



Tasty Bite Eatables Limited

TBEL/SE/2019-20
July 13, 2019

BSE Limited,
Corporate Relationship
Department,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J. Towers,
Dalal Street, Mumbai 400 001

National Stock Exchange Limited
Corporate Services,
Exchange Plaza,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Symbol: **TASTYBITE**

Sub: Notice of the 35th Annual General Meeting (AGM) and Annual Report 2018-19

Dear Sir,

In compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Notice of the 35th Annual General Meeting of the Company scheduled to be held on Thursday, August 8, 2019 at Hotel Sheraton Grand, RBM Road, Pune – 411 001 at 11.00 a.m. and Annual Report for financial year ending March 31, 2019.

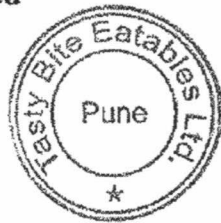
The Notice along with annual report is also available on the website of the Company (www.tastybite.co.in).

Kindly take it on your records.

Thanking you,

Yours faithfully,
For Tasty Bite Eatables Limited


Minal Talwar
Company Secretary



Encl.: As above



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INVESTOR INFORMATION

Market Capitalisation : INR 2,144.8 crore
as at March 31, 2019

BSE Code : **519091**

NSE Symbol : **TASTYBITE**

Dividend Declared : INR 2 per equity
share

AGM Date : August 8, 2019

AGM Venue : Hotel Sheraton
Grand Pune,
RBM Road,
Pune – 411 001

Forward Looking Statements

This document contains statements about expected future events and financials of Tasty Bite Eatables Limited which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.



At Tasty Bite, we believe we are what we eat. In our consumer business, we are committed to the principle that any product that carries the Tasty Bite brand will necessarily be natural, perhaps organic, and will contain no chemical preservatives, additives, artificial colors or flavors.

Our Food service business has seen tremendous growth these last several years. But, growing demand for fast food need not mean we sacrifice nutrition in the pursuit of taste. We believe in convenience without compromise.

Our versatile product range comprises great ready-to-cook and ready-to-eat recipes, with a fine selection of natural ingredients and the mazaa of lip-smacking delicacies.



*% growth is over last year number



About Us

Tasty Bite Eatables Limited (TBEL) is the leading brand for Indian and Asian prepared foods. We had our humble beginning back in 1995 in the US, with five all-natural, ready-to-eat Indian entrées. It has only been two decades and TBEL has evolved as America's largest brand for prepared Indian food. Today, our products are available in the US, Canada, Australia, New Zealand, Japan, Germany and the UK.

Our product range comprises ready-to-eat and ready-to-cook Indian and Asian entrées, sauces and a versatile range of ready-to-eat organic rice and grains.

In 2006, we aimed at bringing the TBEL family home, as we launched the Tasty Bite Food Service business (TFS) in India. Under TFS, we make a range of speciality

formed frozen products, patties, sauces and gravies, and cater to several renowned players in India's food service industry.

While, the market for our consumer products continues to flourish entirely outside India through our parent company, Preferred Brands International Inc., in North America and through Mars, Incorporated in other regions. TBEL caters to the local Indian markets via our food service products. These are marketed directly by the Company to major QSR (Quick Service Restaurants) and HORECA (Hotels, Restaurants and Caterers) players. Besides our presence in the aforementioned territories, the Company has also expanded its base in South East Asia, Middle East and Africa, for its food service products through the QSR channel.

We pride ourselves upon our commitment to only using high-quality vegetarian and natural products, with no preservatives and no GMO. The utmost quality of our products fares well on both taste as well as health—giving us a strong edge in the emerging food trends.

OUR MISSION STATEMENT



Purpose

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



Advantage

Great Taste, Good Value and Real Convenience



Scope

Manufacturing & Marketing **Natural, Convenient & Speciality Foods**



Environment

Knowledge-driven, Energetic and Fun work environment

FACT-O-FILE

Tasty Bite has consistently been committed to the UN sustainable development Goals.



Is proud to be acknowledged among Top 50, ranking 35 in India's Great Mid-size workplaces 2018 and Top 25 Best Workplaces in Manufacturing Sector in India Jan 2019.



Vertically integrated and versatile technology with shelf-stable, chilled and frozen food manufacturing capability.



Has been witnessing a CAGR of 19.5% over the past 5 years



Awarded the best R&D team 2016 by Food Processing Magazine



Awarded the most innovative supplier repeatedly by leading QSRs

Our Business



Positioning

Consumer Business

- Fastest growing Indian food brand in the US
- Fastest growing Asian brand in the US (largest in natural channel)
- Fastest growing RTE Rice in the US (largest in natural channel)

Food Service

- Trusted partner to leading QSR brands and new age food tech companies
- Strong innovation capabilities
- Versatile product and packaging solutions with fast, agile response



USPs

Consumer Business

- 18 to 24 Months Shelf Life
- Pioneered retort technology for Indian cuisine
- Uses farm-fresh veggies
- Vertically-integrated manufacturing facility in Pune
- Certified with ISO22000, BRC, FDA, ISO14000, C-TPAT
- In-house organic demonstration farm

Food Service

- Large range of sauces, frozen products and gourmet sauces
- Equipped with in-house technology such as retort, emulsion, aseptic, frozen, formed frozen food line and pie line
- Certifications from FDA, BRC, HACCP, HALAL, KOSHER and FSSAI
- DSIR-recognised R&D centre and collaboration with Purdue, Rutgers & Leading Universities drives excellence and innovation
- Highly trained culinary and food technology experts





Presence

Consumer Business

US – our largest market



- Strong distribution
- 40,000 + stores
- National on-ground sales force
- Top notch Marketing team
- Represented by the US' largest CPG broker

OTHER MARKETS



UK



Canada



Australia



New Zealand



Germany



Japan

Food Service

India – our largest market



OTHER MARKETS



Sri Lanka



Kenya



Maldives



Kuwait



UAE & Oman



Philippines



Thailand



Singapore



Nepal



Qatar

Product Offerings



CONSUMER PRODUCTS



Indian



Hot and Spicy



Organic Rice
and Grains



FOOD SERVICE PRODUCTS

**Veg Fingers****Nuggets/Poppers****Burger Patty****Curries****Gravies****Sauces**

Operational Review

Performance & Key Trends

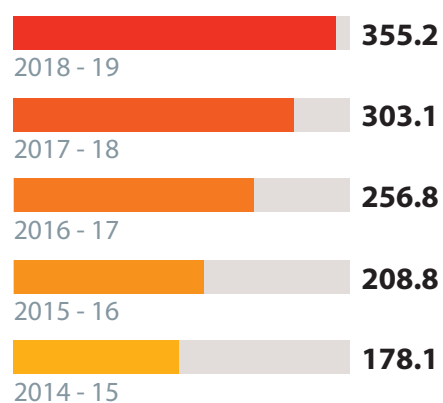
(INR crore)

Statement of Profit and Loss	2014-15	2015-16	2016-17	2017-18	2018-19
Net Revenue	178.2	208.8	256.8	303.1	355.2
Gross Profit	71.5	85.3	108.7	131.7	149.3
Operating Profit (Profit before Interest, Tax, Depreciation & Amortisation)	26.1	34.2	45.8	54.4	64.1
Profit Before Tax (PBT)	16.5	24.6	34.2	41.0	47.1
Profit After Tax (PAT)	10.8	16.1	22.0	26.5	30.1
Earnings Per Share of Face Value of INR 10	42.0	62.8	85.7	103.1	117.2
Dividend Per Share of Face Value of INR 10	1.0	2.0	2.0	2.0	2.0

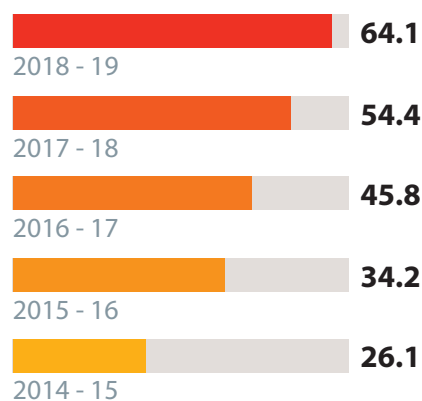
Balance Sheet	2014-15	2015-16	2016-17	2017-18	2018-19
Cash and Cash Equivalents	6.2	7.3	6.3	5.8	7.8
Fixed Assets(Net)	61.0	61.5	65.2	76.3	82.1
Net Current Assets	9.6	24.0	37.0	52.4	63.0
Share Capital					
Equity Shares	2.6	2.6	2.6	2.6	2.6
Redeemable Preference Shares	0.6	0.6	-	-	-
Reserves and Surplus					
Reserve for Premium of Preference Share Capital	11.6	11.6	-	-	-
Others	30.0	46.1	71.9	96.7	129.4
Long Term Borrowings	21.2	19.7	36.0	30.6	25.8

Key Ratios	2014-15	2015-16	2016-17	2017-18	2018-19
EBITDA (% of Revenue)	14.7%	16.5%	17.8%	17.9%	18.0%
PAT/Revenue %	6.1%	7.7%	8.6%	8.7%	8.5%
Fixed Assets Turnover Ratio	2.9	3.4	3.9	4.0	4.3
Current Ratio	1.2	1.5	1.7	2.0	2.1
Debt Equity Ratio	1.0	0.7	0.8	0.5	0.3
Return on Capital Employed	28.7%	34.1%	35.8%	33.8%	33.6%

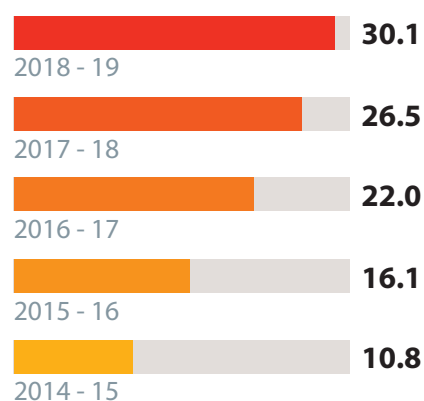
Others	2014-15	2015-16	2016-17	2017-18	2018-19
TBEL Share Price on BSE (INR Per Share of Face Value of INR 10)	605.0	1,690.5	4,658.5	7,463.2	8,358.6
Market Capitalisation (INR in Crore)	155.2	433.8	1,195.4	1,915.1	2,144.8



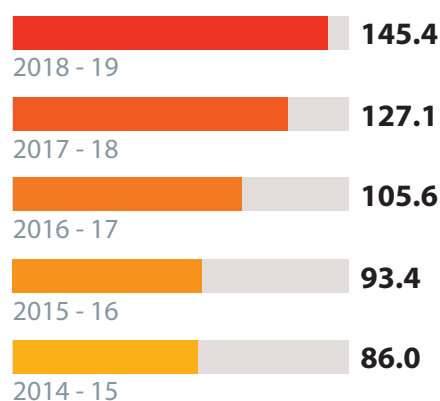
Revenues (INR Crore)



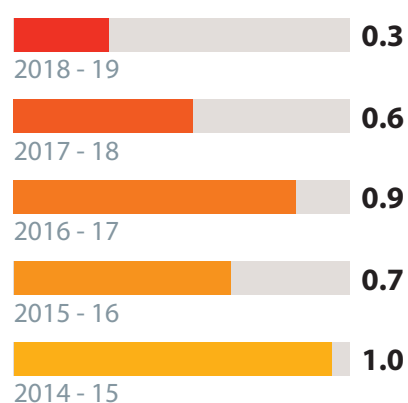
EBITDA (INR Crore)



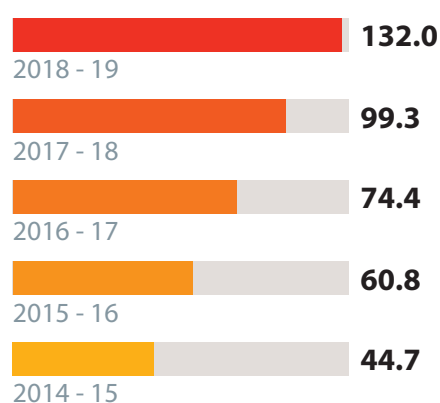
Net Profit (INR Crore)



Fixed Assets (Gross) (INR Crore)



Debt Equity Ratio (%)



Net Worth (INR Crore)



Chairman's Message



“

We ended the year up 17% with INR 3.6 Billion in revenues and INR 301 Million in PAT (up 14%). The consumer business grew 15% and crossed the INR 2 Billion mark.

