.30	5.2%	35.6%
Other Income	0.40	0.3%	0.63	0.8%	-36.5%
Total Revenues	**111.92**	**100.0%**	83.07	100.0%	34.7%

Chart 1: Revenue Growth graph of 5 years



Overall revenue growth of 35% was achieved over previous year with jump in both export as well as domestic revenues. The export revenues grew by 22% whereas domestic revenues grew by 75%. The Company benefitted also due to favourable export realization on account of favourable foreign exchange rates.

Export revenues comprise of sale of ready-to-eat meals in consumer branded packs, which continues to remain the key product line of the Company. These retail packs are distributed to consumers through mainstream supermarkets and grocery stores mainly in US, Australia and other global markets.

The Company also launched a new range of ready-to-eat Asian noodle products in supermarkets in the United States. Asian food holds the second-largest share of the ethnic foods market (29%) and primarily consists of sauces, soups and meal kits that require consumers to assemble and prepare their meals. The Tasty Bite noodles are fully prepared and require just one minute to heat and enjoy.

Exports including incentives still comprises the bulk of the revenues amounting to Rs. 77.5 Cr contribute over 69% of the Company's revenues. Growth of export sales over the past 5 years is summarized in the chart above. These have grown at an annual compounded growth rate of 18%.

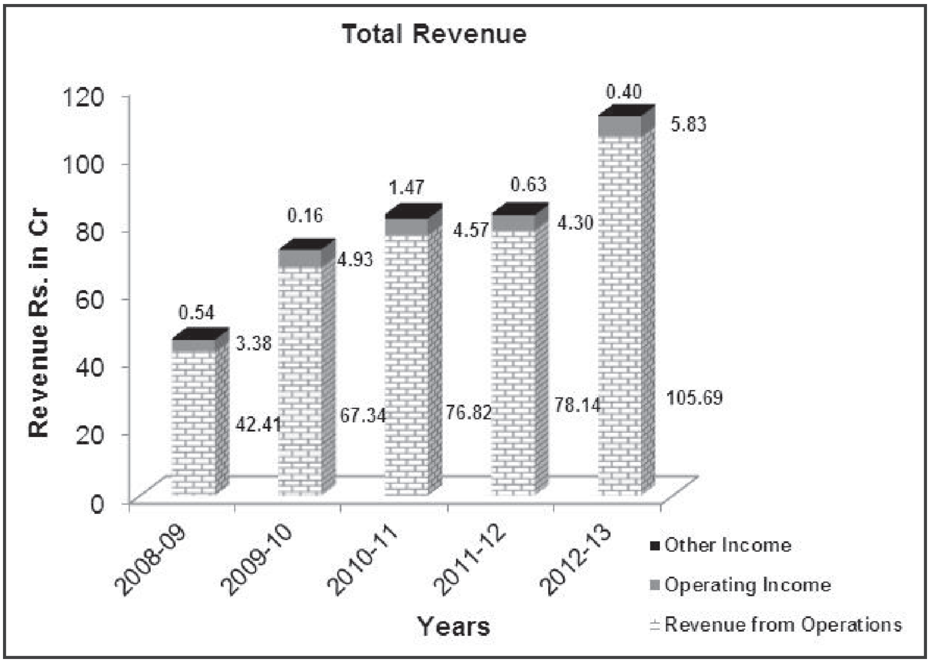
In India, the Company has increased its focus on developing and manufacturing a range of products for institutional users such as hotels, quick-service restaurants and other retail and corporate customers. There has been addition to both the customer base and product range offered in the domestic market. Indian business grew by 75% to Rs. 33.9 Cr in FY13 against Rs. 19.3 Cr in FY12. This has resulted into contributing to 30% of Company's revenue. The growth in this segment is achieved in the face of

- High competitive intensity from both national and international players in this category.
- Significant food inflation across spectrum leading to market slowdown during the year.

The CAGR of the domestic business for past 5 years is 39.9%.

The operational income comprising of export incentives increased by 36.6% compared to FY12 to reach Rs. 5.63 Cr. The Export incentive schemes include duty drawback and the Vishesh Krishi and Gram Udyog Yojana (VKGUY) availed by the Company. The Company continues to explore applicability of the various government incentives.

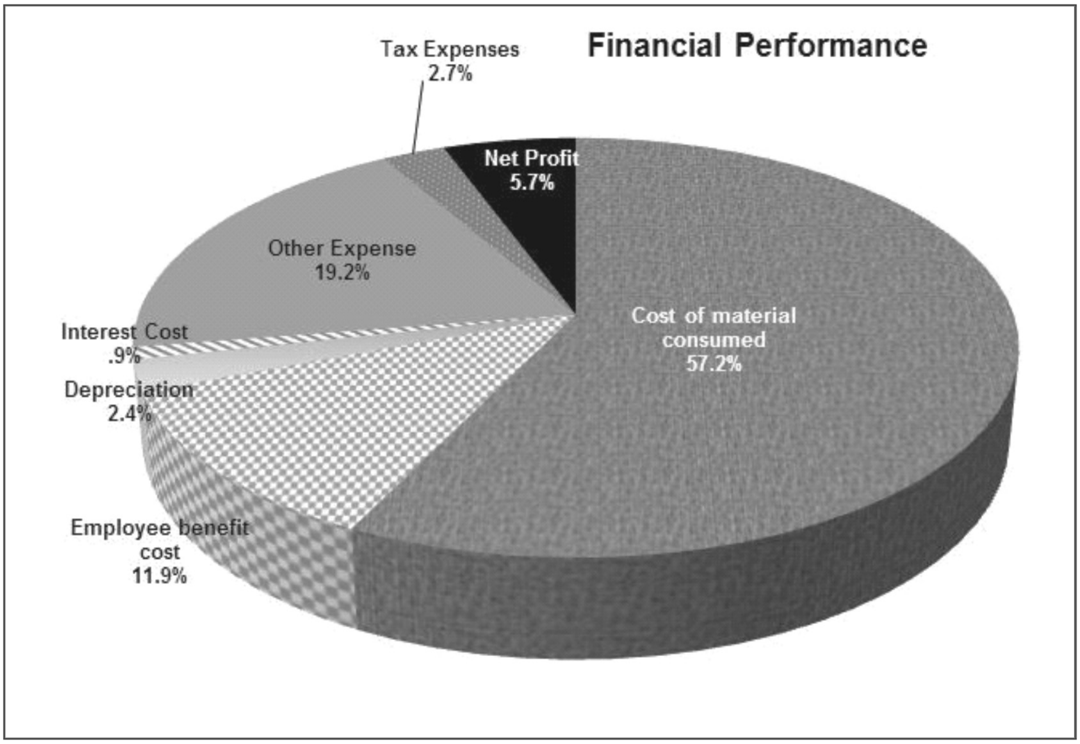
Chart 2: 5- Year Revenue Distribution



Expenditure Analysis

Chart below shows the distribution of various costs as percentage of the Company's revenues

Chart 3: Percentage distribution of Costs



Cost of Goods Analysis

The Company continues to its strategy of buying of commodities at opportune time as well as buying from mandis and traders. Several commodities such as lentils, spices, frozen vegetables and oils and fats are bought through medium and long term contracts that reduce the volatility of these prices. In FY13 the Company saw the prices of a few commodity classes such as vegetables and tomato paste decline over the previous year while others such as dairy and lentils increased on account of local demand and international prices.

The company continues to buy majority of its raw materials from mandis/ traders and therefore, continues to be exposed to volatility in input commodity fluctuations. In this background, your Company's expense on raw and packing material costs (as a percentage of sales) was 60.6% in FY13 as compared to 62.2% in FY12.

Manufacturing and Other Expenses

In FY13, key changes to the manufacturing and other expenses are explained hereunder:

- Consumption of stores and spares improved from 3.7% of revenue in FY12 to 3.4% in FY13 on account of better shift productivity of production lines.
- Power and fuel costs in FY13 have remained almost in line at 2.52% compared to previous year at 2.52% of revenue. Increased shifted productivity helped offset the impact of increase in power rates.
- Payroll expenses including salaries, wages, bonus and gratuity expenses have reduced to 11.94% of revenue in FY13 compared to 12.63% of revenue in FY12.
- Freight has remained almost the same at 5.89% of revenue in FY13 to 5.85% of revenue in FY12.

The Company continues to implement its aggressive cost reduction programs to improve efficiency and reduce downtime.

Foreign Exchange Transactions

The Company has a forex risk hedging policy. The Company continues to hedge its exposure to foreign exchange risk by entering into forward contracts covering its existing and projected export sales.

The Company booked a net loss on account of various foreign exchange contracts of Rs. 1.3 Cr and provided for Rs. 0.1 Cr towards mark-to-market loss position on derivatives.

The Company's bulk of revenue is generated through its exports, which consist of transactions in US Dollar and Australian Dollar. The trend in exchange rates of Indian Rupees vis-à-vis these currencies are as follows:

Currency	FY 13 (as on March 29)*	FY 12 (as on March 30)*	Currency change FY13 vs. FY 12
USD	54.28	50.87	6.7 %
AUD	56.54	52.65	7.4%

**as on last business day*

As on March 31, 2013, Company's outstanding forward contracts for the purpose of hedging its exposure to foreign currency receivables USD 1,550 thousand and no contract were outstanding towards AUD. Towards the end of Q4, INR strengthened on account of lower crude and gold prices helping Current Account Deficit to remain under control.

Also, the Company has exercised the option available to it under Para 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items".

EBITDA

Consequently, operating EBITDA of the Company has jumped to Rs. 14.8 Cr in FY13 compared to Rs. 5.67 Cr in FY12. EBITDA increased to 13.2% of total revenues from 9.6% in FY12. The increased margins are due to better margins in domestic business and value added products. The company estimates that food inflation will continue to put pressure on margins on both the export and domestic businesses.

Finance Costs

Financial expenses in FY13 are at Rs. 1.05 Cr compared to Rs. 1.17 Cr in FY12. Interest costs as a percentage of revenues was 0.94% in FY13 compared to 1.41% in FY12.

The Company is utilizing working capital facilities from Axis Bank Limited and Ratnakar Bank Limited. As on March 31, 2013, total limits utilized stood at Rs. 10.5 Cr. Majority of the facilities availed by the Company are in foreign currency and linked to LIBOR rates; and therefore any movement in exchange rates and LIBOR impacts interest costs.

Interest costs for FY13 were also reduced due to repayment of Term Loan availed from Axis Bank Ltd. during the year. At the same time, the interest cost relating to External Commercial Borrowings availed by the Company are LIBOR linked. Though due to rupee depreciation despite lower LIBOR rates, the interest outgo as such was more, large part of the interest component on ECB of USD 4 mn availed has been capitalized resulting into lower interest expenditure.

The Company has not hedged its borrowings against foreign exchange or interest rate movements.

Interest coverage ratio improved at a healthy level to close at 14.21 times in FY13 compared to 6.75 times in FY12.

Depreciation and Amortization

Depreciation increased to Rs. 2.7 Cr in FY13 compared to Rs. 2.1 Cr in FY12. This is on account of capex expansion and consequent capitalization amounting to Rs. 3.56 cr.

The depreciation was charged on a two-shift basis on plant & machinery.

Net Profit

Net profit of TBEL jumped to Rs. 6.32 Cr (5.7% of the total revenues) in FY13 from Rs. 1.66 Crores (2% of the total revenues) in FY12.

BALANCE SHEET ANALYSIS

Share Capital

There is only one class of equity shares having a face value of Rs. 10 each. Currently the Company has a total of 2,566,000 equity shares issued and fully paid up.

The Company also has 59,530 preference shares of face value of Rs. 100 each (1% Non-Cumulative Non-Convertible Redeemable) which are due for redemption on August 31, 2018 at their issued premium of Rs. 1950 per preference share.

Fixed Assets

There were additions to the Company's Building, Plant and Machinery and Electrical Installations Rs. 3.56 Cr during the financial year as part of the planned of its manufacturing facility. The total gross block of tangible fixed assets of the Company as on 31 March 2013 is Rs. 48.6 Cr. Further, the Company has Rs. 11.71 Cr of capital assets in progress of construction/implementation.

Provisions

As per the Accounting Standard relating to employee benefit, provision of Rs. 1.12 Cr towards Leave Encashment and Gratuity has been made as of March 31, 2013.

Ratio Analysis	FY13	FY 12	FY 11
Ratio - Financial Performance			
Export Sales/Total Sales (%)	67.8	75.3	77.7
Domestic Sales/Total Sales (%)	32.1	24.7	22.2
Gross Profit /Total Revenue (%)	42.8	41.5	39.5
Aggregate Employee Cost / Total Revenue (%)	11.9	12.6	13.1
Earnings before Depreciation, interest and taxes / Total Revenue (%)	13.2	9.6	6.1
Depreciation / Total Revenue (%)	2.4	2.5	2.0
Interest / Total Revenue (%)	0.9	1.4	1.1
Profit Before Tax / Total Revenue (%)	8.4	2.9	3.7
Profit After Tax / Total Revenue (%)	5.6	2.0	2.3
Ratio - balance Sheet			
Debt - Equity Ratio	1.42	0.87	0.76
Current Ratio	1.42	1.24	1.50
Days Accounts Receivables	61	43	67
Days Inventory	34	31	35
Days Accounts Payable	69	72	68
Ratios - Return			
ROCE (PBIT / capital employed) (%)	13.78	7.48	9.52
Return on average invested capital (%)	23.02	6.98	8.47
Capital Output ratio	1.48	1.74	1.97
Ratios - Per Share			
Basic EPS (Rs.)	24.62	6.45	7.33
Book value (Rs.)	71.18	47.73	42.44
Price, end of year (Rs.)	138.95	127.95	134.10
Price / Earnings, end of year (Rs.)	5.64	19.84	18.29
Market capitalization / Total Revenue, end of year	0.32	0.40	0.42

C. OPPORTUNITIES AND THREATS

The international market for convenient, natural and specialty foods is one of the fast growing categories in supermarkets. The Tasty Bite brand continued to show one of the fastest rates of growth within this category and currently occupies a 65% market share in natural supermarkets and a 24% market share in the mainstream grocery markets for Indian and pan-Asian foods.

The institutional business for the Company in India has also grown aggressively achieving a 75% growth over the previous financial year. The increase in quick-service restaurants coupled with new entrants and the increase in frozen product offerings enabled the Company to grow in this segment. The Company has added several new customers and through its R&D center developed specialized products to service the needs of the Indian consumer.

Going forward, growth in revenue will continue to be driven by increasing width of distribution in key markets as well as increasing velocity in existing distribution. Width of distribution will be through new product categories and SKUs in existing stores and acquired distribution in new supermarkets while velocity pertains to increasing the frequency of product usage. The Company's products occupy a dominant share of the Indian category and there is always a threat from new entrants in the market that can potentially reduce the market share of the Company's products.

In the Indian market, your Company will continue to add on its existing base of customers and products focused on the food service industry. The Company will continue to focus on forging strong customer partnerships with leading players in the quick-service restaurant and other food companies in India to grow this segment.

D. RISKS, CONCERNS & RISK MITIGATION

A large part of the company's revenues comes from the US market, and a general economic slowdown or factors that impact the economic health of this economy has the potential to negatively impact the growth of our business.

Since exports continue to be a dominant part of the Company's revenues, volatility of the Indian rupee vis-à-vis the US dollar and Australian dollar will have a positive or adverse impact on the revenues and profitability of the business. While the Indian rupee has depreciated vis-à-vis the USD but the same has an inflationary impact on many commodities that the Company purchases such as vegetable oils and tomato paste. Further, as most of its export revenues come from international markets, a weaker rupee increases the cost of freight and logistics. The Company also has taken ECB financing for its capital expansion projects and foreign currency packing credit to fund its working capital. A depreciation of the INR increases the cost of servicing these loans. The Company hedges its foreign exchange risk using forward contracts in accordance with its risk management policies and procedure. The Company also has partial natural hedge against currency risks because of its use of certain raw and packaging materials that are imported and priced in US dollars.

The Company is also subject to volatility in the prices of its agricultural and packaging inputs. Agricultural commodities are impacted by many factors such as monsoons, global prices and local supply and demand. The Company enters into short to medium term rate contracts for some of its key raw materials. The cold storage facility at the factory enables to procure and store vegetables in season in order to manage these costs.

The Company exports by sea to various global markets and any change in oil costs or supply and demand can lead to increased shipping costs which would have an impact on our margins. Freight costs in FY13 increased over FY12 and are expected to remain relatively stable during FY14.

The Company understands that consistent deliverance of "great" taste will ensure global competitiveness. In the consumer business there are no minimum purchase commitments or contracts with customers. The growth is dependent upon the market demand for this kind of products and our ability to deliver great tasting products at globally competitive prices.

As the Company's revenues are dependent upon a few markets and within that to a limited number of customers (retailers, distributors and corporates), the growth is also linked to the customers' and the overall category growth in the markets they operate in.

E. HUMAN RESOURCES, INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMENT

Human Resources and Industrial Relations

The Company strives in its HR initiatives **to *be an engine for instituting value and a performance driven culture in a Transparent, Energetic and fun work environment.***

Tasty Bite believes in achieving Organizational excellence through the development of its human resources. It follows 'People First' approach to leverage the potential of its 185 employees. Professional training programs, recognition systems and skill enhancement initiatives make Tasty Bite a learning Organization and one of the Great Places to Work for in India. The Company has been regularly rated as one of "India's Best Companies to work for" in studies done jointly by the Economic Times of India and Great Places to Work Institute, India.

We are proud of this recognition and delighted to know that the Tasty Bite family has built such a "Great Place to Work At".

Industrial relations at the plant continued to be cordial. The committed efforts of the team and the sustained motivation of the employees have resulted in the Company posting significant productivity gains and achieving several production records.

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

Quality

The Company's stated mission for quality is to "rise beyond certifications". The Company continues to be certified for the following certifications:

- ISO-9001/2000, HACCP (Hazard Analysis & Critical Control Points);
- ISO-14001 (Environmental Management Systems);
- ISO 22000 (Integrated Food Safety);
- OHSAS 18001 (Occupational Health and Safety) &

The Company continues the CT-PAT (Customs Trade Partnership against Terrorism) advantage for exports - without too much delay or inspections into the United States of America.

Environment:

The Company is certified for Environmental Management Systems (ISO-14001) and the management and employees continue to be deeply committed towards doing our little bit to preserve the environment. While these initiatives are responsible to the resources that the company utilizes they also make sound economic sense and add to the long term sustainability of the business.

We recognize that by nature, the food processing industry is a prodigious consumer of water, another increasingly scarce resource. We have invested a lot of resources in effluent treatment through biological intervention rather than polluting chemicals. More importantly, the effluent treatment plant becomes a valuable source of irrigation allowing us to recycle 100% of the treated water to our agricultural farm where we grow vegetables and herbs that are important raw materials in our processing plant. Excellent examples of the initiatives taken by the Company officials have been reported in the community development section below.

The Company has also invested in a new boiler that would improve the efficiency of steam generation aside from adding incremental capacity. Today, 100% of the steam generated is done using briquettes that are made from agricultural waste and sourced within a few miles from the factory.

Community Development:

It is Tasty Bite's conviction that in order to be a world-class company, one has to be a world-class corporate citizen, fully conscious of its social responsibilities. As part of this endeavor, the Company has been committing itself to undertake community and development programs with local schools, environmental initiatives and Tasty Bite Meal support program.

Education Initiatives:

- Our program to provide a suitable education grant for children of the factory employees is going successfully. About 15-20 employees' children avail this facility every year.
- The Company is working with a school in the local Bhandgaon village to aid the education of primary and secondary children. Last year, the Company provided the school with E-Learning software and LCD projector with screen to aid children from standard 1st to standard 10th learn their syllabus in an interactive and more creative way. This is truly a case of public-private partnership that is impacting the lives of young children to compete with the modernised world.

- The Company conducts a scholarship examination with the help of a Trust in several schools near the factory. These exams are conducted to motivate children in rural areas and create awareness on the importance of education. Each qualified child gets Rs 1500 as an award. The award is given to children whose academic results are outstanding and considering their socio-economic situation. Though the Government of India provides grants to rural schools and supports students with academic books and uniforms there are many other necessities such as geometry boxes, colouring sets etc. that are required for their studies but not available because their families are unable to afford the same. The scholarship cash award helps them fulfill these requirements. On 24th of January 2012, about 300 students attended the examination conducted by Tasty Bite. Approximately 58 students qualified for this Scholarship.

Environmental Initiative:

Use of ETP water, factory and agricultural waste by the Company in composting for the farm, increasing the farm cultivation area five-fold in less than a year. Water from our factory is 100% cleaned and recycled for use in our agricultural farms. Continued engagement with farmers around the area helps in sharing of ideas and techniques. The Company is working with a local organic farming group to convert its farm into an organic farm and has already started adopting best practices to make this happen. Water is a very important resource and as a food company the Company utilizes over 3 lakh liters every day. The company has also recently invested in an innovative rain water conservation technology that would help in raising the water table level in and around the Company's farm.

Promoting entrepreneurship:

- The Company encourages an entrepreneurial spirit, which is an embodiment of the organizational values both within the organization and the social environment. It has identified local entrepreneurs and retired workers to do pre-processing activity for basic agricultural produce and supply value-added material to the Company. This allows the Company to source the freshest produce from local farmers.

Tasty Bite's Green Initiative:

- As part of Tasty Bite's green initiative, a special program of tree plantation is conducted every year at the factory and in nearby villages. Tasty Bite provides around 2000 saplings to villages around the factory. The village roadside looks clean and green. Every villager has committed to take care and water the tree in front of his or her home.

Tasty Bite Meal support program:

Tasty Bite supports various organizations such as the Pandita Ramabai Missionary for neglected members of society like widows, girl orphans etc. and the blind school with free meals, thus bringing smiles & happiness to their faces.

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Tasty Bite Eatables Limited has in place adequate systems and processes for internal controls to provide reasonable assurance with regard to information and maintenance of proper accounting records, reliability of financial information, and efficient utilization of the Company's resources and safeguarding of assets. The Company is continuously strengthening the internal control systems through regularly conducted internal audits and integration of its ERP system across all supply chain and manufacturing processes.

The CEO and CFO certification provided in this report discusses the adequacy of the internal controls systems and procedures.

G. CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's results include, among others, economic conditions affecting demand / supply, price conditions in the 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.

AUDITORS

M/s Kalyaniwalla & Mistry, Chartered Accountants, Pune, retire as the Auditors of the Company at the forthcoming Annual General Meeting and are eligible for re-appointment. The Directors recommend that M/s Kalyaniwalla & Mistry, Chartered Accountants, Pune, be re-appointed as the Company's Auditors to hold office until the conclusion of the next Annual General Meeting. The Company has received confirmation that their appointment, if made, will be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

Information in accordance with provisions of Sec 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosures of Particulars in The Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in the Annexure B forming part of this Report.

PERSONNEL

During the year under review, the industrial relations of the Company continued to be cordial and peaceful.