”

Dear Shareholders,

We just completed the first year in our new avatar as a Mars, Incorporated subsidiary and I am pleased to report that the track record of profitable growth your company has witnessed these last several years continued through 2018-19.

We ended the year up 17% with INR 3.6 Billion in revenues and INR 301 Million in PAT (up 14%). The consumer business grew 15% and crossed the INR 2 Billion mark. The Food service business in both categories of sauces and frozen formed products each grew 34% pushing the TFS business across INR1 billion in revenues.

Here are some quick highlights:

- In the consumer business both branded (21%) and private label (25%) saw robust growth
- With the help of our parent Mars, Incorporated we have begun geographic expansion in Australia, UK and Germany
- In the TFS business International markets grew from INR 18.4 Million to INR 28.7 Million in 2018-19

- The Tasty Bite foundation got underway and is now a section 8 company. It will lead the company's CSR efforts and will strive to become a *catalyst for accelerating sustainable and inclusive rural development*
- The US Government announced earlier this year that it would terminate GSP benefits for Indian exports to the US claiming India had a wide array of trade barriers that affected US commerce. We have constantly taken the view that GSP is beneficial to both US and India. It makes Indian exports competitive even as it creates American jobs. We will soon need to review its economic impact on our margins

It has been my tradition in the Annual Reports of the last 20 years to look around the industry and look ahead, so I can share my views on how we see the future and how your company is kitted out for the journey that lies ahead, the journey we called Tasty Bite 3.0, the journey we called *Wholesome Mazaa*. We spoke about it last year and we remain committed to continue on that journey for the foreseeable future.

The consumer business has long been on this road. The products that carry the Tasty Bite logo are necessarily natural and increasingly organic. The simple oath has always been that we will not put into Tasty Bite what we will not put into our mouths. Hence there is no place for chemicals, additives, synthetic preservatives, artificial colors and flavors or even GMOs in any pack of Tasty Bite.

The Tasty Bite Food Service (TFS) business represents our next journey. Its stated mission is to become the natural partner of choice to leaders in the food service industry. Hardly a decade old, it is today 35% of our company's revenues. The strategy of *Wholesome Mazaa*, if challenging in the consumer business, is even more so in the food service industry, as they increasingly face consumer pushback against excessive added sugars, salt and saturated fat. At TFS we remain committed to the idea that every new product launched will be natural. This is more than a technological commitment. It's a statement of purpose. What part can we play with our partners to remove junk out of junk food?

The food industry is witnessing an interesting global phenomenon of emerging trends and counter trends where opposites are true- a Dickensian tale of two cities. Here are three that I believe will influence our industry and your company's strategy going forward.

1. Eat In, Eat Out:

The Food Industry is broadly split evenly between retailing and food service (or eating in and eating out). The largest single market is the US where the \$1.5 trillion food industry is split evenly between Grocery and Foodservice.

Over the last 25 years the fastest growing segments of the grocery industry have been natural,

convenient and ethnic foods globally. Increasingly the perimeter inside the stores has become a large revenue generator for supermarkets worldwide. Perimeter products include fresh produce, fruits, meat, eggs, dairy and take away prepared foods largely consumed at home. Grocery has been the major market for Tasty Bite since its launch in 1995 and one that has seen 25 years of continuous growth.

Eating in is in.

The Global foodservice industry is a whopping US\$3.6 Trillion with 3/4th of the business in three major geographies: Asia (43%), N.America (22%) and Europe (13%). The amorphous segments in this mammoth space include the full service restaurants, QSRs, Street carts, HORECAs, PBCL (Pubs, Bars Clubs), HMRs (home meal replacement), OOH (out-of-home), dark/cloud kitchens, commissaries, institutions, corporate cafeterias, travel & leisure, non-commercial food service establishments, hospitals, etc. The list is long and presents both heady and confusing opportunities.

Eating out is in too.

At Tasty Bite, we recognize this dual opportunity and while we continue to make major strides in expanding grocery distribution in new markets we are also expanding TFS business in India and the region. The cover of this year's Annual report emphasizes this strategy.

2. Staying well, getting sick:

The wellness industry (there is even such a classification!) is estimated to be US \$4.2 Trillion this year. The awareness of everything we put in our body, on our body and do with our body is increasing at a dizzying pace. In our industry, the growth in nutri-label awareness, local sourcing,

Chairman's Message **contd.**

vegetarianism, veganism, gluten free, organic & super foods, just to name a few are all major drivers of wellness. This combined with a heightened awareness of climate change bodes well for consumer, plant and planet health.

The world is getting healthier.

Diet related diseases though, are a major cause of illness in the world not just out of hunger and malnourishment but also in prosperous countries due to unhealthy food choices. A recent Lancet study claimed 11 million deaths (One in five) worldwide was linked to poor food choices. Even the US ranks 43rd in diet related deaths. India scored even worse at 118.

The world is getting sicker.

The term consumer delight in our mission statement includes both taste and wellness. The Tasty Bite Research Center (TBRC) aims to create a center for excellence in prepared foods R&D. You've heard me use the expression "Convenience without compromise". TBRC measures effectiveness through a series of metrics we call Innovation Index. This is not just to measure revenue and margin growth attributable to Innovation but also to continuous improvement in nutritional density.

3. Connect, disconnect:

There is a new sense of connectedness that has emerged as a result of social media, upending a lifetime of entrenched behavior. Physical introverts are digital extroverts, privacy in the real world has turned to open season online and even the corporate supply chain has been transformed through transparency and traceability- all in search of some ephemeral connectedness.

What started as a safety and quality assurance mechanism, traceability has become a connector and with the intervention of AI and block chain technology promises to connect millions of consumers and farmers thousands of miles apart. We live in a connected world.

Today more than 2.5 billion people spend more than 2 hours everyday on their favorite social media platforms taking away a significant amount of real connectedness. This digital overload comes with a stiff price tag. People are awkward in face-to-face conversations, have difficulty running through daily checklists and we are witnessing an unforeseen increase in mental issues in 16-24 year olds, affecting relationships and pulling families apart.

We are deeply disconnected.



The term consumer delight in our mission statement includes both taste and wellness. The Tasty Bite Research Center (TBRC) aims to create a center for excellence in prepared foods R&D.



“

Diet related diseases though, are a major cause of illness in the world not just out of hunger and malnourishment but also in prosperous countries due to unhealthy food choices.

”

We'd love to bring families together over a Tasty Bite dinner! Improving real connectedness should be in every brand's DNA. For us Wholesome Mazaa will now have an added dimension. We are increasing our efforts on traceability and provenance. This will not just provide comfort on safety and quality assurance but potentially enhance consumer connectivity with our farmers. Soon, I believe Tasty Bite consumers in N. America, EU or Australia will be able to connect with our farmers in Uttaranchal, Maharashtra or Gujarat. And in the not too distant future our farmers will be able to connect with our consumers 1,000 miles away!

Traditional CPG food companies know they must have the consumer at the heart of their business. Most believe they do. Some of the indices used to test this commitment are *share of mind*, *share of wallet* and *share of plate*. But are these real indicators of consumer focus or are they self-directed at the brand?

I believe it is time for us to ask the question: What is our *share of wellness*?

The theme of this year's Annual report addresses this issue head on. At Tasty Bite *Wholesome Mazaa* is more than a slogan, a tagline or even a brand or advertising positioning statement. For Tasty Bite, it is a commitment, indeed even a responsibility. The 2 words represent the essence of the company's mission statement that states its purpose to be a "*socially responsible company that will provide consumer delight*". But as I mentioned, this is a journey- not a destination and this is the road that we will travel forever.

Wholesome Mazaa

Tasty Bite prides its brand reputation with a unique blend of taste and nutrition – a strong USP maintained over the years.

Our products could be characterised as the finest quality of ready-to-eat and easy-to-cook. Our endeavour started out with a vision to present rich Indian and Asian delicacies to the world.

The richer a meal, the more its prep time! This is true for our rich and glorious Indian cuisine in particular. Our ready-to-cook solution paved a new path for millions to satiate their taste buds without a hassle. With years of commitment, we launched our 'Ready to Eat' range which would just take a minute of your hectic day to make it a little brighter. We have always been inclusive and thoughtful as innovators. Being food enthusiasts ourselves, we understand the joy of cooking. So for those who would rather soak themselves in the art of preparing a meal, we chose to make an exception. Our 'Spice & Simmer' sauces range is especially crafted to do away with the cumbersome and overwhelming pre-preparation processes, while leaving the best parts of cooking to our consumers.

With over two decades in action, Tasty Bite has become a hit among the markets of the US, Canada, Australia, New Zealand, Germany and the UK. While our territories and reach may be international, we keep our recipes and kitchen true to the desi standards with our state-of-the-art production facility in Pune. The rich Indian taste is combined with technological methods by our master chefs into creating an all-natural and preservative-free delicious meal.

Upon receiving a mass appreciation for our products across different countries, we knew the bar had to be raised. Thus, followed an array of bold flavours with exotic yet affordable new offerings, and there were a lot more





Our ready-to-cook solution paved a new path for millions to satiate their taste buds without a hassle.



additions to our already wholesome product range. As we continue with our stronghold on the global food markets, we have been ambitiously expanding across India with our food service business.

The Asian taste buds have long been pampered with a wide plethora of spicy, sweet, and everything in between. However, our local cuisines don't fall short on nutrition either. Maintaining the same aesthetic value of food, our TFS segment provides preservative-free, natural, quick and tasty solutions for modern India's cravings. We cater to top QSRs and HORECA brands with our formed frozen products and sauces. Moreover, the flourishing fast food culture and out-growing demand for fine dining options in India has increased the prospect for our TFS segment. The features of convenience, taste, and nutrition have led to our popularity among the country's top QSR brands as a highly innovative and reliable food supplier. Besides, we have also been serving some of the prominent names beyond India.

Be it our consumer business or our TFS segment, we harness only the best-in-market technology to develop food solutions. This coupled with our efficient team, methods and years of experience makes us a name rapidly making its way inside every kitchen and heart!

People Story



We, at Tasty Bite, are a pack of innovative people who stick together and nurture each other. At the heart of all good things is a unified sense of serving people well. Across our organisation, each individual strives to set the bars higher on a personal as well as an organisational level.