Information as per Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, is NIL.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation for the confidence reposed and continued support extended by the customers, suppliers and shareholders as well as the bankers to the Company.

Your Directors also place on record their deep sense of appreciation for the efforts and contribution of the executives, staff and workers of the company during 2012-13.

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

Date : May 8, 2013 **Ashok Vasudevan**
Place : Pune **Chairman**

ANNEXURE TO DIRECTORS' REPORT

Annexure A

The Members
Tasty Bite Eatables Limited

Re: Corporate Governance Certificate

I have examined the compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited (the Company) for the year ended on March 31, 2013 as stipulated in Clause 49 of the Listing Agreement entered into with BSE Limited.

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

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

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

J. N. Mavji
Practising Company Secretary
Membership No. 6111
Certificate of Practice No. FCS 2821

Date : 8 May 2013
Place : Pune

Annexure B

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO:

A. CONSERVATION OF ENERGY:

a) Energy Conservation measures taken

i. Company continues to use briquettes as a measure for energy conservation.

ii. Company has incurred Rs. 69 Lacs on modification to the refrigeration system and cold storage to improve on the operational efficiency

b) Additional investment & proposals for reduction of consumption of energy being proposed. Nil

c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods - Nil

d) Total energy consumption & energy consumption per unit of production as per Form A of the Annexure

B. TECHNOLOGY ABSORPTION

e) Efforts made in technology absorption as per Form B of the Annexure

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Total foreign exchange used & earned

	Current year	Previous Year
Used (Rs. lacs)	2139.61	1208.27
Earned (Rs. lacs)	6695.70	5490.80

FORM A

(A) Power and Fuel Consumption:

1. Electricity	Current Year	Previous Year
a) purchased unit (in KWH)	**3,793,490**	3,144,020
Total amount (in Rs.)	**28,891,216**	20,430,770
Rate/unit (in Rs.)	**7.62**	6.50

b) Own Generation :

Through Diesel Generator: A very small amount of electric power was generated through 750 KVA DG sets installed as stand-by arrangements, whenever there is power shortage from MSEDCL.

2. Others (Briquettes)		
Qty (in ton)	**3,644.41**	2,268.50
Total amount (in Rs.)	**17,789,154**	10,666,122
Average rate (in Rs./ton)	**4,881.21**	4,701.84

(B) Consumption Per Unit Production:

Standard products (with details) unit		
Electricity : KWH/KG	**0.341**	0.347
Furnace oil : KG/ KG	–	–
Briquettes : KG/ KG	**0.253**	0.251

FORM B

(A) RESEARCH & DEVELOPMENT (R & D)

1. Specific areas in which R & D carried out by the Company

   Company has focused on development of innovative Asian Noodles and Organic rice products by using the thermal processing technologies to impart great taste, consistency and the real convenience to the customer. Also continued the Research and Development in Frozen processing technologies and innovated a range of Frozen formed products. Expanded the development capabilities into Emulsion base sauce like Mayonnaise, Dips etc. Continued the Research and Product development initiatives to design nutritionally balanced meals.

2. Benefits derived as result of the above R & D

   Commercialized 6 SKU's of Asian Noodles for export market and also 5 SKU's of frozen formed products to Indian QSR customers.

3. Future plan of action

   Company will continue to focus on Research and Development of Frozen processing technologies, Frozen meals, Organic foods, Emulsion base sauces/dips and expand the product range in the Thermal processing segment.

4. Expenditure on R & D

a)	Capital (in Rs.000)	46
b)	Recurring (in Rs.000)	13,389
c)	Total (in Rs.000)	13,435
d)	Total R & D expenditure as a percentage of total turnover	1.2%

(B) TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

1.	Efforts in brief, made towards technology, absorption, Adaptation and Innovation	**NIL**
2.	Benefits derived as a result of above efforts	
3.	Technology Imported (during last 5 years)	

CORPORATE GOVERNANCE REPORT

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 continues to upgrade its management practices to conform to the norms of ideal corporate governance at frequent intervals.

BOARD OF DIRECTORS

a) Composition of Board

The Company is managed by the Board of Directors with a Non-Executive Promoter Chairman, a Non-Executive Promoter Director, an Executive Director, three eminently qualified Independent Directors and an Alternate Director to the Non-Executive Promoter Director.

b) Board Meetings

There were five Board Meetings during the year ended March 31, 2013. These were on May 30, 2012, August 06, 2012, November 05, 2012, January 17, 2013 and February 04, 2013 and the maximum interval between any two meetings was not more than 4 months.

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

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

The Board's role, functions, responsibility and accountability are clearly defined. In addition to matters statutorily requiring Board's approval, including Annexure 1A to Clause 49 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 procedures about the risk assessment minimization procedure to ensure that executive management controls risk through means of properly defined framework. The minutes of the Board Meeting are circulated in advance to all Directors for their comments and confirmed at subsequent Meeting.

c) Directors attendance record & directorships held

Sr. No. (1)	Name of the Director (2)	Category Of Directorship (3)	Attendance in Board Meetings during 2012-13 (4)	Attendance at last AGM held on 06.09.12 (5)	No. of other Directorships as on 31.03.13 # (6)	No. of other Committee position held as on 31.03.13 (Other Companies)$ (7)	No.of Shares held (8)
1.	Mr. Ashok Vasudevan	N.E.D.	1	Yes	3	NIL	NIL
2.	Mrs. Meera Vasudevan	N.E.D.	1	Yes	2	NIL	NIL
3.	Mr. Ravi Nigam	E.D.	5	Yes	1	NIL	200@
4.	Mr. K. P. Balasubramaniam	I.D.	4	Yes	5	2 (member)	2291^
5.	Dr. V. S. Arunachalam	I.D.	4	No	2	NIL	NIL
6.	Mr. Kavas Patel	I.D.	4	Yes	8	4 (Chairman of 4)	NIL
7.	Mr. Sohel Shikari*	A.D.	4	N.A.	2	NIL	NIL

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

Mrs. Meera Vasudevan is wife of Mr. Ashok Vasudevan

*Mr. Sohel Shikari, Group CFO ceased to be an A.D. to Mrs. Meera Vasudevan as on 31.03.2013

including Private limited companies and excluding foreign companies

$ Audit and Shareholders' Grievance Committees of Public Limited Companies are considered

@ out of which 100 as joint holder

^ out of which 1500 as joint holder

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

COMMITTEES OF THE BOARD

a) AUDIT COMMITTEE

There were four Audit Committee meetings during the relevant year viz. on May 30, 2012, August 06, 2012, November 05, 2012 and February 04, 2013. The Audit Committee consists of four members, three being Independent, Non-Executive Directors and one Executive Director i.e. the Managing Director of the Company. All the members of the Audit Committee have adequate accounting and financial knowledge.

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

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

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

All Members of the Committee have wide exposure and possess sound knowledge in the areas of accounts, finance, business and internal control. The composition of the committee is in conformity with the Clause 49 (II) of the Listing Agreement.

Terms of reference

The powers, duties and terms of reference of the Committee are as mentioned in Clause 49 of the Listing Agreement with the BSE Limited and Section 292A of the Companies Act, 1956 which are:

(a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.

(b) Recommend the appointment and removal of Statutory Auditors, and fixation of audit fees and charges for other services.

(c) Recommendation of appointment of Internal Auditors and Cost Auditor.

(d) Review the quarterly, half yearly and annual financial statements before submission to the Board or to the Members.

(e) Reviewing performance of Statutory/Internal Auditors.

(f) Review the adequacy and quality of internal control systems and seek information from any employee.

(g) Review and comment on draft audit report / Report to management & qualifications.

(h) Review any change in Accounting Policies and practices.

(i) Compliance with stock exchange - listing requirements.

(j) Compliance with other Corporate and Foreign Exchange laws vis-à-vis remittances made and received.

(k) Discussion with external auditors on the nature, time period and scope of the audit and post-audit review on any areas of concern.

(l) Reviewing the Company's financial and risk management policies.

(m) Look into reasons for defaults, if any, in the payment to creditors/ suppliers/government/shareholders (in case of non-payment of declared dividends).

(n) Look into reasons for defaults by Company's customers, dealers, distributors & credit days' control & review bad & doubtful debts.

(o) In addition to the above, all items listed in clause 49(II) (D), (E) and clause 49 (iv) of the Listing Agreement.

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

b) SHAREHOLDERS' GRIEVANCE COMMITTEE

During the relevant financial year, there were four meetings held on May 30, 2012, August 06, 2012, November 05, 2012 and February 04, 2013. The Shareholders' Grievance Committee of the Board looks into the redressal of shareholder complaints like share transfers, non-receipt of Annual Reports, issue of duplicate shares, non-receipt of declared dividends etc. and redressal thereof. The Committee comprises of:

Mr. K. P. Balasubramaniam	Chairman	Independent Director
Dr. V.S. Arunachalam	Member	Independent Director
Mr. Kavas Patel	Member	Independent Director

The Compliance Officer was Ms. Anuja Laturkar, Company Secretary.

At the beginning of the year under review, there were no investor complaints that remained unresolved. During the year, the Company has received 5 (Five) complaints which were resolved and no complaint is pending as on March 31, 2013.

c) REMUNERATION COMMITTEE

The Board of Directors have constituted a Remuneration Committee to formulate from time to time a process for appointment of Managing Director and Whole Time Directors and succession plan and to recommend to the Board from time to time, a compensation structure for them to manage the Company.

The Committee consists of following independent non-executive directors:

Mr. K. P. Balasubramaniam	Chairman	Independent Director
Dr. V.S. Arunachalam	Member	Independent Director
Mr. Kavas Patel	Member	Independent Director

DETAILS OF REMUNERATION OF THE BOARD OF DIRECTORS

All decisions related to the remuneration of the Directors, both Executive & 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 & Non executive directors for the year 2012-13 are as follows:

(Rs.)

Name of the Director	Basic Salary	Allowance & Perquisites*	Performance linked Incentive / Commission / Bonus	Company Contribution to Provident Fund & Pension	Sitting fees	Total
Mr. Ashok Vasudevan	—	—	—	—	—	—
Mrs. Meera Vasudevan	—	—	—	—	—	—
Mr. K. P. Balasubramaniam	—	—	—	—	2,00,000	2,00,000
Dr. V. S. Arunachalam	—	—	—	—	2,00,000	2,00,000
Mr. Kavas Patel	—	—	—	—	2,00,000	2,00,000
Mr. Ravi Nigam	42,23,748	3,39,638	—	5,06,850	—	5,070,236
Mr. Sohel Shikari	—	—	—	—	—	Refer note

* perquisites include leave encashment
** excluding service tax

Notes :

1. Mr. Ravi Nigam has been re-appointed as Managing Director of the Company w.e.f. July 20, 2011 for a period of 5 years. The agreement with Mr. Ravi Nigam, Managing Director is for a period of five years which is expiring on July 19, 2016. The shareholders, subject to the approval of the Central Government, have approved the remuneration payable to Mr. Ravi Nigam for a period of 3 years upto July 19, 2014 at the AGM held on September 5, 2011 and further as detailed in the notice and the explanatory statement of the Annual General Meeting held on September 5, 2011. The Central Government, vide its letter dated May 1, 2012, approved minimum remuneration of Rs. 41,80,991/- for the period. The Board of Directors at their meeting held on May 8, 2013 revised the remuneration within the limits approved by the shareholders in the AGM held on September 5, 2011 and within the limits provided under applicable provisions of the Companies Act, 1956.

2. Mr. Sohel Shikari receives salary as Group Chief Financial Officer. The Central Government, vide its letter no. SRN B22904767/1/2011-CL-VII dated April 8, 2013 has held that since he is being paid remuneration only as a Group Chief Financial Officer of the Company, a non-Board-level-position, and not as a whole time director of the Company, hence the application is not maintainable.

3. Agreement with the Managing Director can be terminated by giving three month notice in writing by either party. He is not eligible for any commission or performance bonus as per the terms of appointment.

4. No stock option scheme has been framed by the Company for directors and other executives.

c) Remuneration Policy

The Board of Directors has fixed the remuneration of the Managing Director which was approved by the shareholders, as recommended by the Remuneration Committee in the resolution passed at the Annual General Meeting of September 5, 2011. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the Indian corporates, financial position of the Company etc. The remuneration structure comprises of basic salary, perquisites and allowances, contribution to provident fund and other funds in accordance with Section 198 & 309 of the Companies Act. The non-executive directors do not draw any remuneration from the Company except sitting fees for each meeting of the Board & Committees thereof paid to the Independent Directors.

CODE OF CONDUCT

The Board of Directors of the Company has laid down a Code of Conduct for all its Members and senior managerial personnel in line with the industry practice and all the members of the Board & the Senior Managerial personnel of the Company have confirmed compliance with the Code of Conduct for the year under review, as adopted by the Company. The confirmation from the Managing Director regarding the compliance with the Code by all the Directors and Senior Management is annexed to the Report.

GENERAL BODY MEETINGS

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

Financial year ended	Date & Time	Venue	Special Resolution
2011-12	September 6, 2012, 12.00 noon	Registered Office	None
2010-11	September 5, 2011, 12.30 p.m	Registered Office	1. Waiver of excess remuneration to Managing Director 2. Waiver of excess remuneration to Alternate Director & Group CFO 3. Approval of Remuneration to Managing Director for his balance tenure up to July 19, 2011 4. Appointment of Managing Director for 5 years and approval of remuneration for 3 years w.e.f. July 20, 2011. 5. Appointment and remuneration of Alternate Director & Group CFO for 3 years w.e.f. April 1, 2011.
2009-10	September 16, 2010, 03.00 p.m.	Le Meridien Pune, RBM Road, Pune 411 001	None

- The Registered Office of the Company is situated at 204, Mayfair Towers, Shivajinagar, Wakdewadi, Mumbai-Pune Road, Pune- 411005.
- All resolutions moved at the last Annual General Meeting were passed by a show of hands by the members present at the meeting.

DISCLOSURES

1. The transactions with related parties do not have potential conflict with the interests of the Company at large. A comprehensive list of related party transactions as required by the Accounting Standards (AS) 18 issued by Institute of Chartered Accountants of India, forms part of Note No. 34 of the Accounts in the Annual Report.

2. There has been no instance of non- compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or the Stock Exchanges or any other statutory authority does not arise.
3. The Company has laid down procedures to inform Board members about the risk assessment and minimization procedures. 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 Audit Committee and the Board.
4. There has been no public, rights or preferential issues of shares and debentures during the year.
5. As required by Clause 49 of the listing Agreement, the Company has obtained a certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure A to the Directors' Report.
6. With reference to the Cost Audit Order F. No. 52/26/CAB-2010 dated January 24, 2012 and General Circular No. 15/2011 - 52/5/CAB-2011 dated April 11, 2011 issued by the Government of India, Ministry of Corporate Affairs, Cost Audit Branch, New Delhi, following are the details of Cost Auditor appointed for financial year ended March 31, 2013:

M/s. A J Paranjape & Co.

Cost Accountant

20,Tapodhan Society,

Shahu College Road, Parvati,

Pune 411009, Maharashtra

Membership No. 18254

In terms of notification dated 3rd June 2011, Ministry of Corporate Affairs notified The Companies (Cost Accounting Records) Rules, 2011, the Company has filed Compliance Certificate for the financial year ended on March 31, 2012 from M/s. A J Paranjape & Co. on December 27, 2012.

7. Disclosure under Clause 5AII of the Listing Agreement in respect of unclaimed shares:

The Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/DIL/10/2010 dated 16 December 2010, inserted new Clause 5AII containing uniform procedure for dealing with unclaimed shares.

Pursuant to the said circular, the Company had sent three reminder letters to such shareholders whose share certificates have remained unclaimed, by requesting them to update correct details viz. postal addresses, PAN details etc. registered with the Company in order to avoid transfer of such unclaimed shares to the 'Unclaimed Suspense Account'.

Out of the total shares certificates representing 1400 shares lying unclaimed with the Company, share certificates representing 200 shares are lying unclaimed as on March 31, 2013. The Company has started the procedure of opening the 'Unclaimed Suspense Account'.

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

- **Whistle Blower Policy** :
- Your Company has adopted and circulated whistle blower policy to provide necessary forum to raise any corporate governance issue to the management. This policy encourages employees to communicate incidents of any misuse of company’s properties, any mismanagement or wrongful conduct prevailing anywhere within the organization.
- 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.

- Training of Board Members/ Mechanism for evaluating non-executive directors.

  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 no formal system of evaluating them.

MEANS OF COMMUNICATION

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

ICRA ratings

In July 2012, ICRA Limited has assigned a long term rating of [ICRA]BBB (pronounced ICRA Triple B) with a stable outlook and a short term rating of [ICRA]A2 (pronounced ICRA A Two), to the Company's Rs. 25 Crore Line of Credit.

GENERAL SHAREHOLDER INFORMATION

a)	**Annual General Meeting**		
	- Date and Time	:	September 10, 2013 at 11.00 am
	- Venue	:	Registered Office at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005
b)	**Financial Calendar (tentative)**		
	Financial reporting for		
	- the quarter ending June 30, 2013	:	Second week of August, 2013
	- the half year ending September 30, 2013	:	Second week of October, 2013
	- the quarter ending December 31, 2013	:	Second week of February, 2014
	- year ending March 31, 2014	:	May, 2014
	Annual General Meeting for the year ending March 31, 2014	:	September, 2014
c)	**Financial Year**	:	April 1 to March 31
d)	**Dates of Book Closure**	:	August 30, 2013 to September 10, 2013 (both days inclusive)
e)	**Dividend Payment**	:	Re. 1 per each equity share of Rs. 10 & Re. 1 per each preference share of Rs. 100 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting
f)	**Listing on Stock Exchange**	:	BSE Limited (BSE) Code : 519091 ISIN : INE 488B01017 Group : B
g)	**Registrar & Share Transfer Agent**	:	M/s Karvy Computershare Pvt. Ltd. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081 Ph : 040 - 44655116, Fax : 040 - 23420814 e-mail : mahendra.singh@karvy.com

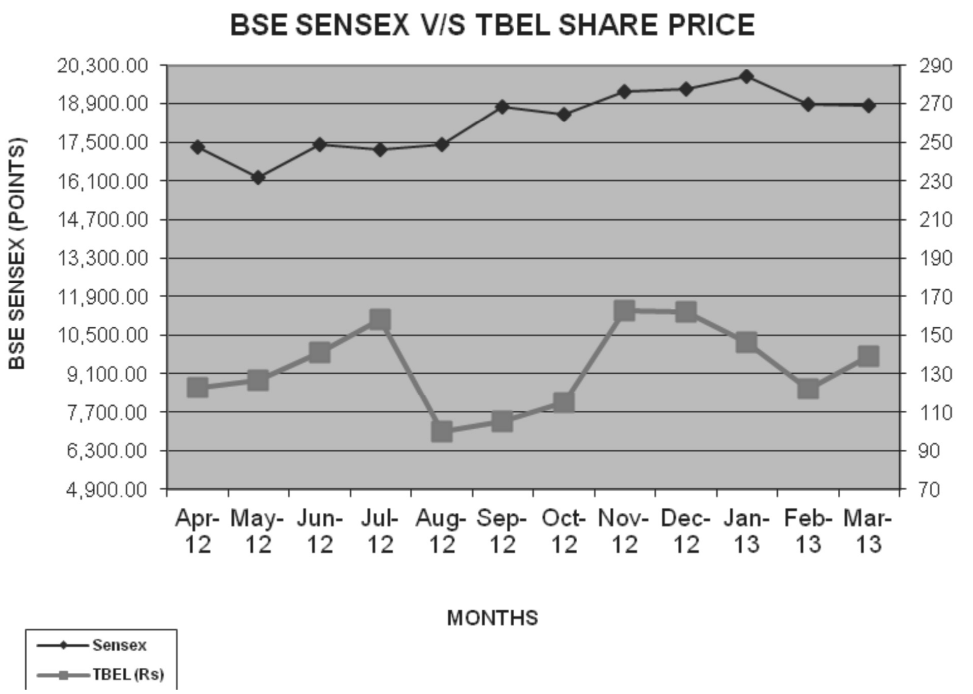
h) Stock Market data

The Market Price and Volume of the Company's Equity Shares traded on the BSE Limited; Mumbai during the year 2012-13 is as follows;

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)	Spread (Rs.) H-L
April 12	135.8	113.05	3,257	22.75
May 12	129.15	111.1	5,431	18.05
June 12	141.75	121	6,227	20.75
July 12	177.55	135.25	13,239	42.3
August 12	166	94.6	12,112	71.4
September 12	120	96.05	12,621	23.95
October 12	120.75	99.85	9,245	20.9
November 12	162.55	109.3	27,158	53.25
December 12	172	156	16,582	16
January 13	169.7	142.5	8,241	27.2
February 13	159	119.65	4,778	39.35
March 13	147	111.15	3,782	35.85

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

Stock performance Vs BSE Sensex :



The graph relates to the monthly closing price/ indices.

i) Share Transfer System

In respect of transfer of shares, shareholders are advised to contact M/s. Karvy Computershare Pvt. Ltd. directly. Share transfers/transmissions and split/consolidation requests are cleared well within 15 days. Requests for issue of duplicate share certificates are normally cleared within 25 days, subject to the documents being complete in all respects.

Reconciliation of Share Capital Audit Report

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

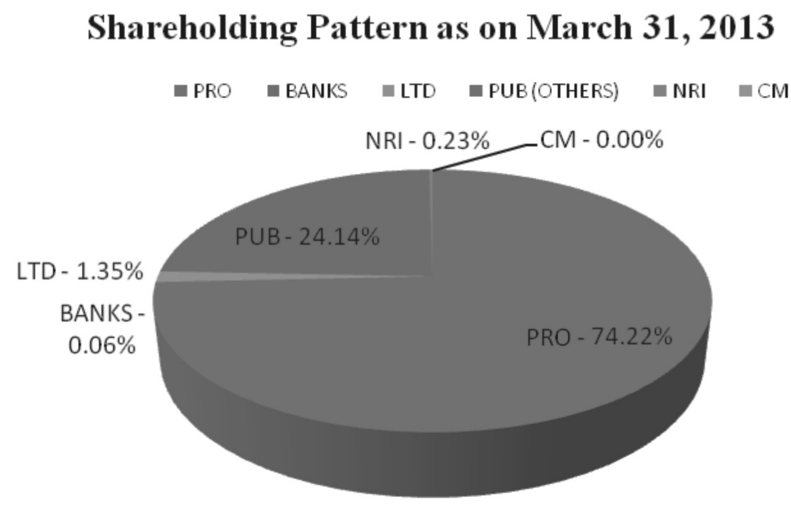
j) Distribution of Shareholding as on 31st March, 2013