Awards & Accolades



TACO BELL True Partners



Ringing the bell around
the world Recognizing
Excellence



Jubilant Food works
Most Dependable Partner



Great place to work®

Sustainability and Eco System

Commitment to our Eco System

Tasty Bite keeps quality at the core of its services, and this standard is also extended to our manufacturing processes as well.

'Clean and Green' is our motto when it comes to producing wholesome food.

Our focus on developing sustainable manufacturing processes, which are backed by minimal waste of natural resources make the Company an eco-friendly entity.

We feel it is our responsibility to ensure that no damage is levied upon the environment linked with our eco system, and to work upon that we have leveraged several initiatives:



- Installed rain water harvesting system

Impact

Successful in raising the ground water level



- Implemented techniques such as crop rotation, use of natural fertilisers and pest control methods, and vermi composting in our in-house farm

Impact

Successful in improving yield in the most natural way



- Usage of effluent water

Impact

Successful in farm irrigation



- Extensive usage of alternative and renewable sources of energy such as wind and solar power

Impact

Reduction in energy cost and CO₂ emissions



- Commissioned bio gas facility

Impact

Converts all organic waste into electricity, which further helps in powering the ETP and R&D center



- Usage of sugarcane briquettes (bio-fuel)

Impact

Steam generation for manufacturing processes

The commitment to produce maximum utility with minimal wastage has been driving us for years, and will continue to remain our foremost commitment to our eco system



Wholesome Mazaa
From grocery stores to restaurant menus

NOTICE

Notice is hereby given that the thirty-fifth annual general meeting of the shareholders of Tasty Bite Eatables Limited will be held on Thursday, 8th day of August, 2019, at 11.00 a.m. at Hotel Sheraton Grand Pune, RBM Road, Pune – 411 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for year ended March 31, 2019, and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of INR 2 per equity share on 25,66,000 equity shares of INR 10 each for the financial year 2018-19.
3. To appoint a director in place of Ms. Dawn Allen, who retires by rotation and being eligible offers herself for re-appointment.

SPECIAL BUSINESS:

4. Regularisation of Additional Director Mr. P.V.V. Srinivasa Rao

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

"RESOLVED THAT Mr. P.V.V. Srinivasa Rao (DIN 06805347), who was appointed as an Additional Director under non-executive category with effect from February 06, 2019, on the Board of the Company in terms of Section 161 and 149 of the Companies Act, 2013 ("Act") read with provisions of Article of Association of the Company and who holds such office up to the date of ensuing Annual General Meeting, and in respect of whom a notice has been received from a member in writing, under Section 160 of the Act and who is also recommended by the Board of Directors for such appointment, be and is hereby appointed as a Director of the Company liable to retire by rotation."

5. Fixation of remuneration of Mr. Abhijit Vishwanath Upadhye as Managing Director till March 31, 2020:

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

"RESOLVED THAT pursuant to Sections 196, 197, 198, 203 and such other provisions as may be applicable, if any, of the Companies Act, 2013 ("Act"), which shall include any statutory modification(s) or re-enactment(s) thereof read with Schedule V of the Act, the consent of the Members of the Company be and is hereby accorded for remuneration of Mr. Abhijit Upadhye as Managing Director from April 01, 2019 till March 31, 2020 upon such terms and conditions as are set out in draft of the agreement entered into between the Company and Mr. Abhijit Upadhye, the terms of which are mentioned in the Statement setting out Material Facts annexed herewith, be and is hereby specifically approved with an authority to the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors) to add, alter and vary the terms and conditions of the said appointment/ remuneration and/or Agreement subject to the relevant provisions of the Act.

RESOLVED FURTHER THAT subject to other applicable provisions, the aforesaid remuneration be considered as the minimum remuneration, notwithstanding that the Company may make losses or inadequate profits during the tenure of the Agreement for financial year from April 01, 2019 till March 31, 2020.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorised with liberty to alter or vary the terms and conditions of the said remuneration, so long as it does not exceed the overall limits of ten percent of the net profits of the Company computed in the manner set out in Section 198 read with Schedule V of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and also to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board (including the Committees of Directors) be and is hereby authorised to do all such acts, deeds, matters and things and to execute any agreements, documents, instruments and writings as may be required, with power



NOTICE (Contd.)

to settle all questions, difficulties or doubts that may arise in regard to the said remuneration as it may in its sole discretion deem fit and to delegate all or any of its powers conferred herein to any director(s) and/or officer(s) of the Company to give effect to this resolution."

6. **Re-appointment of Mr. Kavas Patel as an Independent Director:**

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

"RESOLVED THAT pursuant to the provisions of Section 149, 152 of the Companies Act 2013 ("Act") and other applicable provisions, if any, of the Act, the Rules framed thereunder read with Schedule IV to the Act, Mr. Kavas Patel (DIN 00002634), Independent director of the Company, whose term as independent Director is coming to an end on September 09, 2019 and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment be and is hereby re-appointed as Independent director of the Company from September 10, 2019 till September 09, 2024.

RESOLVED FURTHER THAT pursuant to the provisions of Regulation 17A of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, approval of the members is also accorded to continuation of Mr. Kavas Patel as Independent Director till his term ends on September 09, 2024 notwithstanding him attaining the age of seventy-five years."

7. **Issue of equity shares on preferential basis:**

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

"RESOLVED THAT pursuant to the provisions of Section 23, Section 42 and Section 62 (1) (c) of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable provisions, if any (including any statutory modifications(s) or re-enactment thereof, for the time being in force), and subject to the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI (ICDR) Regulations"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date ("SEBI (LODR) Regulations") as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India ("SEBI") and/or the stock exchanges where the equity shares of Tasty Bite Eatables Limited ("Company") are listed and enabling provisions of the Memorandum and Articles of Association of the Company and subject to requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities, as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to, by the board of directors of the Company ("Board", which term shall be deemed to include any committee constituted by the Board to exercise its powers including the powers conferred hereunder or any person authorised by the Board or its committee for such purpose), the consent and approval of the shareholders of the Company be and is hereby granted to create, offer, issue and allot by way of preferential allotment, up to 15,500 equity shares of face value INR 10/- each ("**Equity Shares**") for cash at a price of INR 9,030/- (including a premium of INR 9,020/- per Equity Share) to Preferred Brands Foods (India) Private Limited ("**PBFIPL**"), for a total consideration of INR 13,99,65,000/-, as specified below:

Name of allottee	No. of Equity Shares to be allotted	% of shareholding post allotment
Preferred Brands Foods (India) Private Limited	15,500	74.38

RESOLVED FURTHER THAT aforesaid issue and allotment of Equity Shares shall be subject to the conditions prescribed under the SEBI (ICDR) Regulations, including the following:

- The consideration for allotment of Equity Shares shall be paid to the Company from the bank accounts of PBFIPL.
- The Equity Shares shall be locked in as per the provisions of the SEBI (ICDR) Regulations relating to preferential issue.

NOTICE (Contd.)

- c. The Equity Shares to be allotted by way of this preferential issue, shall be in dematerialized form only and shall rank *pari passu* in all respects including as to dividend with the existing fully paid up equity shares of face value INR 10/- each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.
- d. The Equity Shares so offered, issued and allotted will be listed and traded on the stock exchanges where the equity shares of the Company are listed, subject to the receipt of necessary regulatory permissions and approvals, as the case may be.

RESOLVED FURTHER THAT pursuant to the provisions of the Companies Act, 2013, the consent and approval of the shareholders of Company be and is hereby accorded for the issuance of a private placement letter and application for in respect of the Equity Shares to be subscribed by PBFIL, in the form and manner prescribed under the applicable provisions of the Companies Act, 2013 and the rules and regulations thereunder, each as amended.

RESOLVED FURTHER THAT the price of the aforesaid Equity Shares has been calculated in accordance with the provisions of the SEBI (ICDR) Regulations and the "Relevant Date" for the purpose of calculating the price of the Equity Shares is the date, 30 (thirty) days prior to the date of the proposed annual general meeting, i.e., July 9, 2019.

RESOLVED FURTHER THAT the monies received by the Company from PBFIL for application of the Equity Shares pursuant to this private placement shall be kept by the Company in a separate bank account.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue and allotment of the Equity Shares, including but not limited to seeking listing of the Equity Shares on the relevant stock exchange(s), making application to the relevant depository for admission of the new equity shares as appropriate, and to resolve and settle all questions and difficulties that may arise in relation to the proposed preferential issue, offer and allotment of any of the said Equity Shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the resolution, Mr. Abhijit Upadhye - Managing Director, Mr. Gaurav Gupta -Chief Financial Officer and Alternate Director and Ms. Minal Talwar -Company Secretary or any other Director be and are hereby severally authorized to engage / appoint depositories, registrars, bankers, legal counsel and such other consultants and advisors to the issue and to remunerate them by way of brokerage, fees and/or other charges and also to enter into and execute all such arrangements, agreements, memoranda, documents, etc. with such agencies, as may be required, and as permitted by law.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any committee of the Board, any other director(s) or officer(s) or the Company or other authorized persons to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or a committee of the Board, any other director(s) or officer(s) of the Company or any other authorized persons in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors
Tasty Bite Eatables Limited

Abhijit Upadhye
 Managing Director
 DIN: 02076451

Place: Pune
 Date: July 12, 2019



NOTICE (Contd.)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (meeting) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the meeting duly stamped and signed. Members are requested to note that a person can act as proxy for not more than 50 members and not exceeding 10% of total share capital.
2. Members / Proxies should bring duly-filled Attendance Slips/ Proxy Forms sent herewith to attend the meeting. Members who hold shares in dematerialised form are requested to mention their Client ID and DP ID and those who hold shares in physical form are requested to mention their Folio Number in the attendance slip for attending the meeting.
3. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorising their representative to attend and vote on their behalf, at the meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting facility by first holder.
5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, July 20, 2019, to Thursday, August 08, 2019 (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 September 07, 2019, 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, July 19, 2019. 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, July 19, 2019. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA. The Company has as per SEBI guidelines, issued letters to physical shareholders for updation of PAN and Bank details. Also, intimations were sent to shareholders holding shares in physical form, intimating the dematerialisation need and deadline.
7. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary so as to reach the Company at least seven days before the date of the meeting so that the required information may be made available at the meeting. The Statutory and Secretarial Auditors have issued various audit reports with unmodified opinion (without any qualification).
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, if any, and Statutory Registers are open for inspection at the registered office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of meeting. Notice calling meeting and Annual Report are available on Company's website www.tastybite.co.in.
10. Shareholders/investors may contact the Company on designated e-mail id: secretarial@tastybite.com for speedy action from Company's end.
11. The Company has paid the annual listing fee to BSE Ltd, National Stock Exchange of India Limited for financial year 2019-20.
12. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's Registrar and Transfer Agent (RTA) – M/s. Karvy Fintech Pvt. Ltd. at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032. (Unit- Tasty Bite).

NOTICE (Contd.)

13. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2011-12 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. The amount of the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

It may be noted that the dividend for the financial year ended March 31, 2011 (declared on September 05, 2011) which remained unpaid or unclaimed over a period of seven years, was transferred to the Investor Education and Protection Fund as required under Section 124(5) of the Companies Act, 2013.