As of March 31, 2013, the distribution of the Company's shareholding was as follows:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount(Rs.)	% of Amount
1 - 5000	1680	92.054794 %	214649	2146490	8.365121 %
5001 - 10000	76	4.164383 %	60628	606280	2.362744 %
10001 - 20000	33	1.808219 %	48321	483210	1.883125 %
20001 - 30000	10	0.547945 %	27580	275800	1.074825 %
30001 - 40000	5	0.273973 %	16515	165150	0.643609 %
40001 - 50000	11	0.602740 %	50143	501430	1.954131 %
50001 - 100000	4	0.219178 %	25516	255160	0.994388 %
100001 & Above	6	0.328767 %	2122648	21226480	82.722058 %
Total	**1825**	**100 %**	**2566000**	**25660000**	**100 %**

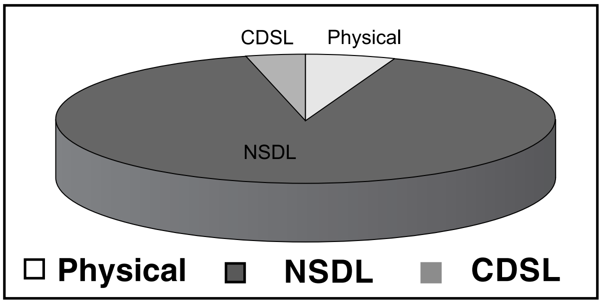
k) Shareholding Pattern as on March 31, 2013

Category	No. of Holders	Total Shares	% To Equity
PROMOTERS	1	1904510	74.22%
BANKS	1	1500	0.06%
BODIES CORPORATE	57	34539	1.35%
PUBLIC	1747	619378	24.14%
NON RESIDENT INDIANS	18	6023	0.23%
CLEARING MEMBERS	1	50	0.00%
Total	**1825**	**2566000**	**100.00%**



l) Dematerialization of shares and liquidity as on March 31, 2013

Description	No. of cases	Total Shares	% to equity
Physical	768	152502	5.94%
NSDL	810	2314466	90.20%
CDSL	347	99032	3.86%
Total	1925	2566000	100%



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

n) Factory Location : Bhandgaon Village, Taluka – Daund, Dist - Pune - 412214, Maharashtra.

o) Investors Correspondence : Amit Kikani
Finance Controller
204, Mayfair Towers, Wakdewadi,
Shivajinagar, Pune - 411005, Maharashtra
Ph: 91-020-30216000 Fax: 91-020-30216035
amit@tastybite.com or
secretarial@tastybite.com

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

To the Board of Directors of

Tasty Bite Eatables Limited

We certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year 2012-13 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee

   (i) significant changes in internal control over financial reporting during the year;

   (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS
OF TASTY BITE EATABLES LIMITED

Place : Pune	**Ravi Nigam**	**Sohel Shikari**
Date : May 8, 2013	**Managing Director**	**CFO**

Certificate for compliance with Code of Conduct

I, confirm that all Directors and members of the Senior Management have affirmed compliance with the code of conduct.

Ravi Nigam
Managing Director

Place : Pune
Date : May 8, 2013

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF TASTY BITE EATABLES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Tasty Bite Eatables Limited** ("the Company"), which compris the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section sub-section (3) of section 227 of the Companies Act 1956, we report that:

a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W)
Anil A. Kulkarni
Partner
Membership No.47576
Date : May 8, 2013
Place : Pune

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date on the accounts of Tasty Bite Eatables Limited for the year ended March 31, 2013.

1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(ii) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the accounts.

(iii) There was no disposal of fixed assets during the year.

2) (i) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.

(ii) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(iii) The Company has maintained proper records of inventory. As informed to us, no material discrepancies were noticed on the physical verification between the physical stocks and the book records and the same have been properly dealt with in the accounts.

3) (i) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.

(ii) The question of commenting on the rates of interest and other terms and conditions of the loans granted being prejudicial to the interest of the Company, regular receipt of principal and interest, overdue amount and reasonable steps taken for recovery of principal and interest does not arise.

(iii) The Company has taken loans from one party listed in the register maintained under section 301 of the Companies Act, 1956. The total loan amount outstanding at the year end is Rs.111,284 thousand.

(iv) In our opinion, the rate of interest and other terms and conditions of loans taken from Companies and parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.

(v) The Company is regular in the payment of principal and interest.

4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.

5) (i) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register maintained under that section.

(ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.

6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.

7) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.

8) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act,1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

9) (i) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues including dues pertaining to Provident Fund, Employees' State Insurance, Income-tax, Value Added Tax, Customs Duty, Cess and any other statutory dues with the appropriate authorities.

We have been also informed that there are no undisputed dues which have remained outstanding at the end of the financial year for a period of more than six months from the date they became payable.

(ii) According to the information and explanations given to us, there are no dues of Sales Tax, Value Added Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty or cess outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax, Interest and Penalty	788,036	1999 -2000	Sales Tax Tribunal
Bombay Sales Tax Act, 1959	Interest and Penalty	41,778	1999 -2000	Sales Tax Tribunal
Delhi Sales Tax Act, 1975	Tax, Interest and Penalty	48,702	2003 -2004	Deputy Commissioner of Sales Tax (Appeal)
The Finance Act, 1994 (Service Tax)	Tax and Penalty	2,716,214	2005 - 2010	The Customs, Excise and Service Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	5,183,624	2006 -2007	The Income Tax Appellate Tribunal

Of the above, the Company has deposited Rs.491,778 towards sales tax, Rs.800,000 towards service tax. Out of disputed dues of Income Tax, the Company has deposited Rs.1,000,000.

Further, the Company has disputed certain additions and disallowances under the Income Tax Act, 1961 for the years 2003-2004 and 2004-2005 before the Commissioner of Income Tax (Appeals) and for the year 2007-2008 before the Income Tax Appellate Tribunal and for the year 2008-2009 before the Dispute Resolution Panel. The Company has received an order from the Commissioner of Income Tax (Appeals) for the year 2005-2006 and as informed to us, the Company is awaiting the order giving effect to the said order from the assessing officer. There is no demand for these cases.

10) The Company has no accumulated losses as at the end of the financial year. Further, it has not incurred any cash losses in the current financial year and immediately preceding financial year.

11) According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to financial institutions or banks. There are no dues to debenture holders.

12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.

13) According to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.

14) According to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments.

15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16) In our opinion and according to the information and explanations given to us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.

17) According to the information and explanations given to us and on an overall examination of the Balance Sheet, Cash Flow Statement and other records examined by us, the Company has not used funds raised on short-term basis for long-term investment.

18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

19) The Company did not issue any debentures during the year.

20) The Company has not raised any money through a public issue during the year.

21) According to the information and explanations given to us by the Management and to the best of our knowledge and belief, no fraud on, or by the Company has been noticed or reported during the year.

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W)

Anil A. Kulkarni
Partner
Membership No.: 47576
Date : May 8, 2013
Place : Pune

BALANCE SHEET AS AT 31ST MARCH, 2013

Particulars	Note	As at 31st March, 2013	As at 31st March, 2012
		Rs. '000	Rs. '000
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	3	**31,613**	31,613
(b) Reserves and Surplus	4	**273,076**	212,892
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	**291,103**	105,746
(b) Deferred tax liabilities (Net)	6	**19,735**	19,147
(c) Long term provisions	7	**7,544**	5,479
(4) CURRENT LIABILITIES			
(a) Short-term borrowings	8	**104,567**	85,462
(b) Trade payables	9	**126,155**	94,259
(c) Other current liabilities	10	**54,597**	46,106
(d) Short-term provisions	11	**25,506**	6,306
Total		933,896	607,010
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	12	**323,340**	305,974
(ii) Intangible assets	13	**908**	1,656
(iii) Capital work-in-progress		**117,138**	6,687
(b) Long term loans and advances	14	**52,363**	4,332
(2) CURRENT ASSETS			
(a) Inventories	15	**97,706**	67,342
(b) Trade receivables	16	**176,885**	93,017
(c) Cash and cash equivalents	17	**93,749**	61,604
(d) Short-term loans and advances	18	**70,547**	66,381
(e) Other current assets	19	**1,260**	17
Total		933,896	607,010

See accompanying notes (1 to 44) to the financial statements

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

As per our report attached
For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Signatures to the Balance Sheet and notes thereto
For and on behalf of the board
For TASTY BITE EATABLES LIMITED

Anil A. Kulkarni	*Ravi Nigam*	*Sohel Shikari*	*Anuja Laturkar*
PARTNER	**Managing Director**	**Alternate Director**	**Company Secretary**

Date : May 8, 2013
Place : Pune

Date : May 8, 2013
Place : Pune

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Particulars	Note	**For the Year Ended 31st March, 2013**	For the Year Ended 31st March, 2012
			Rs. '000	Rs. '000
I	Revenue from Operations (Gross)	20	**1,064,360**	783,551
	Less: Excise Duty		**7,412**	2,171
	Revenue from Operations (Net)		**1,056,948**	781,380
II	Other Operating Income	21	**58,277**	43,026
III	Other Income	22	**3,979**	6,292
IV	**Total Revenue**	(I +II + III)	**1,119,204**	830,698
V	Expenses:			
	a) Cost of raw materials including packaging materials consumed	23	**652,984**	489,132
	(b) Changes in Inventories of Finished Goods and Work-in-Progress	24	**(12,506)**	(2,881)
	(c) Employee Benefit Expenses	25	**133,598**	104,876
	(d) Interest and Finance Costs	26	**10,541**	11,727
	(e) Depreciation and Amortization Expenses	27	**26,965**	21,154
	(f) Other Expenses	28	**213,744**	182,695
	Total Expenses		**1,025,326**	806,703
VI	**Profit before extraordinary items and tax**	(IV - V)	**93,878**	23,995
VII	Extraordinary Items	33	**837**	-
VIII	**Profit before tax**	(VI - VII)	**93,041**	23,995
IX	Tax expense:			
	(a) Current tax		**29,197**	1,938
	(b) Deferred tax		**588**	5,433
X	**Profit/(Loss) for the year** (VIII - IX)		**63,256**	16,624
XI	**Earning per equity share**			
	Basic and Diluted (Face value: Rs.10 per share)			
	- After Extraordinary items		**24.62**	6.45
	- Before Extraordinary items		**24.95**	6.45
	See accompanying notes 1 to 44 to the financial statements.			

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

As per our report attached
For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

Anil A. Kulkarni
PARTNER

Date : May 8, 2013
Place : Pune

Signatures to the Profit and Loss Statement and notes thereto
For and on behalf of the board
For TASTY BITE EATABLES LIMITED

Ravi Nigam	*Sohel Shikari*	*Anuja Laturkar*
Managing Director	**Alternate Director**	**Company Secretary**

Date : May 8, 2013
Place : Pune

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

			For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
		Rs. '000	Rs. '000	Rs. '000
A.	CASH FLOW FROM OPERATING ACTIVITIES:		93,041	23,995
	Adjustment for:			
	Depreciation and Amortisation	26,965		21,154
	Interest and Finance Costs	10,541		11,727
	Interest Income	(2,173)		(1,479)
	Loss / (Gain) on Foreign Exchange Transactions	(4,727)		466
	Provision for Retired Assets	1,805		-
	Extra Ordinary Items	837		-
	Provision for Mark to Market Losses on Derivatives	1,141		-
	(Profit) / Loss on fixed assets sold / written off (Net)	-		1
			34,389	31,869
	Operating Profit Before Working Capital Changes		127,430	55,864
	Changes in Working Capital			
	Increase / (Decrease) in Trade Payables	31,499		953
	Increase / (Decrease) in Other Current Liabilities	(6,322)		(9,860)
	Increase / (Decrease) in Provisions	2,579		(5,008)
	(Increase) / Decrease in Loans and Advances	(52,197)		20,526
	(Increase) / Decrease in Inventories	(30,364)		5,966
	(Increase) / Decrease in Trade Receivables	(82,323)		49,622
	(Increase) / Decrease in Other Current Assets	-		2,936
			(137,128)	65,135
	Cash Generated from Operations		(9,698)	120,999
	Income Tax Paid		(13,477)	(8,024)
	Net Cash Flow from Operating Activities		(23,175)	112,975
B.	CASH FLOW FROM INVESTING ACTIVITIES:			
	Purchase of Fixed Assets	(148,760)		(81,913)
	Sale of Fixed Assets	-		84
	Net Cash Used in Investing Activities		(148,760)	(81,829)
	Balance carried forward		(171,935)	31,146

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

			For the Year Ended 31st March, 2013	For the Year Ended 31st March, 2012
		Rs. '000	**Rs. '000**	Rs. '000
	Balance Brought Forward		**(171,935)**	31,146
C.	CASH FLOW FROM FINANCING ACTIVITIES:			
	Change in Borrowings	**215,414**		22,137
	Interest and Finance Costs	**(10,541)**		(11,727)
	Interest Income	**2,173**		1,479
	Dividend Paid on Equity Shares	**(2,480)**		(2,491)
	Dividend Paid on Redeemable Preference Shares	**(60)**		(60)
	Dividend Distribution Tax Paid	**(426)**		(426)
	Net Cash Used in Financing Activities		**204,080**	8,912
			32,145	40,058
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING		**61,604**	20,274
	CASH AND CASH EQUIVALENTS AS AT THE ENDING		**93,749**	61,604
	Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		-	(1,272)
			93,749	60,332
			32,145	40,058
	Cash and Cash equivalents comprise of:			
	Cash on hand		**71**	77
	Balances with banks*		**93,678**	61,527
			93,749	61,604
	* includes following balances which are not available for use by the Company			
	- Unpaid dividend account		**241**	156
	- Margin money deposit		**2,802**	2,586
	- Deposits held as security against borrowings		**2,022**	15,653
	- Deposits held as lien		**22,106**	9,418
	- Deposits with more than three months maturity but less than twelve months maturity		**50,618**	**-**

NOTES

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

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

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

Anil A. Kulkarni
PARTNER

Ravi Nigam
Managing Director

Sohel Shikari
Alternate Director

Anuja Laturkar
Company Secretary

Date : May 8, 2013
Place : Pune

Date : May 8, 2013
Place : Pune

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

Note : 1 General Information

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

Note : 2 Significant Accounting Policies

a) **Basis of Accounting:**

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on the 'going concern basis', in conformity in all material aspects with the generally accepted accounting principles in India, the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in consultation with the National Advisory Committee on Accounting Standards and relevant provisions of the Companies Act, 1956.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule VI to the Companies Act, 1956.

b) **Use of Estimates:**

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

c) **Fixed Assets and Depreciation:**

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

Depreciation is provided under the straight-line method at the rates specified in Schedule XIV to the Companies Act, 1956, pro-rata to the period of use. Assets installed on leasehold premises are depreciated over the period of lease. Computer software is amortised over its estimated useful economic life of five years.

d) **Inventories:**

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

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

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

e) **Investments:**

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

f) **Borrowing Costs:**

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

g) **Foreign Exchange Transactions:**

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

h) **Revenue Recognition:**

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

Interest income is recognised on the time proportion method.

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

i) **Research and Development Expenditure:**

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

j) **Export Incentives:**

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

k) **Government Grants:**

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

l) **Employee Benefits:**

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

m) **Taxes on income:**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

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

n) **Impairment of Assets:**

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

o) **Provisions and Contingencies:**

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

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

p) Derivative contracts

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

q) Earnings Per Share

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

		As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note : 3 Share Capital			
(a)	AUTHORISED SHARE CAPITAL :		
	4,400,000 (Previous Year : 4,400,000) Equity Shares of Rs. 10/- each	**44,000**	44,000
	60,000 (Previous Year: 60,000) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each.	**6,000**	6,000
		50,000	50,000
(b)	ISSUED, SUBSCRIBED AND PAID UP CAPITAL :		
	2,566,000 (Previous Year : 2,566,000) Equity shares of Rs. 10/- each fully paid up	**25,660**	25,660
	59,530 (Previous Year: 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each fully paid up.	**5,953**	5,953
	Total Issued, Subscribed and Fully Paid-up Share Capital	**31,613**	31,613

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

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

Equity Shares	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	**Rs. in '000**	No. of shares	Rs. in '000
At the beginning of the year	**2,566,000**	**25,660**	2,566,000	25,660
Issues during the year	-	-	-	-
Outstanding at the end of the year	**2,566,000**	**25,660**	2,566,000	25,660

1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	As at 31st March, 2013		As at 31st March, 2012	
	No. of shares	**Rs. in '000**	No. of shares	Rs. in '000
At the beginning of the year	**59,530**	**5,953**	59,530	5,953
Issues during the year	**-**	**-**	-	-
Outstanding at the end of the year	**59,530**	**5,953**	59,530	5,953

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

Out of above, 1,904,510 (Previous Year : 1,904,510) Equity shares and 59,530 (Previous Year : 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares are held by Preferred Brands Foods (India) Private Limited, the Holding Company, the subsidiary of Preferred Brands International Inc., USA, the subsidiary of ASG Omni LLC, the Ultimate Holding Company.

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	% holding	**No. of shares**	% holding	No. of shares
Preferred Brands Foods (India) Private Limited	**74.22**	**1,904,510**	74.22	1,904,510
K. Swapna	**6.15**	**157,900**	6.15	157,900

(f) **Terms attached to Equity Shares**

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note : 4 Reserve and Surplus			
(a)	**Securities Premium Account**	**9,475**	9,475
(b)	**Capital Reserve**	**5,734**	5,734
(c)	**Reserve for Premium of Preference Share Capital**	**116,083**	116,083
(d)	**Surplus / (deficit) in the Statement of Profit and Loss**		
	Balance as per last financial statements	**81,600**	68,028
	Add : Transferred from Statement of Profit and Loss	**63,256**	16,624
	Less : Appropriations		
	Proposed Dividend on Equity Shares	**2,566**	2,566
	Dividend on Redeemable Preference Shares	**60**	60
	Tax on dividend	**446**	426
	Net surplus in the statement of profit and loss	**141,784**	81,600
	Total Reserves and Surplus	**273,076**	212,892

		As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note : 5 Long-Term Borrowings			
Secured Loans			
(a)	**Term Loans**		
	- from Banks	**-**	1,463
	- from Financial Institutions	**217,140**	-
	- from Related Parties	**73,963**	104,283
	Total Long-Term Borrowings	**291,103**	105,746

(b) Term loans from banks are secured by charge over movable fixed assets of the company and collaterally secured by deposits with bank, hypothecation charge over current assets of the Company, negative lien over land and building and corporate guarantee from the ultimate holding company. Term loan from bank carries interest at base rate plus 4.75% per annum. Loan is repayable in 56 monthly installments of Rs.1,035 thousand each plus interest.

(c) Term loan (External Commercial Borrowings / ECB) from financial institution has been approved by the Reserve Bank of India. ECBs are secured by way of charge over certian immovable properties and movable fixed assets of the Company that are acquired out of the proceeds of ECB. The ECB is also secured by all asses of Preferred Brands International Inc. ('PBI'), ASG OMNI LLC's interest in PBI, PBI's ownership interest in Preferred Brands Foods (India) Private Limited (PBFIPL), personal guarantees of the owners of ASG OMNI LLC and their ownership interest in ASG OMNI LLC.

Term loan carries interest at 3 months LIBOR plus 275 bps per annum. The loan is repayable in 32 quarterly equal instalments commecing from the third year.

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

The Company has taken External Commercial Borrowing (ECB) of USD 1,300 thousand from PBI, for capacity expansion and modernisation of the existing manufacturing infrastructure. The Company has received the Reserve Bank of India (RBI) approval ref. FED.CO.ECBD./03.02.766/2005-06 dated November 9, 2005. The loan carried interest at LIBOR plus 3.5%. First draw down date was December 30, 2005. As per the terms of the loan agreement, the loan is repayable at any time after the third anniversary of the date of first disbursement upon written demand by the lender. In absence of a written demand, the Company has to repay the principal sum in approximately eight quarterly installments commencing with the first payment date occurring eight years after the date of drawdown. There is no written demand by the lender as at the balance sheet date.

The Company has been sanctioned an additional ECB of USD 1,000 thousand by PBI in the year 2008-2009 for modernization and up-gradation of existing manufacturing facility. The Company has received the RBI approval ref. FED.CO.ECBD/13748/03.02.766/2008-09 dated November 17, 2008. The loan carried interest at LIBOR plus 2%. As per the terms of the loan agreement, the loan is repayable at any time after the third anniversary of the date of first disbursement upon the written demand by the lender. In absence of a written demand, the Company has to repay the principal sum in twenty equal installments of USD 50 thousand each on quarterly basis commencing from March 31, 2012.

Above ECBs are not pre-payable.

(e) There is no default as on March 31, 2013 and as on March 31, 2012 in repayment of principal and interest.

	As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note : 6 Deferred Tax Liability		
In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities / assets. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are :		
Deferred Tax Liability		
Depreciation on fixed assets	**28,334**	24,987
Deferred Tax Asset		
Provision for employee benefits	**4,312**	3,197
Others	**4,287**	2,643
Deferred Tax Liability (Net)	**19,735**	19,147
Note : 7 Long-Term Provisions		
Provision for Employee Benefits (Also refer note no. 25)		
- Gratuity	**3,036**	1,012
- Leave Encashment	**4,508**	4,467
Total Long-Term Provisions	**7,544**	5,479
Note : 8 Short Term Borrowings		
Secured Loans		
Working Capital Loans repayable on demand from banks		
Cash Credit	**104,567**	85,462
	104,567	85,462

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

(a) Cash credits have been taken from two banks. Cash credits taken from both banks are secured by first pari passu hypothecation charge on present and future current assets of the company. Cash credit are collaterally secured by hypothecation of second pari passu charge on movable fixed assets of the Company both present and future, negative lien over land and buildings of the Company and corporate gurantee of Preferred Brands International Inc. the Holding Company. Cash credit of one of the banks is also collaterally secured by recurring deposit in addition to above. Cash credits are repayable on demand and carry interest rate of base rate plus 2.5% per annum in case of one bank and base rate plus 3% per annum in case of other bank (Previous year: base rate plus 3.5% in case of one bank whereas in case of other bank the rate is mutually agreed).Cash credit also include facilities of working capital demand loan, pre and post shipment credit, letters of credit, buyer's credit as sub-limits of cash credit limit.

(b) There is no default as on March 31, 2013 and as on March 31, 2012 in repayment of principal and interest.