Any person/ Member who has not claimed the dividend in respect of the financial year ended March 31, 2012, or any year thereafter, is requested to approach the Company/ Registrar and Transfer Agent of the Company for claiming the same.

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

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended March 31, 2019, on the website of the Company: www.tastybite.co.in.

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

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

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.

17. Voting through electronic means:

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other rule as may be applicable including amendments thereof, a member may exercise right to vote by electronic means (remote e-voting) in respect of the Resolutions contained in this notice.
- ii. The Company is providing the e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of M/s. Karvy Fintech Private Limited ('Karvy') as the authorised agency to provide e-voting facility which is approved by Ministry of Corporate Affairs and has also obtained a Certificate from the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India, as prescribed under the Companies (Management and Administration) Amendments Rules, 2015.

NOTICE (Contd.)

- iii. The notice calling meeting is placed on the website of the Company (www.tastybite.co.in) and on the website of the 'Karvy' (<https://evoting.karvy.com>) agency appointed for conducting the voting by electronic means.
- iv. The members who opt to cast their votes by remote e-voting prior to the meeting, may attend the meeting, however, shall not be entitled to cast their vote again.
- v. The Board of Directors has appointed M/s Pareek V. R. & Associates, Practicing Company Secretaries, Pune as the Scrutiniser for conducting e-voting process in fair and transparent manner.
- vi. Members are requested to carefully read the instructions for e-voting before casting their vote.
- vii. The e-voting module shall be disabled for voting on Wednesday, August 07, 2019, at 5.00 pm. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently. **The voting right of the shareholders shall be in proportion to their share in the paid up capital of the Company as on the cut-off date i.e. August 01, 2019 (end of day).**
- viii. The remote e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting:

Commencement of e-voting	August 03, 2019- from 9.00 am (IST)
End of e-voting	August 07, 2019 - up to 5.00 pm (IST)

- ix. Contact details for issues relating to e-voting: M/s. Karvy Fintech Services Pvt Ltd at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Toll free no. 1800-345-4001; E-mail- evoting@karvy.com/ ramesh.desai@karvy.com. Or visit FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- x. Details of Scrutiniser: M/s Pareek V. R. & Associates, Practicing Company Secretaries has been appointed as Scrutiniser to scrutinise the e-voting process in fair and transparent manner. The Scrutiniser shall within a period of not exceeding three working days from conclusion of e-voting period unblock the votes in presence of at least two witnesses not in employment of the Company and present his report of votes cast in favour and against the resolutions to Chairman of the Company or any other person as authorised by him.
- xi. The procedure and instructions for remote e-voting are as under:
 - A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/ Depository Participants (s)]:
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. User ID and password as mentioned in email). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

NOTICE (Contd.)

- v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Name of the Company"
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.
 - ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutiniser at vineet@curiousmindsolutions.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name Event No."
- B. In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants (s)]:
- i. E-Voting Event Number – XXXX (EVEN), User ID and Password as provided on the cover page of notice.
 - ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.
- C. Voting at AGM: The Members, who have not cast their vote through Remote e-voting can exercise their voting rights at the AGM. The Company will make necessary arrangements in this regard at the AGM Venue. The facility for voting shall be made available at the Meeting. Members who have already cast their votes by Remote e-voting are eligible to attend the Meeting; however those Members are not entitled to cast their vote again in the Meeting.

A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

Other Instructions

- I. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of <https://evoting.karvy.com> (Karvy Website) or contact Mr. G Ramesh Desai, (Unit: Tasty Bite Eatables Ltd) of Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 1500 or call Karvy's toll free No. 1-800-34-54-001 for any further clarifications.

NOTICE (Contd.)

- II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. In case any person becomes member of the Company after cut off date of dispatch of Notice of AGM and Annual Report i.e. June 21, 2019, and holds shares as on the cut-off date for e-voting i.e., August 1, 2019, he/she may obtain the User ID and Password in the manner as mentioned below :
 - i. If the mobile number of the member is registered against shares held in demat form, the member may send SMS: MYEPWD<space> DP ID Client ID to 9212993399
Example for NSDL:
MYEPWD <SPACE> IN12345612345678
Example for CDSL:
MYEPWD <SPACE> 1402345612345678
Example for physical:
MYEPWD <SPACE> XXXX1234567890
 - ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
 - iii. Member may call Karvy's toll free number 1800-3454-001.
 - iv. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavour to send User ID and Password to those new Members whose mail ids are available.
- h) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify it subsequently. The Company shall also provide facility for voting through polling at the Meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the AGM. A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.
- i) The Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.
- j) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being August 01, 2019. A person who is not a member as on the cut-off date should treat this notice for information purpose only.
- k) The results shall be declared on or after the AGM. The results along with the Scrutiniser's Report, shall also be placed on the website of the Company (www.tastybite.co.in).
- xii. Any person, who acquires the shares of the Company and becomes a members after dispatch of Notice of AGM (cut-off date for dispatch of Annual Report & Notice is June 21, 2019, end of business hours) and is holding shares as on the cut-off date i.e. August 01, 2019, may obtain the user id and password by sending a request at Karvy's e-mail id evoting@karvy.com/ ramesh.desai@karvy.com or at Company's e-mail id secretarial@tastybite.com or by writing to the Company or Karvy.
- xiii. The Scrutiniser shall after the conclusion of the voting at the meeting first count the voting at the meeting and then unblock the votes cast through e-voting in the presence of at least two (2) witnesses not in the employment of the Company and he shall forthwith make a Consolidated Scrutinizers Report of the total votes cast in favour or against, if any, to the Chairman of the Company or person authorised by Chairman who shall countersign the same.
- xiv. The Scrutinizers decision on the validity of the vote shall be final and binding.
- xv. The Chairman or person authorised by Chairman shall immediately/forthwith declare the result of the voting.

NOTICE (Contd.)

- xvi. The result on the Resolutions shall be declared on or after the meeting of the Company and the Resolutions shall be deemed to be passed on the meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- xvii. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company (www.tastybite.co.in) and on website of the Karvy (<https://evoting.karvy.com>) immediately after result is declared by the Chairman and forwarded to Stock Exchanges where the shares of the Company are listed.

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

Ms. Dawn Allen:

Ms. Dawn Allen has been a non-executive director since November 2017. She is proposed to be re-appointed as a director

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

Date of Birth & Age	September 16, 1968- 50 years
Date of Appointment	November 14, 2017
Qualifications	Ms. Dawn Allen holds BSc in Chemistry degree from Bath University and is also an ACA from the Institute of Chartered Accountants of England and Wales.
Expertise in specific functional areas	Ms. Dawn Allen has worked at the Mars, Incorporated group of companies for 20 plus years and during this time she has held a number of finance positions. She is currently CFO of Global Food, Drinks and Multi sales at Mars, Incorporated.
Directorship in other Companies as on March 31, 2019, (including Private limited companies and excluding foreign companies)	Preferred Brands Foods (India) Pvt Ltd- Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

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

19. Route map for reaching the venue of AGM is given at the end of the annual report.

By order of the Board of Directors
Tasty Bite Eatables Limited

Abhijit Upadhye
 Managing Director
 DIN: 02076451

Place: Pune
 Date: July 12, 2019



NOTICE (Contd.)

ANNEXURE TO NOTICE

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

Item No 4:

Mr. Srinivasa Rao:

Mr. Srinivasa Rao Pydisetty, additional director of the Company, has been a non-executive director since February 2019. He is proposed to be appointed as a director.

A brief profile of Mr. Srinivasa Rao Pydisetty is as follows

Date of Birth & Age	July 09, 1968, 50 years
Date of Appointment	February 06, 2019
Qualifications	Mr. Rao holds Post Graduate Diploma in Business Management from IIM (Calcutta). He has also completed Bachelors in Technology Chemical Engineering from IIT (Chennai).
Expertise in specific functional areas	Mr. Rao has 24 plus years of experience spanning automobile industry, telecom industry, FMCG with mix of international stints and domestic exposure.
Directorship in other Companies as on March 31, 2019, (including Private limited companies and excluding foreign companies)	NIL
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

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

Item No. 5:

Mr. Abhijit Upadhye was appointed as Executive Director and designated as Managing Director of the Company w.e.f. November 03, 2018, for a period of 3 years. The Board of Directors and shareholders had given their approval to pay remuneration to Mr. Abhijit Upadhye w.e.f. November 03, 2018, till March 31, 2019.

The Remuneration & Nominations Committee at their meeting held on May 16, 2019, recommended payment of remuneration for period of one financial year i.e. From April 01, 2019 till March 31, 2020 irrespective of adequacy of the profits of the Company. The recommendation was approved by the Board of Directors at their meeting held on May 16, 2019. The remuneration is subject to the approval of members by way of special resolution at the General Meeting.

In consideration of the duties and obligations undertaken by the Managing Director herein above, the Company shall pay him the remuneration as per the terms and conditions detailed w.e.f. April 01, 2019 till March 31, 2020 subject to the approval of shareholders.

The proposed remuneration from April 01, 2019 is as follows:

NOTICE (Contd.)

No	Remuneration	Slab (amount in INR) per annum
1	Annual gross salary	INR 2,01,38,800 (Rupees Two Crore One Lakh Thirty Eight Thousand Eight Hundred only)
2	Perquisites Yearly	• Leave Travel allowance for self, spouse and children for travel to any place in India up to INR 27,600 • Books & periodicals up to INR 50,000 • Petrol/ Fuel Reimbursement INR 1,20,000 • Car allowance & chauffeur reimbursement- INR 9,97,428 • Medical allowance upto INR 15,000 • Leave encashment as per Company Policy
3	Other Benefits	• Contribution to Provident Fund as per applicable rules & Company Policy • Gratuity as per Company Policy • Medical insurance & Group Accident as per Company policy shall not be considered as perquisite.
4	Performance bonus	INR 70,00,000 (Rupees Seventy Lakhs only) per annum is assured.
5	Cash based long term incentives	Maximum amount of *INR 2,50,00,000 (Rupees Two Crore Fifty Lakh only) as long-term incentive amount payable in January 2022 subject to achievement of company's performance targets for 3 years (CY2019 -CY2021) operating plan and approved by Board

1. In case of absence or inadequacy of profit in any financial year, the aforesaid remuneration and perquisites shall be paid to Mr. Abhijit Upadhye as minimum remuneration.
2. The terms and conditions of appointment of Managing Director may be altered and varied from time to time by the Board in such manner as may be mutually agreed, subject to such approvals as may be required and within overall limits of 10% of net profits as set out in Section 198 of the Companies Act, 2013 and Schedule V of the Act.
3. The Managing Director shall not be paid any sitting fee for attending the Board or any other Committee meetings.
4. The Managing Director is not liable to retire by rotation.
5. The above may be treated as an abstract as required under Section 190 of the Act. Draft Agreement proposed to be entered into by the Company and Mr. Abhijit Upadhye is open for inspection by Members at the Registered Office during the working days.

The other information required is given as follows:

I. GENERAL INFORMATION:

1. Nature of industry: Prepared food consisting ready to serve products and intermediate food products.
2. Commencement of commercial production: 1987
3. In case of new companies expected date of commencement of activities as per project approved by the financial Institutions appearing in the prospectus: Not Applicable
4. Financial performance of the Company in previous 2 financial years:

(INR in lakhs)		
Particulars	2018-19	2017-18
Total revenue	35,515.80	30,310.98
Profit before tax	4,707.63	4,104.00
Profit after tax	3,006.32	2,645.65



NOTICE (Contd.)