	As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note : 9 Trade Payable		
(a) Trade Payables	**126,155**	94,259
Total Trade Payables	**126,155**	94,259

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

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

		As at 31st March, 2013	As at 31st March, 2012
		Rs. '000	Rs. '000
Note : 10 Other Current Liabilites			
(a)	Current maturities of long term borrowings	**37,321**	22,594
(b)	Interest accrued and due on borrowings	**-**	159
(c)	Interest accrued but not due on borrowings	**111**	-
(d)	Unpaid dividends	**241**	155
(e)	Payables for fixed assets	**9,919**	10,250
(f)	Other payables		
	- Statutory dues payable	**2,579**	1,786
	- Employee dues payable	**3,749**	1,787
	- Overdrawn bank balances in ordinary course of business	**-**	6,051
	- Related parties	**438**	1,291
	- Others	**239**	2,033
	Total Other Current Liabilites	**54,597**	46,106
Note : 11 Short-Term Provisions			
(a)	Provision for Employee Benefits		
	- Gratuity	**2,795**	2,352
	- Leave Encashment	**829**	758
(b)	Provision for Taxation	**15,864**	144
(c)	Provision for Mark to Market Losses on Derivatives	**1,141**	-
(d)	Proposed Dividend on Equity Shares	**2,566**	2,566
(e)	Proposed Dividend on Redeemable Preference Shares	**60**	60
(f)	Tax on Dividend	**446**	426
(g)	Provision for retired assets	**1,805**	-
	Total Short-Term Provisions	**25,506**	6,306
(h)	Movement in provisions is as follows:		
	Provision for Mark to Market Losses on Derivatives		
	Balance at the beginning of the year	**-**	2,885
	Additions during the year	**1,141**	-
	Utilisation / reversal during the year	**-**	2,885
	Balance at the end of the year	**1,141**	-
	Provision for retired assets		
	Balance at the beginning of the year	**-**	-
	Additions during the year	**1,805**	-
	Utilisation / reversal during the year	**-**	-
	Balance at the end of the year	**1,805**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

Note 12 - Tangible Assets

Rs. '000

ASSET	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01-Apr-12	Additions	Adjust-ments	Deductions	As at 31-Mar-13	Upto 31-Mar-12	For the period	On Deductions	Upto 31-Mar-13	As at 31-Mar-13	As at 31-Mar-12
Freehold Land	1,255	-	-	-	**1,255**	-	-	-	-	**1,255**	1,255
Buildings	80,442	8,317	1,245	-	**90,004**	16,781	2,907	-	**19,688**	**70,316**	63,661
Plant and Machinery	320,353	25,277	6,529	-	**352,159**	105,659	21,240	-	**126,899**	**225,260**	214,694
Office Equipment	6,025	357	-	-	**6,382**	1,224	284	-	**1,508**	**4,874**	4,801
Computers	7,224	770	-	-	**7,994**	5,618	519	-	**6,137**	**1,857**	1,606
Furniture and Fixtures	9,325	193	-	-	**9,518**	4,160	381	-	**4,541**	**4,977**	5,165
Vehicles	75	-	-	-	**75**	47	5	-	**52**	**23**	28
Electrical Installations	17,855	731	164	-	**18,750**	3,091	881	-	**3,972**	**14,778**	14,764
TOTAL	**442,554**	**35,645**	**7,938**	**-**	**486,137**	**136,580**	**26,217**	**-**	**162,797**	**323,340**	
Previous Year	339,898	88,032	14,768	144	442,554	116,235	20,404	59	136,580		305,974

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

(b) Depreciation charged to the statement of profit and loss for the year on availment of above option is Rs.2,642 thousand (Previous Year: Rs.1,278 thousand).

(c) Amount of foreign exchange remaining to be amortised as at March 31, 2013 is Rs.18,786 thousand (Previous Year: Rs.13,490 thousand).

(d) In addition to above, the Company has adjusted Rs.345 thousand (Previous Year: Nil) to the cost of capital work in progress on account of such difference.

(e) The Company has capitalised borrowing costs (Net) of Rs.36,902 thousand (Previous Year: Nil) under fixed assets and capital work in progress.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

Note 13 - Intangible Assets

Rs. ‘000

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-Apr-12	Additions	Deductions	**As at 31-Mar-13**	Upto 31-Mar-12	For the period	On Deductions	**Upto 31-Mar-13**	**As at 31-Mar-13**	As at 31-Mar-12
Computer Softwares	3,741	-	-	**3,741**	2,085	748	-	**2,833**	**908**	1,656
TOTAL	**3,741**	**-**	**-**	**3,741**	**2,085**	**748**	**-**	**2,833**	**908**	
Previous year	3,741	-	-	3,741	1,335	750	-	2,085		1,656

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note : 14 Long-Term Loans and Advances			
	(Unsecured, considered good unless otherwise stated)		
(a)	Security Deposits	**381**	2,093
(b)	Capital Advances	**51,108**	1,949
(c)	Prepaid Expenses	**874**	290
	Total Long-Term Loans and Advances	**52,363**	4,332
Note : 15 Inventories			
(a)	Raw Material	**43,594**	27,134
(b)	Stores and Spares	**588**	150
(c)	Packing Material	**25,313**	24,353
(d)	Work in Progress	**4,917**	5,064
(e)	Finished Goods		
	- Finished Goods on hand	**22,673**	10,641
	- Finished Goods in transit	**621**	-
	Total Inventories	**97,706**	67,342
(f)	**Details of inventory**		
	(i) Finished Goods		
	- Ready to Serve	**3,663**	7,456
	- Frozen Formed Products	**16,280**	2,382
	- Sauces	**3,351**	803
		23,294	10,641
	(ii) Work in Progress		
	- Ready to Serve	**3,733**	2,603
	- Frozen Formed Products	**374**	208
	- Sauces	**810**	2,253
		4,917	5,064
Note : 16 Trade Receivables			
	(Unsecured, considered good unless otherwise stated)		
(a)	Outstanding for a period exceeding 6 months from the date they are due for payment		
	- Considered good	**631**	2,515
	- Considered doubtful	**329**	-
(b)	Others	**176,254**	90,502
(c)	Less : Provision for doubtful debts	**329**	-
	Total Trade Receivables	**176,885**	93,017

		As at 31st March, 2013 Rs. '000	As at 31st March, 2012 Rs. '000
Note 17 : Cash and Bank Balances			
(a)	Cash and Cash Equivalents		
	(i) Cash on hand	**71**	77
	(ii) Balances with banks	**15,889**	30,692
	(iii) Deposits with less than three months maturity	**-**	3,022
		15,960	33,791
(b)	Other Bank Balances		
	(i) Margin Money	**2,802**	2,586
	(ii) Deposits held as security against borrowings	**2,022**	15,653
	(iii) Deposits with bank held as lien	**22,106**	9,418
	(iv) Deposits with more than three months maturity but less than twelve months maturity	**50,618**	-
		77,548	27,657
(c)	Earmarked Balances	**241**	156
	Total Cash and Bank Balances	**93,749**	61,604
Note 18 : Short-term Loans and Advances			
	(Unsecured, considered good unless otherwise stated)		
(a)	Security Deposits		
	- Considered Good	**1,832**	5,383
	- Considered Doubtful	**2,357**	1,760
(b)	Loans and Advances to Related Parties	**-**	493
	(includes Nil (Previous Year: Rs.493 thousand receivable from Preferred Brands International Inc., the Holding Company)		
(c)	Balances with Government Authorities	**23,277**	21,521
(d)	Prepaid expenses	**1,882**	2,035
(e)	Export Incentives Receivables		
	- Considered Good	**36,976**	32,609
	- Considered Doubtful	**1,836**	-
(f)	Employee advances	**104**	240
(g)	Advance to suppliers		
	- Considered Good	**6,476**	4,100
	- Considered Doubtful	**1,534**	1,348
	Less: Provision for doubtful receivables and advances	**5,727**	3,108
	Total Short-term Loans and Advances	**70,547**	66,381
Note 19 : Other Current Assets			
	(Unsecured, considered good unless otherwise stated)		
	Others	**1,260**	17
	Total Other Current Assets	**1,260**	17

		Year ending 31st March, 2013 Rs. '000	Year ending 31st March, 2012 Rs. '000
Note 20 : Revenue from Operations			
(a)	Sales (Gross)	**1,064,360**	783,551
	Less : Excise Duty	**7,412**	2,171
	Total Revenue from Operations	**1,056,948**	781,380
(b)	Details of sales		
	Finished Goods		
	- Ready to Serve	**716,421**	588,475
	- Frozen Formed Products	**195,477**	95,072
	- Sauces	**143,320**	97,833
	Others	**1,730**	-
		1,056,948	781,380
Note 21 : Other Operating Income			
	Export Incentives	**56,281**	41,166
	Scrap Sales	**1,996**	1,860
	Total Other Operating Income	**58,277**	43,026
Note 22 : Other Incomes			
(a)	Interest	**2,173**	1,479
(b)	Sundry balances written back (Net)	**-**	2,198
(c)	Miscellenoues income	**1,806**	1,946
(d)	Prior Period Income		
	- Excess provision for expenses	**-**	669
		3,979	6,292

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		Year ending 31st March, 2013 Rs. '000	Year ending 31st March, 2012 Rs. '000
Note 23 : Cost of raw materials including packaging materials consumed			
(a)	Opening Stock	**51,487**	59,983
(b)	Purchases (Net)	**670,404**	480,636
		721,891	540,619
(c)	Less : Closing Stock	**68,907**	51,487
	Total Cost of Materials Consumed	**652,984**	489,132
Note 24 : Changes in inventories of finished goods and work-in-progress			
(a)	Opening Stock of :		
	Finished Goods	**10,641**	8,292
	Work in Progress	**5,064**	4,532
		15,705	12,824
(b)	Closing Stock of :		
	Finished Goods	**23,294**	10,641
	Work in Progress	**4,917**	5,064
		28,211	15,705
	Changes in inventories of finished goods and work-in-progress	**(12,506)**	(2,881)
Note 25 : Employees Benefit Expenses			
(a)	Salaries, Wages, Bonus and Gratuity	**125,765**	97,804
(b)	Contribution to Provident and Other Funds	**4,381**	3,704
(c)	Workmen and Staff Welfare Expenses	**3,452**	3,368
		133,598	104,876

(d) **Defined Contribution Plan:**

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

(e) **Defined Benefit Plan:**

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

	2012-13 Rs. '000	2011-12 Rs. '000
Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	**12,197**	11,811
Current Service Cost	**1,204**	1,206
Interest Cost	**1,006**	946
Contribution by Plan Participants	**-**	-
Actuarial (Gain) / Loss on Obligation	**1,446**	(1,693)
Foreign Currency exchange rate changes	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

	2012-13 Rs. '000	2011-12 Rs. '000
Benefits Paid	**(347)**	(73)
Past Service Cost	**-**	-
Amalgamations/ Curtailments/ Settlements	**-**	-
Present value of the obligation at the end of the year	**15,506**	12,197
Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	**8,833**	7,048
Expected return on Plan Assets	**760**	564
Actuarial Gain / (Loss) on Plan Assets	**82**	(206)
Foreign Currency exchange rate changes	**-**	-
Contributions by the Employer	**-**	1,500
Contributions by Plan Participants	**-**	-
Benefits Paid	**-**	(73)
Amalgamations/ Settlements	**-**	-
Fair value of Plan Assets at the end of the year	**9,675**	8,833
Amounts Recognized in the Balance Sheet:		
Present value of Obligation at the end of the year	**15,506**	12,197
Unrecognized Past Service Cost	**-**	-
Fair value of Plan Assets at the end of the year	**9,675**	8,833
Net Obligation at the end of the year	**5,831**	3,364
Amounts Recognized in the statement of Profit and Loss:		
Current Service Cost	**1,204**	1,206
Interest cost on Obligation	**1,006**	946
Expected return on Plan Assets	**(760)**	(564)
Expected return on Reimbursement Right recognised as an asset	**-**	-
Net Actuarial (Gain) / Loss recognised in the year	**1,364**	(1,487)
Past Service Cost	**-**	-
Effect of Curtailment or Settlement	**-**	-
Net Cost Included in Personnel Expenses on account of benefits paid	**-**	-
Expenses recognized in the statement of profit and loss	**2,814**	101
Actual return on Plan Assets	**842**	320
Actuarial Assumptions:		
Discount Rate	**8.00%**	8.25%
Expected Rate of Return on Plan Assets	**8.70%**	8.60%
Salary Escalation Rate	**7.50%**	7.50%
Employee Turnover	**8.48%**	8.60%
Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	LIC (1994-96) Ultimate

Note:

(i) The estimates of future salary increases, considered in actuarial valuation, have been done on the basis of current salary suitably projected for future taking into consideration the general trend in inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

(ii) The discounting rate is considered based on government securities having the term, which is consistent with the expected future service based on the average age.