5. Export performance and net foreign collaborations:

(INR in lakhs)

Particulars	2017-18	2017-18
F.O.B value of exports	22,203.84	18,033.65

6. Foreign investments or collaborators, if any:

There is no direct foreign equity participation. The shareholding of Non-Resident Investors as on March 31, 2019 is 9,483 shares (0.37%), foreign Promoter holds 300 shares (0.01%) and foreign Portfolio corporates hold 70,874 shares (2.76%)

II. INFORMATION ABOUT MR. ABHIJIT UPADHYE:

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

Date of Birth & Age	April 13, 1971- 48 years
Date of Appointment	November 03, 2018 as Managing Director
Qualifications	Mr Abhijit Upadhye is a B.E. (Mech) from VJTI, Mumbai and holds a Master in Management Studies Degree in Marketing from Narsee Monjee Institute of Management Studies.
Expertise in specific functional areas	Mr. Upadhye has 22 plus years of experience spanning e-Commerce, Food Service, Consulting and FMCG with a mix of International as well as within country leadership roles. He has worked with McDonald's Corporation, Flipkart, Infosys, etc to name a few.
Directorship in other listed companies	Mr. Upadhye is not a director in any other listed company. However, he is a director in Raigad Electricals Private Limited, Western Electricals Private Limited and Preferred Brand Foods (India) Private Limited
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL
Comparative remuneration profile	Having regard to the type of industry, the trend in the industry, the size of the Company, the growth of the Company, the profile of the Managing Director, his contribution and merits, his responsibilities, the remuneration proposed is at par with the remuneration being paid to the senior executives in both domestic as well as multinational corporate sector in the food processing industry. Companies Act, 2013 has placed enormous responsibilities on the management. In order to compensate with increased responsibility, it is proposed to remunerate the managing director with appropriate remuneration.
Pecuniary relationship with the Company and Managerial Personal	Mr. Abhijit Upadhye is not related to any director or Key Managerial Person of the Company. He receives remuneration as Managing Director of the Company.

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

NOTICE (Contd.)

Past Remuneration	Mr. Upadhye joined the Company on July 12, 2018 as Chief Operating Officer (COO). Remuneration mentioned in table above is the remuneration received by him as COO.
Recognitions or awards	Mr. Upadhye has over 20 years of well-rounded experience across various industries including food service, e-Commerce, Consulting and FMCG. He joined us in July 2018 as Chief Operating officer (COO) from Flipkart India, where he served as Chief Executive Officer of Jeeves Consumer Services and F1 Info Solutions (Flipkart group companies). During his tenure, he was responsible for a turn-around of the Company. Jeeves saw a multi-fold jump in revenue and profitability whilst improving other metrics like employee and customer satisfaction. He was also responsible for the acquisition of F1 Info Solutions which helped bring new service and category capabilities for Flipkart. While working for McDonald's Corporation, Abhijit was awarded the prestigious "Global Circle of Excellence Award" two times in a row. During his consulting role in Infosys, he received the "Chairman's Award of Excellence" twice for contributing towards development of the multi-million dollar Master Data Management Solution. He has also co-authored a case study for Stanford Graduate School of Business on the development of MacFry in India.
Job Profile and Suitability	Mr. Upadhye is a Food Industry veteran having extensive experience at McDonald's Corporation. He worked for 13 years with McDonald's both within India and in Hong Kong for regional as well as global roles. While in India, he was the country head for Supply Chain, QA & Menu Management and held P & L responsibility brand extensions like McDelivery and Desert Kiosks. Successful products like Chicken McNuggets, McSpicy Paneer & Chicken, EVM's and platforms like Breakfast were launched during his tenure. He led some transformational supply chain initiatives and changed several supply models in the farm-to-fork value chain (e.g. lettuce, fries) to provide an edge to McDonald's over its competitors. While in Hong Kong, he led menu strategy and regional product innovation launching platforms like "Dinner" and "Create your Taste". He led the Go To Market' project for McDonald's APMEA and helped improve returns for new store openings in emerging markets like China, India and Indonesia. He was part of the core new country opening team that helped open McDonald's Vietnam and was the supply chain relationship partner for McDonald's Japan. As a global category lead for Sauces, Dairy, Beverages and Toys he was responsible for strategic sourcing of a few billion \$ and capability/capacity planning. Abhijit has also worked in the Domain Competency Group of Infosys as a Principal Consultant and Group Lead for Retail and CPG Industry. Mr. Abhijit Upadhye has a proven record of merit as narrated above and has strong knowledge of the food industry within and outside of India. His diversified experience and high performance is an indicator of his capabilities. He has been in turn-around situations, has managed multi-billion \$ portfolios, and has also worked in high growth environments like Flipkart. His experience will be beneficial for overall management of the Company contributing to continuous growth, increased productivity and enhanced quality.



NOTICE (Contd.)

OTHER INFORMATION:

- a. Reasons for loss or inadequate profits:** The Company has not incurred losses and has had adequate profits over the past 14 years, however this is an enabling provision in the event the proposed remuneration were to breach the limit set under the Companies Act, 2013.
- b. Steps taken or proposed to be taken for improvement:** The Company is on a growth path and is expected to make higher profits in future.
- c. Expected increase in productivity and profits in measurable terms:** Management expects to have higher productivity and profits in line with the estimated budget.

DISCLOSURES: The Board of Directors recommends the resolutions for approval of the members. None of the other Directors and Key Managerial Personnel of the Company in anyway, concerned or interested in the said resolutions. Above may also be treated as an abstract of the terms and conditions governing the appointment and remuneration of the Managing Director pursuant to Section 196, 197 and 203 of the Companies Act, 2013 read with Schedule V of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015

Item no. 6.

Mr. Kavas Patel, was appointed as an Independent Director not liable to retire by rotation on the Board of the Company, vide ordinary resolution passed by the Members of the Company dated September 10, 2014 and will accordingly hold office up to September 09, 2019. Mr. Patel has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and he is eligible for re-appointment i.e. for a second term as Independent director of the Company from September 10, 2019 till September 9, 2024.

Securities and Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2018/10 dated May 09, 2018 notified the SEBI (Listing Obligations and Disclosures Requirement) (Amendment) Regulations, 2018 ("the Amendment Regulations") to be effective from April 01, 2019. One of the amendments requires the listed entities to seek approval of Members, by way of Special Resolution, while appointing or continuing the directorship of any Non-Executive Director who has attained the age of seventy-five years.

Mr. Kavas Patel, if elected as independent Director for a second term, will attain the age of seventy-five years during such term and pursuant to the Amendment Regulations, approval of the Members is being sought for continuation of his appointment as per the extant Term, till September 09, 2024.

Mr. Patel is a Fellow Member of Institute of Chartered Accountants of England & Wales. He brings independent judgement on the Board's discussions. His expertise lies in Audit, corporate finance, strategic financial planning, budgeting, mergers and acquisitions, business strategies, Investment, Wealth Management etc. He has shown exemplary thought leadership during the course of his tenure as a Director. He brings in vast CEO/ Senior Management experience to the Board and/or Committees. He has been a keen observer of the food industry since decades and his vision in this domain has helped the Company to achieve significant growth in operations and business. He has vast knowledge in Accounting and Finance fields and has a proactive and futuristic approach towards Risk and Compliance Management. Accordingly, the Nomination Remuneration Committee at its meeting held on May 16, 2019, formed a view that his expertise and valuable guidance are immensely beneficial to the Company, in its pursuit of growth and hence recommend to the Board to approve his re-appointment as Independent Director and continuation of his directorship on the Board of the Company up to September 09, 2024 notwithstanding him attaining age of seventy-five years.

The Board of Directors in their meeting held on May 16, 2019 and on basis of recommendation of Nomination and Remuneration Committee, approved the re-appointment and such continuation.

The Board further seek the approval of Members, in terms of the provisions of the Amendment Regulations and such other rules, regulations, provisions as may be applicable, for continuation of directorship of Mr. Patel, as an Independent Director, not liable to retire by rotation, till expiry of his term up to September 10, 2024.

NOTICE (Contd.)

Section 149, sub-section (10) of the Companies Act 2013, provides that an independent director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's report.

Section 149, sub-section (11) provides that no independent director shall hold office for more than two consecutive terms. Explanation to sub-sections (10) and (11), provide that any tenure of an independent director on the date of commencement of this Act shall not be counted as a term under those sub-sections. The extant term of Mr. Patel is his first term as independent director under the Companies Act, 2013, pursuant to the provisions of Section 149 and explanation(s) thereunder. The Board of Directors, is thus, of the opinion that he fulfils the requisite conditions for re-appointment / continuation on the Board of the Company, as an independent director.

His brief profile along with Directorships, membership of Committees of the Board and other interest, if any, is as below:

Date of Birth & Age	February 2, 1947, 72 years
Date of Appointment	May 29, 2009
Qualifications	Mr. Patel is a Bachelor of Commerce from Mumbai. He is also a Fellow Member of the Institute of Chartered Accountants in England and Wales.
Expertise in specific functional areas	Mr. Patel started his career with Franklin Wild and Co., Chartered Accountants, London as Clerk. He then joined Polaroid Corporation in 1974 and worked with them in various international assignments in Europe, Far East, USA and India. His last assignments with Polaroid was Director of Finance, Asia Pacific Region and Country Director India.
Directorship in other Companies as on March 31, 2019, (including Private limited companies and excluding foreign companies)	1. Indian Oxides and Chemicals Private Limited 2. Zinnia Properties Private Limited 3. INARCO Private Limited 4. Dai-Ichi Karkaria Limited 5. UNI Klinger Limited 6. Nalco Champion Dai-Ichi India Private Limited
Chairmanship/ Membership of Committees of above mentioned Companies (other than TBEL Committees)	<u>Audit Committee Chairmanship-</u> 1. Dai Ichi Karkaria Limited 2. UNI Klinger Limited
Shareholding in the Company	NIL

His brief profile along with Directorships, membership of Committees of the Board and other interest, if any, forms a part of this Notice. There is no inter-se relationship between Mr. Patel and any other Director on the Board. None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Patel and his relative(s), is in any way concerned or interested (financially or otherwise), in the proposed Special Resolution.

The Board accordingly recommends this resolution to be passed as a Special Resolution to the Members for their consideration and approval.

Item no. 7.

The board of directors of the Company ("Board") in their meeting held on July 12, 2019, subject to necessary approval(s), have approved the proposal for raising of funds for an amount not exceeding INR 13,99,65,000/- by way of issue of up to 15,500 equity shares having face value of INR 10/- each ("Equity Shares"), on a preferential basis, to raise funds for (i) funding working capital requirements of the Company, (ii) repayment of loans availed by the Company, and (iii) general corporate purpose.

In terms of the provisions of Sections 42 and 62, and other applicable provisions, if any, of the Companies Act, 2013, and rules framed

NOTICE (Contd.)

thereunder, each as amended (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, as amended, ("SEBI (ICDR) Regulations"), preferential allotment can be made only with the approval of the members of the Company by way of special resolution.

Subject to approval of the shareholders of the Company, the Board vide its board resolution dated July 12, 2019 has authorized the issuance and allotment of up to 15,500 Equity Shares at a price of INR 9,030/- per Equity Share (including a premium of INR 9,020/- per Equity Share), to Preferred Brands Foods (India) Private Limited ("PBFIP"), by way of a preferential allotment for a total consideration of INR 13,99,65,000/- ("Preferential Issue").

The information as required under the SEBI (ICDR) Regulations and the Act, for the Preferential Issue, is as under:

- a) Objects of the Preferential Issue:** The funds to be raised from the Preferential Issue will be utilised for (i) funding working capital requirements of the Company, (ii) repayment of loans availed by the Company, and (iii) general corporate purposes.
- b) Total number of Equity Shares to be issued:** The resolution set out in the accompanying Notice entitles the Board to issue Equity Shares not exceeding 15,500, as may be deemed appropriate in the best interest of the Company.
- c) Particulars of subscribers and intention of promoters/ directors/ key managerial personnel to subscribe to the Preferential Issue:** Except for PBFIP, being one of the promoters of the Company, none of the promoters, directors or key managerial personnel of the Company are subscribing to the Preferential Issue.
- d) Shareholding pattern of the Company before and after the Preferential Issue is as below:**

Sr. No.	Category	Pre-Preferential Issue*		Post-Preferential Issue*	
		No. of Equity Shares held	% of shareholding	No of Equity Shares held	% of shareholding
A	Promoters' holding				
1	Indian	-	-	-	-
	Individual	-	-	-	-
	Bodies corporate	19,04,510	74.22	19,20,010	74.38
	Sub-total	19,04,510	74.22	19,20,010	74.38
2	Foreign promoters	300	0.01	300	0.01
	Sub-total (A)	19,04,810	74.23	19,20,310	74.39
B	Non-promoters' holding				
1	Institutional investors	85,880	3.35	85,880	3.32
2	Non-institution	1,03,708	4.04	1,03,708	4.04
	Private corporate bodies	-	-	-	-
	Directors and relatives	-	-	-	-
	Indian public	4,60,464	17.94	4,60,464	17.84
	Others (including NRIs)	11,138	0.43	11,138	0.43
	Sub-total (B)	6,61,190	25.77	6,61,190	25.61
	GRAND TOTAL (A+B)	25,66,000	100.00	25,81,500	100

*As per beneficiary position statement dated July 5, 2019.

- e) Time frame within which the Preferential Issue will be completed:** As required under the SEBI (ICDR) Regulations, the Equity Shares shall be issued and allotted by the Company to PBFIP, within a period of 15 days from the date of passing of this shareholders' resolution, provided that where any approval or permission by any regulatory authority or the Central Government for the allotment of the Equity Shares is pending as on the date of the shareholders' resolution, the period of 15 days shall be counted from the date of approval or permission, as the case may be.

PBFIP is interested in the proposed resolution to the extent of their shareholding in the Company. Mr. Abhijit Upadhye and Ms.

NOTICE (Contd.)

Dawn Allen, being directors on the board of the Company as well as on the board of PBFIL, are interested in the above resolution. None of the directors, managers or key managerial personnel, or any of their relative, is in anyway, concerned or interested, financially or otherwise, in the above resolution.

f) Identity of the proposed allottees: The allotment of the equity shares of the Company will be made to the following persons:

Names of allottees	No. of Equity Shares to be allotted	If allottee is not a natural person, identity of the natural person who is the ultimate beneficial owner of the Equity Shares proposed to be issued, if applicable.	Pre-Preferential Issue*		Post-Preferential Issue*	
			No. of Equity Shares	% of shareholding	No. of Equity Shares	% of shareholding
Preferred Brands Foods (India) Private Limited	15,500	Not applicable	19,04,510	74.22	19,20,010	74.38

*As per beneficiary position statement dated July 5, 2019.

The name of proposed allottees & percentage of shareholding post allotment:

Name of the proposed allottees	% of shareholding post allotment*
Preferred Brands Foods (India) Private Limited	74.38

*As per beneficiary position statement dated July 5, 2019.

h) Change in control: There will be no change in control of the Company pursuant to the Preferential Issue.

i) Undertakings:

- It is hereby confirmed that neither the Company nor its directors and to the Company's knowledge, any of its promoters is a wilful defaulter.
- Since the Equity Shares of the Company have been listed on recognized stock exchanges for a period of more than 26 (twenty six) weeks prior to the Relevant Date, the Company is not required to re-compute the price per Equity Share and therefore the Company is not required to submit the undertaking specified under the SEBI (ICDR) Regulations.

j) Relevant Date with reference to which the price has been arrived at: July 9, 2019, which is 30 days prior to the date of passing of special resolution by the members of the Company for approving the Preferential Issue.

k) The price at which the allotment is proposed: The allotment is proposed to be made at price of INR 9,030/- per Equity Share (including a premium of INR 9,020/- per Equity Share), which is determined in accordance with the SEBI (ICDR) Regulations.

l) Basis on which the price has been arrived: The price has been arrived at in accordance with the relevant provisions of the SEBI (ICDR) Regulations.

The Equity Shares are listed on BSE Limited and the National Stock Exchange of India Limited, and the Equity Shares are infrequently traded in accordance with the SEBI (ICDR) Regulations. As per Regulation 165 of the SEBI (ICDR) Regulations, when the shares of an issuer are not frequently traded, the price determined by the issuer, shall take into account valuation parameters including book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies and should be done by an independent valuer and a certificate in this regard, under Regulation 165 of the SEBI (ICDR) Regulations, has been obtained and shall be submitted to the stock exchange where the shares of the company are listed.



NOTICE (Contd.)

Accordingly, the Company has obtained a valuation report from Mr. Anandkumar Gawade, Registered Valuer ("**Valuation Report**"). A copy of the Valuation Report shall be available for inspection at the registered office of the Company on all working days from 11:00 A.M. and 1:00 P.M. till the conclusion of this meeting and shall also be laid before the members at the meeting.

The price per share has been determined in accordance with the provisions of the SEBI (ICDR) Regulations. The Equity Shares, being infrequently traded, the price per Equity Share is determined taking into account valuation parameters including book value, comparable trading multiple etc. The price per Equity Share has been determined by taking into consideration financial parameters, growth in business in the recent years and future momentum, and by giving certain weightage to the fair value of the Equity Shares, derived using the Market Price Method and Comparable Companies Quoted Multiple Method. Further, an additional premium has been added to the fair value, as arrived at in accordance with the foregoing methods, considering the Preferential Issue is being made only to one of the promoters. The business valuation has been carried out using approaches and methodologies given under the International Valuation Standards. According to the Valuation Report, the price per Equity Share comes to INR 9,030/-

- m) Lock-in:** The securities issued under the above preferential issue shall be subject to a lock-in period in accordance with the applicable provisions of the SEBI (ICDR) Regulations.
- n) Auditors' Certificate:** The certificate from M/s B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116321W/W - 100024), the Statutory Auditors of the Company, certifying that the Preferential Issue is being made in accordance with the requirements contained in the SEBI (ICDR) Regulations shall be placed before the shareholders of the Company at the Annual General Meeting of the Company and shall be available for inspection at the registered office of the Company during the business hours except public holidays.
- o) Relevant Date:** The Relevant date for the purpose of determining the price of shares in accordance with pricing method given in the SEBI (ICDR) Regulations is 30 days prior to date of the annual general meeting and in case where relevant date falls on weekend/ holiday, the day preceding the weekend/ holiday is reckoned as Relevant Date. Accordingly, the Relevant Date is July 9, 2019.
- p) The number of persons to whom allotment on preferential basis have already been made during the financial year 2018 - 2019:**

Nil.

By order of the Board of Directors
Tasty Bite Eatables Limited

Abhijit Upadhye
Managing Director
DIN: 02076451

Place: Pune
Date: July 12, 2019

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the thirty-fifth annual report together with audited statement of accounts for the year ended March 31, 2019.

1. KEY FINANCIAL HIGHLIGHTS (AS PER IND AS):

(INR in lakhs)

Highlights	2018-19	2017-18
Revenue from operations	33,692.96	29,632.30
Other income	1,822.84	678.68
Total income	35,515.80	30,310.98
Profit before depreciation, interest and tax	6,405.37	5,435.61
Profit after tax	3,006.32	2,645.65
Earnings per share (INR./share - basic and diluted)	117.16	103.10
Net fixed assets	8,210.73	7,632.01
Long term borrowings (excluding current portion)	2,581.26	3,057.04
Profit/ (Loss) transferred to balance sheet	3,006.32	2,645.65
Other comprehensive income / (loss) transferred to balance sheet	218.60	(128.69)

2. FINANCIAL PERFORMANCE & OPERATIONS:

Your Company grew at a healthy Y-O-Y rate of 17% to achieve revenues of INR 355.2 crore during the year against INR 303.1 crore in the previous financial year. The Exports led Consumer Business grew by 15% Y-o-Y with sales of INR 217.4 crore against INR 189.3 crore in the previous year while the Tasty Bite Food Service (TFS) business registered a strong growth of 34% with sales of INR 119.5 crore against INR 89.3 crore in the previous year. Tasty Bite continues to retain in position of market leadership in its key markets including the United States, Canada, Australia and New Zealand. Profit after tax for the financial year ended 2019 at INR 30.1 crore against INR 26.5 crore in previous financial year 2018, a growth of 14%.

3. DIVIDEND:

The Board of Directors at their meeting held on May 16, 2019, recommended a final dividend of INR 2.0 per equity share, subject to the approval of shareholders at the ensuing Annual General Meeting.

The total dividend payout on equity shares would involve a cash outgo of INR 51.3 lakhs and dividend tax of INR 10.6 lakhs.

Upon declaration by the members at the ensuing Annual General Meeting, dividend shall be paid to those members, whose names appear on the Register of Members of the Company after effecting all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents on or before July 19, 2019. In respect of shares held in dematerialised form, dividend will be paid on the basis of particulars of beneficial ownership furnished by Depositories as on the closing hours of business on July 19, 2019.

4. RESEARCH AND DEVELOPMENT:

Tasty Bite Research Centre (TBRC), located within the factory campus continued to build on its mission to be a centre of excellence in product, process and ingredient innovation. During the course of year, several new innovative products were developed by TBRC keeping in mind the evolving needs of our consumers. The Department of Science & Industrial Research (DSIR) of the

DIRECTORS' REPORT (Contd.)

Union Ministry of Science & Technology renewed its accreditation to TBRC till March 2019. Application for renewal has been made by the Company for further accreditation for 3 years to the department. New products developed at TBRC in the last 2 years contributed 26% of the company's revenues.

5. FIXED DEPOSITS:

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

6. DIRECTORS:

During the year under review, Mr. Ravi Nigam, Managing Director of the Company and Mr. Sohel Shikari, Chief Financial Officer of the Company and alternate director to Mr. Ashok Vasudevan resigned with effect from November 2, 2018 (end of business hour) from their respective posts. Mr. Abhijit Upadhye was appointed as Managing Director with effect from November 3, 2018 and Mr. PVV Srinivasa Rao was appointed as an Additional Director and as a Non-Executive Director with effect from February 6, 2019. As per the provisions of Section 161 of the Companies Act 2013, the term of Mr. PVV Srinivasa Rao as Additional Director is only upto the date of ensuing Annual General Meeting. The Company has received a proposal for his appointment as Director. The Board of Directors recommend his appointment as Non-executive Director for shareholders' approval at the ensuing Annual General Meeting.