(iii) Plan assets are insurer managed fund.

(f) The liability for leave encashment as at the year end is **Rs. 5,337 thousand** (Previous Year: Rs.5,225 thousand).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		Year ending 31st March, 2013 Rs. '000	Year ending 31st March, 2012 Rs. '000
Note 26 : Interest and Finance Cost			
(a)	Interest		
	- Long term borrowings from banks	**611**	1,858
	- Long term borrowings from others	**4,607**	3,927
	- Short term borrowings from banks	**3,489**	2,532
	- Others	**7**	1,681
(b)	Other Finance Charges	**1,827**	1,729
		10,541	11,727
Note 27 : Depreciation and Amortisation Expense			
(a)	Depreciation on tangible assets	**26,217**	20,404
(b)	Depreciation on intangible assets	**748**	750
		26,965	21,154
Note 28 : Other Expenses			
(a)	Stores and Spares Consumed	**37,580**	30,589
(b)	Power and Fuel	**28,257**	21,021
(c)	Repairs and Maintenance:		
	- Plant and Machinery	**6,375**	7,708
	- Buildings	**1,572**	2,479
	- Others	**814**	1,060
(d)	Rent, Rates and Taxes	**4,112**	3,794
(e)	Telephone and Postage	**3,984**	3,729
(f)	Travelling and Conveyance	**12,020**	10,991
(g)	Legal and Professional Charges	**10,840**	10,825
(h)	Printing and Stationary	**4,933**	4,057
(i)	Insurance	**2,615**	2,130
(j)	Freight	**65,922**	48,612
(k)	Selling Expenses	**442**	2,011
(l)	Bad Debts Written Off	**-**	136
(m)	Provision for Doubtful Debts	**329**	-
(n)	Provision for Doubtful Advances	**2,619**	1,348
(o)	Provision for Retired Assets	**1,805**	-
(p)	Loss on fixed assets sold / written off (Net)	**-**	1
(q)	Loss on Foreign Exchange (Net)	**13,793**	22,450
(r)	Provision for Mark to Market Loss on derivatives	**1,141**	-
(s)	Auditor's Remuneration	**1,356**	989
(t)	Miscellaneous Expenses	**11,608**	8,239
(u)	Prior Period Expenses	**1,627**	526
		213,744	182,695
(v)	**Prior period expenses include**		
	- Taxes and duties pertaining to earlier period	**1,627**	-
	- Short / non provision for expenses	**-**	526
		1,627	526

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		Year ending 31st March, 2013 Rs. '000	Year ending 31st March, 2012 Rs. '000
Note 29 : Contingent Liabilities			
(a)	Sales Tax demands disputed by the Company and under appeal	**930**	930
(b)	Custom duty demand disputed by the Company and under appeal	**-**	950
(c)	Service tax demand disputed by the Company and under appeal	**2,716**	2,716
(d)	Income tax liability towards additions / disallowances under dispute	**40,177**	24,983
(e)	Guarantees given by banks counter guaranteed by the Company in respect of item (b) above.	**-**	950

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

Note 30 : Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs.64,123 thousand** (Previous Year: Rs. 32,102 thousand)

Note 31 : Derivative Contracts

The derivative contracts outstanding as at March 31, 2013 are as under:

a) Forward contracts USD-INR for the purpose of hedging its exposure to foreign currency receivables: **USD 1,550 thousand** (Previous Year: USD 4,467 thousand).

(b) Forward contracts AUD-INR for the purpose of hedging its exposure to foreign currency receivables: Nil (Previous Year: AUD 240 thousand)

Note 32 :

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

Note 33 :

During the year, the Company has returned an equipment to the supplier since the equipment was not meeting the required technical specifications. The incidental expenditure related to the equipment amounting to Rs. 837 thousand has been treated as extraordinary expenses and has been charged to the Statement of Profit and Loss.

Note 34 : Related Party Disclosures

(a) Relationships :

(i) HOLDING COMPANY

Preferred Brands Foods (India) Private Limited

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

(ii) ULTIMATE HOLDING COMPANY

ASG OMNI L.L.C.

(iii) FELLOW SUBSIDIARY

Preferred Brands Australia Pty. Ltd.

ASG Omni India Private Limited

(iv) KEY MANAGEMENT PERSONNEL

Mr. Ravi Nigam - Managing Director

Mr. Sohel Shikari - Alternate Director

(v) RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Ruby Nigam

Mrs. Reshma Shikari

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

M/s. K. S. Shikari & Associates

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

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

Sr. No.	Particulars	Preferred Brands Foods (India) Private Limited		Preferred Brands International,Inc. USA		Preferred Brands Australia Pty. Ltd.		ASG Omni India Private Limited	
		2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
1	Sales	**-**	-	**590,659**	468,644	**123,674**	119,380	**-**	-
2	Expenses Charged to Other Companies	**101**	4	**2,657**	5,471	**758**	566	**-**	-
3	Expenses Charged by Other Companies	**-**	-	**1,223**	2,892	**-**	282	**-**	-
4	Interest on Loan Taken	**-**	-	**4,285**	3,927	**-**	-	**-**	-
5	Advance given	**-**	-	**-**	493	**-**	-	**-**	-
6	Advance given on behalf of the Company	**-**	-	**236**	-	**-**	-	**-**	-
7	Outstanding receivables net of payables	**-**	1	**132,334**	22,539	**1,955**	34,153	**(215)**	(215)
8	Loan Outstanding	**-**	-	**111,284**	114,457	**-**	-	**-**	-

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

Sr. No.	Particulars	Ravi Nigam		Sohel Shikari		Mrs. Ruby Nigam		Mrs. Reshma Shikari		M/s. K. S. Shikari & Associates	
		2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
1	Remuneration	**5,070**	4,181	**4,898**	3,971	**-**	-	**-**	-	**-**	-
2	Receiving of Services	**-**	-	**-**	-	**240**	240	**240**	240	**45**	222

Note : 35 Segment Reporting

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

(a) Information about Primary Segments

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

(b) Information about Secondary Segments

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

Particulars	India		Outside India		Total	
	2012-13	2011-12	**2012-13**	2011-12	**2012-13**	2011-12
Revenue	**401,129**	241,697	**718,075**	588,475	**1,119,204**	830,172
Carrying amount of segment assets	**773,884**	547,975	**160,012**	60,795	**933,896**	608,770
Capital Expenditure	**145,755**	81,913	**-**	-	**145,755**	81,913

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

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

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

Note : 36 Consumption of materials and stores

Item	**Year ended 31st March, 2013**		Year ended 31st March, 2012	
	Rs. '000	**%**	Rs. '000	%
a) Raw Materials including Packing Material				
- Imported	**143,851**	**22%**	106,248	22%
- Indigenous	**509,133**	**78%**	382,884	78%
	652,984	**100%**	489,132	100%
b) Stores and Spare Parts				
- Imported	**6,415**	**17%**	2,988	10%
- Indigenous	**31,165**	**83%**	27,601	90%
TOTAL	**37,580**	**100%**	30,589	100%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

		Year ending 31st March, 2013 Rs. '000	Year ending 31st March, 2012 Rs. '000
Note : 37 Value of imports on C.I.F. basis			
a)	Raw Materials and Packing Materials	**106,064**	80,034
b)	Plant and Machinery	**59,771**	29,742
c)	Stores and Spares	**4,964**	3,132
	TOTAL	**170,799**	112,908
Note : 38 Expenditure in foreign currency			
a)	Travel	**1,710**	818
b)	Interest (includes interest capitalised)	**7,303**	3,927
c)	Professional fees	**7,983**	-
d)	Expenses relating to loan processing	**25,331**	-
c)	Others	**835**	3,174
	TOTAL	**43,162**	7,919
Note : 39 Earnings in foreign currency			
a)	F.O.B. Value of Exports	**669,570**	549,080
Note : 40 Amounts paid to Auditors (Excluding Service Tax)			
(A)	**Statutory Auditors**		
a)	Audit Fees	**700**	550
b)	Audit under other statutes	**150**	150
c)	Certificates	**255**	242
d)	Out of Pocket Expenses	**-**	47
	TOTAL	**1,105**	989
(B)	**Cost Auditors**		
a)	Audit Fees	**50**	-
b)	Certificates	**52**	-
		102	-
	TOTAL	**1,207**	989

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013 (Contd.)

	Year ending 31st March, 2013 Rs. '000	Year ending 31st March, 2012 Rs. '000
Note : 41 Leases		
The Company has operating leases for office space which will expire over next 1-3 years. The total of future minimum lease payments under non-cancelable operating leases:		
a) Not later than one year	**-**	303
b) Later than one year and not later than five years	**-**	-
c) Later than five years	**-**	-
Note : 42 Earnings per Share		
Net Profit after extraordinary items	**63,256**	16,624
Add: Extraordinary items	**837**	**-**
Net Profit before extraordinary items	**64,093**	16,624
Less: Preference share dividend (including dividend distribution tax)	**70**	70
Amount available for Equity shareholders after extraordinary items	**63,186**	16,554
Amount available for Equity shareholders before extraordinary items	**64,023**	16,554
Weighted Average No. of Equity shares outstanding	**2,566,000**	2,566,000
Earning per share - Basic and Diluted (Rs.)		
- After extraordinary items	**24.62**	6.45
- Before extraordinary items	**24.95**	6.45
Face Value per Equity share (Rs.)	**10**	10

Note : 43 Research and Development Expenditure

The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India has recognized Tasty Bite Research Center as an "In-house R&D facility" with effect from June 21, 2011.

The revenue expenditure amounting to Rs.13,389 thousand (Previous Year : Rs. 8,483 Thousand) on research and development is charged to the Statement of Profit and Loss. Further, the Company has incurred capital expenditure of Rs. 46 thousand (Previous Year : Rs.1,133 thousand) for research and development facility and is included in company's assets.

Note : 44 Previous Year Figures

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

PROXY FORM

TASTY BITE EATABLES LIMITED

Regd.Office : **204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune – 411 005**

I/We………………………………………………………. of………………………. in the State of …………………………. being a Member/Members of the above named Company hereby appoint Mr./Ms. ……………………………………….. of …………………… in the State of ………………………or failing him/her ………………… of …………………as my/our proxy to vote for me/us on my/our behalf at the 29th Annual General Meeting of the Company, to be held on September 10th, 2013 at 11.00 a.m. at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 and at any adjournment thereof.

DP ID *	
Client ID *	
Regd. Folio ID	
No. of shares held	

Affix One Rupee Revenue Stamp here

* Applicable if shares are held in electronic form

Signature of Registered Holder

Signature of Proxy holder

NOTE: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered office of the Company, not less than 48 hours before the meeting.

ATTENDANCE SLIP

TASTY BITE EATABLES LIMITED

Regd.Office : **204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune – 411 005**

DP ID *		**Name and Address of the Registered Shareholder**
Client ID *		
Regd. Folio No.		
No. of shares held		

* Applicable if shares are held in electronic form

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the 29th Annual General Meeting on September 10th, 2013 at 11.00 a.m. at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005.

…………………………………………… Member's/ Proxy's Signature

Note: Please fill this attendance slip and hand it over at the Entrance of the Office.

BOOK-POST

Tasty Bite Eatables Limited

204, Mayfair Towers, Shivajinagar, Pune