Mr. Gaurav Gupta replaced Mr. Sohel Shikari as Alternate Director to Mr. Ashok Vasudevan during the year.

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

Mr. Kavas Patel was appointed as Independent Director in the year 2014-15 for a period of five years and therefore his term is ending on September 09, 2019. As per the provisions Section 149 of the Act, an independent director is eligible for two consecutive terms. Therefore, the Board recommends Mr. Kavas Patel for appointment as Independent Director for the second term of five years effective from September 11, 2019 to September 10, 2024.

In addition to this, Mr. Kavas Patel will be completing 75 years of his age, during his tenure as an Independent Director. As per the provisions of Regulation 17(A) of the SEBI Regulations, no listed entity shall continue the directorship of any person as a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect. An explanatory statement is annexed to the notice regarding this.

All independent directors have provided declaration as provided in Section 149(6) of the Companies Act, 2013 along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 stating their independence pursuant to provisions of section 149 of Companies Act, 2013 ("Act") and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR").

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

- **Board evaluation:**

Pursuant to provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015, the Board carried out evaluation of its own performance, individual performance of the directors as well as the respective Committees. Evaluation of Chairman was also carried out. The manner of evaluation is mentioned in Corporate Governance Report.

- **Remuneration & Evaluation Policy:**

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

DIRECTORS' REPORT (Contd.)

• Meetings:

During the year under review, 6 (six) board meetings were held for which proper notices were given to the Board of Directors. These were held on May 16, 2018, July 6, 2018, August 8, 2018, October 11, 2018, November 12, 2018 and February 6, 2019. The maximum interval between any two meetings was not more than 120 days. Details of these meetings are stated in Corporate Governance Report.

7. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return as provided under Section 92(3) in Form MGT - 9 is available for inspection on the website of the company www.tastybite.co.in

8. DIRECTORS' RESPONSIBILITY STATEMENT:

Directors confirm that:

- (a). in the preparation of the annual accounts for the year ended March 31, 2019, applicable accounting standards have been followed along with proper explanation relating to material departures, if any.
- (b). they have selected and consistently applied such accounting policies, judgments and estimates that are reasonable and prudent to ensure a true and fair view of state of affairs of the Company at the end of the financial year and of the **profit** of the company for that period;
- (c). they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d). they have prepared the financial statements / annual accounts on a going concern basis;
- (e). they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f). they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant board committees, including audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the 2018-19.

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

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

10. CORPORATE GOVERNANCE:

Your Company places great significance to good Corporate Governance as an important step towards building investors' confidence, improve investors' protection and maximise long-term shareholders' value. Accordingly, it has taken adequate steps to ensure that the provisions of Corporate Governance as prescribed under the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.



DIRECTORS' REPORT (Contd.)

A certificate from Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance is in "Annexure A" to this Report. A detailed report on Corporate Governance forms a part of this Annual Report.

11. AUDITORS:

- **Statutory Auditors:**

M/s B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116321W/W - 100024), Pune, were appointed by the shareholders as the Statutory Auditors of the Company in the thirty-third Annual General Meeting for a period of 5 years and they hold office up to the thirty-eighth Annual General Meeting of the Company.

The statutory auditors in their independent audit report have reported "provision for inventory write down" as a key audit matter. This matter was addressed by Auditors in the context of audit of the financial statements as a whole which were most significant during the course of audit for the period under review.

- **Internal Auditors:**

Pursuant to section 138 of Companies Act, 2013, the Company appointed M/s Suresh Surana & Associates LLP, Chartered Accountants as internal auditor for financial year 2019-20. The scope and fee of internal audit is fixed by the Board on recommendation of Audit Committee.

- **Secretarial Auditor:**

Pursuant to section 204 of the Companies Act, 2013, the Company appointed M/s Pareek V. R. & Associates, Practicing Company Secretaries, Pune as Secretarial Auditor of the Company for financial year 2018-19 on May 16, 2019. The Secretarial Audit Report dated May 23, 2019 is attached as "Annexure B" to this report. Mr. Abhishek Jagdale, Practicing Company Secretary resigned from acting such. Based on the Audit Committee recommendations, Board has approved the appointment of M/s Pareek V. R. & Associates, Practicing Company Secretaries, Pune as Secretarial Auditor for financial year 2019-20.

12. WHISTLE BLOWER & VIGIL MECHANISM POLICY:

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

13. AUDIT COMMITTEE:

In compliance with the provisions of Section 177 of the Companies Act, 2013 and SEBI Regulations, the Company has a duly constituted Audit Committee. The composition and other relevant details of the Audit Committee are given in the Corporate Governance Report annexed herewith. All suggestions of Audit Committee during the year were accepted by the Board. During the year under report, Mr. Abhijit Upadhye replaced Mr. Ravi Nigam as the member of the Audit Committee consequent to his appointment as Managing Director of the Company.

14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

DIRECTORS' REPORT (Contd.)

15. SHARE CAPITAL:

During the year under review, the Company has neither issued any shares with differential voting rights nor issued sweat equity shares. Further, the Company did not grant any stock options during the year under review. As on March 31, 2019, details of the shares held by Directors in the Company are as under:

Name of Director	No. of Equity Shares held	No. of Convertibles held
Mr. Ashok Vasudevan	---- NIL ----	---- NIL ----
Mr. Ravi Nigam (till Nov 2, 2018)	*200	---- NIL ----
Mr. Sohel Shikari (till Nov 2, 2018)	---- NIL ----	---- NIL ----
Ms. Dawn Allen	---- NIL ----	---- NIL ----
Mr. Kavas Patel	---- NIL ----	---- NIL ----
Mrs. Rama Kannan	---- NIL ----	---- NIL ----
Dr. Chengappa Ganapati	---- NIL ----	---- NIL ----
Mr. Srinivasa Rao Pydisetty	---- NIL ----	---- NIL ----
Mr. Abhijit Upadhye (w.e.f. Nov 3, 2018)	---- NIL ----	---- NIL ----
Mr. Gaurav Gupta (alternate director) (w.e.f. Nov 3, 2018)	---- NIL ----	---- NIL ----

There are no convertible instruments issued by the Company.

** 100 shares held as joint holder.*

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

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

17. BUYBACK OF PREFERENCE SHARES

During the year under review, the Company has successfully completed the buyback of 59,530 1% Non-Cumulative, Non-Convertible Redeemable Preference shares of INR 100/- each at INR 2,050/- per share. The Buyback constituted 12.5% of the paid-up share capital and free reserves of the Company as on March 31, 2018 and the total amount paid for the buyback was INR 12.2 crore. The buyback was from the existing preference shareholder of the Company and it was mainly done to provide exit opportunity to such preference shareholder. The buy-back process was completed and the shares were extinguished on August 31, 2018.

The Board of Directors of the Company, at its meeting held on July 6, 2018 had approved the proposal of Buyback which was further approved by the shareholders by means of a special resolution at the Annual General Meeting held on August 9, 2018.

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

The Company has been making significant efforts to ensure conservation of energy. The details of energy conservation, technology absorption, research and development and foreign exchange earnings and outgo are as per "Annexure C".

19. RISK MANAGEMENT POLICY:

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

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

DIRECTORS' REPORT (Contd.)

20. CORPORATE SOCIAL RESPONSIBILITY:

The Company has a Policy and a Committee for Corporate Social Responsibility in compliance with the provisions of Companies Act, 2013. The details about the Policy and the Committee are given in Corporate Governance Report annexed to this report. Annual Report on CSR activities is annexed as "**Annexure D**".

As per the provisions of Section 135 of the Companies Act, 2013, every Company falling under the applicability of Corporate Social Responsibility is required to spend 2% of its net profits on the activities given under Schedule VII of the Companies Act, 2013 and CSR policy adopted by the Board of Directors. The Company has spent INR Rs 4.06 lakhs during the financial year 2018-19 on CSR activities as per the policy of the Company. Company was required to spend INR 67.21 lakhs during the year. The cumulative unspent amount as at March 31, 2019 is INR 63.15 lakhs.

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

Particulars	INR in Lakhs
a) Gross amount required to be spent by the Company during the year	67.21
b) Amount spent during the year:	
(i) Promotion of education (Construction of School)	
(ii) Others	4.06
Total	4.06
c) Unspent amount	63.15

During the year under review "Tasty Bite Foundation", a not for profit company limited by guarantee registered under the Companies Act 2013 (the "Foundation") was formed. The Foundation is a dedicated platform for social activities. The Foundation will also carry out CSR activities of the Company. It was registered in December 2018 and thus the Foundation is in its operational phases. The objective of setting up the Foundation is to create a common platform which will garner the resources and utilise them for the benefit of the society at large. As the Company is keen to utilise the platform of Foundation for its CSR activities and the Foundation could not be operationalised during the year under review, INR 63.15 lakhs remained unspent during the year.

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

During the year under review, the Company neither had a subsidiary company, associate company nor a joint venture company. Hence, comments and details on preparation of financials on standalone basis or report on the performance of subsidiary company or associate company nor a joint venture company are not required to be offered.

22. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The particulars of contracts or arrangements with related parties in Form AOC - 2 are annexed herewith as "**Annexure E**". The Board hereby informs that all the related party transactions are carried out in the ordinary course of business and on arm's length basis. Further, the Company has duly complied with the Indian Accounting Standard 24 related to transactions with related parties of the Company. The Company has adopted policy on Related Party Transactions and same is posted on website of the Company www.tastybite.co.in.

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

There are no significant or material orders or awards passed by the Courts or any other Regulators or Tribunals relating to Companies Act, 2013 or SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, which would affect the going concern status and Company's future operations.

DIRECTORS' REPORT (Contd.)

24. APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2018-19:

(INR in lakhs)

Name of director	Remuneration of Director (1)	Median remuneration of employees (2)	Ratio (3) = 1/2
Mr. Ashok Vasudevan	---- NIL ----	---- NIL ----	---- NIL ----
Ms. Dawn Allen	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Abhijit Upadhye (from Nov 3, 2018)	125.64	4.87	25.80
Mr. Ravi Nigam (till Nov 2, 2018)	98.87	4.87	20.30
Mr. Kavas Patel	---- NIL ----	---- NIL ----	---- NIL ----
Ms. Rama Kannan	---- NIL ----	---- NIL ----	---- NIL ----
Dr. Chengappa Ganapati	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Srinivasa Rao Pydisetty	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Gaurav Gupta*	---- NIL ----	---- NIL ----	---- NIL ----

* Mr. Gaurav Gupta receives remuneration as Chief Financial Officer not as Alternate Director

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

(INR in lakhs)

Name	Designation	Remuneration in 2017-18	Remuneration in 2018-19	Increase (in %)
Mr. Abhijit Upadhye (w.e.f. Nov 3, 2018)	Managing Director	NA	125.64	NA
Mr. Gaurav Gupta (w.e.f. Nov 3, 2018)	Chief Financial Officer	NA	26.40	NA
Ms. Minal Talwar	Company Secretary	10.24	11.43	11.5%
Mr. Ravi Nigam (till Nov 2, 2018)	Managing Director	148.65	98.87	% Increase cannot be computed as the KMP resigned from their respective roles during the year
Mr. Sohel Shikari (till Nov 2, 2018)	Chief Financial Officer	147.11	97.75	

- Number of permanent employees are 242 on the roll of company as on March 31, 2019.
- The remuneration paid to the employees is in affirmation with Remuneration & Evaluation Policy of the Company.
- During the year increment was also made in salary of Company Secretary and Senior Management on basis of annual appraisal by the management on proportionate basis and as per the Remuneration Policy.
- Average percentile increase in salaries of employees other than the managerial personnel in the last financial year 2019 was 12.39%. Percentile increase in the managerial remuneration in 2019 is not applicable as Mr. Abhijit Upadhye joined as Managing Director only in previous year w.e.f. November 3, 2018 and at a different pay scale than that of the erstwhile Managing Director. Hence, the salary is not comparable.
- The Company has a variable pay compensation structure only for Managing Director basis achievement of targets (as mentioned in Notice convening Annual General Meeting). No other employee has variable pay component structure. The Company further confirms that remuneration paid to employees is in line with its Remuneration Policy.
- Statement of employees receiving remuneration under Section 197(12) of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure F".
- Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over / decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

DIRECTORS' REPORT (Contd.)

Particulars	Issued capital	Closing Market price per share	Earnings per share	Price Earnings Ratio	Market capitalisation (in Rs)
As on 31.03.2018	25,66,000	7,463.20	103.10	72.39	19,15,05,71,200
As on 31.03.2019	25,66,000	8,358.60	117.16	71.34	21,44,81,67,600
Increase/ decrease	NIL	895.40	14.06	(1.05)	2,29,75,96,400
% Increase/ Decrease	NIL	12%	13.64%	(1.45)	12%

The Company made Public Offering in February 1987 of 7,50,000 equity shares at INR 10.00 each. The market quotation of the equity shares of the Company as on March 31, 2019, was INR 8,358.60 for shares of face value of INR 10.00 each, representing an increase of 83,586% over the period.

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

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

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

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

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

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

The Committee as appointed by the Management consists:

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

No complaints have been received during the year.

28. DISCLOSURE REQUIREMENTS:

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

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

29. PROPOSAL FOR RAISING OF FUNDS BY ISSUANCE OF EQUITY SHARES TO PREFERRED BRANDS (FOODS) INDIA PRIVATE LIMITED (PBFIPL) ON A PREFERENTIAL BASIS:

The Board of Directors ("Board") in its meeting held on July 12, 2019, approved the proposal for raising of funds for INR. 13,99,65,000/- (Rupees Thirteen Crore Ninety Nine Lakhs Sixty Five Thousand only). The Board has passed a resolution, subject to receipt of approval of the shareholders and other requisite approvals, consents, as may be required, offer to issue and allot by way of preferential allotment, up to 15,500 equity shares for cash at a price of INR 9,030/- (including a premium of INR 9,020 /- per Equity Share) to PBFIPL.

PBFIPL is Promoter of the Company, currently holding 19,04,510 equity shares forming 74.22% of total paid up equity share capital. Effem Holdings Limited is also a Promoter and holds 300 equity shares forming 0.01% of total paid up equity share capital. With the issue of above mentioned 15,500 equity shares, the shareholding of promoter will increase to 74.39% of total paid up capital.

Details about the proposed issue is provided in the notice attached to this annual report.

MANAGEMENT DISCUSSION AND ANALYSIS:

OVERVIEW

Tasty Bite is the leading brand of Ready to Eat (RTE) prepared foods and is also the partner of choice to leading brands in the food service industry. The consumer business has a range of ready-to-eat and ready-to-cook Indian and Asian entrées, sauces and a range of ready-to-eat organic rice and grains; while the Food Service business comprises a range of customized specialty formed frozen products, sauces and gravies. Our consumer products business is currently exports driven and the brand is marketed in North America by Preferred Brands Inc while Mars Food Corporation manages marketing and distribution for all markets outside of North America. Our food service products are marketed directly by your company to major QSR (Quick Service Restaurants) and HORECA (Hotels, Restaurants and Caterers) players in India, South East Asia and Middle East.

INDUSTRY MEGATRENDS

The vision of the Company, consistent for more than a decade, is to be a *socially responsible* company that will *delight consumers* by offering *great taste, good value and real convenience* achieved through manufacturing and marketing of *natural, convenient and specialty* foods. This vision is like a North Star guiding our strategy, operating plans and decision making. The company's vision continues to be a driving force for future growth and helps effectively navigate some of the industry megatrends mentioned below:-

- **Better for you**

The trend towards healthy, natural, organic and better-for-you food isn't slowing down: in fact, its popularity is only increasing. Consumers are following healthier lifestyles and moving away from foods that contain additives to embrace simple natural ingredients that they use at home for daily cooking. They are also ready to pay a premium for organic food as they hate chemicals that destroy their body and the land on which their food is grown. This trend has been serving us well in our consumer business which has been necessarily natural and preferably organic. With introduction of five new organic products, your company launched the "fantastic fifteen" organic rice portfolio in the consumer business in North America. In addition, your company also started its foray into Organic Entrees by converting the iconic Madras Lentil into Organic. This journey of organic conversion will only increase in the near future. The 'better-for-you' trend is also on the rise in the food service industry with many global and local brands pledging to launch new products with clean label and have launched several initiatives to remove additives from their existing products. Your company is partnering with these customers to help create clean label products.

- **The adventurous consumer**

With increased globalization, consumers are exploring bolder flavors and seek multi-sensorial experiences. Consumers have become extremely experimental with flavors, are not afraid of hot spices and love to explore new seasonings. Jalapeno and Cayenne peppers are the rage in US, while there's increased consumption of Sweet Chilli, Piquillo and Cayenne Peppers in Europe. Peri Peri has become a household name in India while Wasabi is moving beyond nuts and sushi to various forms of food like sauces, snacks and shakes. Chinese, Thai and Italian cuisines continue to grow in popularity while Indian has now become the second fastest growing cuisine across the world. Superfoods like Quinoa, Amaranth, Chia etc. are flying off the shelves because of their seemingly 'good for you' nutritional properties. Flexitarians are on the rise especially because of the growing popularity of plant-based foods. These plant-based foods attract not only vegetarians/vegans but also consumers concerned about personal health and food/environmental sustainability. All this bodes really well for your company which has been at the forefront of creating plant-based products with bold flavors and craving taste. Tasty Bite's existing range of Indian and Asian cuisine products are enjoying increasing popularity across all its markets. Several new products like 'Ancient Grains', 'Couscous & Quinoa', 'Smoky Chipotle Rice' launched to cater to the changing taste profiles are doing extremely well. We also launched a Hot and Spicy brand extension of our popular Madras Lentils. Within the food service segment, we partnered with QSR's to launch several innovative flavorful products in line with the customer expectations.



MANAGEMENT DISCUSSION AND ANALYSIS: (Contd.)

- **Technology**

Technology is changing the way people eat, cook and shop for food. Grocery shopping has become more fragmented for families with spontaneous “fill in” shopping trips supplanting the traditional weekly stock-up trip because of e-commerce. While Americans do dine out more than ever before, reports show that four out of five meals are still prepared at home. **Technology is helping the dramatic shift away from the traditional weekly stock-up grocery trip to immediate, needs-based replenishment, thanks to e-commerce. Consumer preferences for on-demand grocery delivery, within one to two hours, will only grow.** In line with this shifting trend, Tasty Bite is also seeing an increased demand from ecommerce companies like Amazon this share is only expected to go up in the future.

Technology is also playing a major role in disrupting the traditional food service industry. Not only online restaurant aggregators such as UberEats, Deliveroo, Swiggy but also companies that run cloud kitchens are changing the way consumers are ordering and eating food. On one side, these food tech companies are helping traditional QSR's by increasing their share of delivery business while on the other hand, they are competing with them through their cloud kitchens. The food delivery market in India is growing at more than 45% per annum and this is also helping drive same store sales growth for QSR's. Your company is partnering with leading food tech companies in standardizing their food supply chain and fast scaling of their cloud kitchens.

- **Convenience continues to be king**

The desire for convenience is not going away in the future...it is only on the rise. Consumers are looking for food options that are easy to prepare without sacrificing taste. The future of food will increasingly revolve around technology in an effort to address the need for convenience. While consumers gravitate towards natural ‘clean-label’ foods, they also have less time to prepare their foods and meals from scratch. The average cooking time in the US is down to 30 minutes per day. Tasty Bite range of Ready-to-Eat and Ready-to-Cook products helps this fast paced consumer meet his need to have a well-rounded diet without compromising on taste or health.

The food services industry in India is roughly \$60 billion today and is expected to grow to \$90 billion over the next 4-5 years. The number includes both organized and the unorganized sector. The growth would be on the back of a strong consumer demand for both ordering-in and eating out. In many South East Asian countries, apartments no longer have a kitchen. Every meal is outsourced. While a kitchen-free world is yet some time away for Indians, we are outsourcing food more frequently than before. Most of the large QSR's have been reporting double digit comparable sales while food tech companies have been scaling much faster. Tasty Bite's food service business partners with several QSR's as they battle to win an increased share of the Indian consumer's stomach.

- **Transparency and Sustainability**

Transparency has long been on the food industry's radar as a driver for building trust and boosting sales. Today's consumers want to know what's in their food, where it comes from, and how it's produced. Your company works with several farmers across the country and has put in strong systems to trace several of our incoming raw material like grains, fresh vegetables upto the farm level. Further, sustainability continues to have an enormous influence on customer buying decisions. When a consumer subscribes to a brand, they are also subscribing to the brand's ideology, their vision and the impact the brand has on the environment. Your company's vision for the past decade has been to be a “Socially Responsible Company” that provides consumer delight. This is matched with actions across several areas around soil and water conservation, increased use of renewable energy, reduction of carbon footprint. All of the company's steam is generated using compacted agricultural waste (Briquettes) and around 14% of energy is sourced from renewable sources like Wind and Bio-gas. By end of 2019, this number will increase to 25% after installation of solar panels across the entire factory. A brand that ‘walks-the-talk’ will always win the consumers heart and your company has been successfully doing that for the past several years.

MANAGEMENT DISCUSSION AND ANALYSIS:

(Contd.)

RESULT OF OPERATIONS

In terms of market share, Tasty Bite continued to maintain its strong position as the leading brand for shelf-stable Indian foods in North America.

Product wise performance

Product	Revenue*	Key market areas	Customers
Ready-to-eat food (natural, convenient, ethnic or specialty food)	INR 217.4 cr (64.5 % of the total revenue)	USA, Australia, Canada, New Zealand and UK	Marketed through PBI and Mars Foods who distributes the product in mainstream retail chains such as Costco, Kehe, Krogers, Woolworths and others
Formed frozen food and specialty sauces	INR 119.5 cr (35.5 % of the total revenue)	QSR chains and HORECA (hotels, restaurants and caterers) in India, South East Asia and Middle East	Dominos, Pizza Hut, Subway, Faasos, McDonalds, KFC, Burger King, Hindustan Unilever

*excludes other income

Your Company had a good year with revenues growing 17.2%. The export business grew 15% on account of increasing demand for our products, growth in distribution points as well as success of our new products like New Rice varieties, Thai Entrees and Ancient Grains.

The Tasty Bite Food Service (TFS) business has grown 34% over the previous year. This is on account of double-digit same store sales growth of QSR brands and addition of new customers including new age food tech companies that operate cloud kitchens. Several new products launched with customers helped not only drive additional sales for our customers but also helped us win awards like "Best Innovation", "Most Trusted Partner" from our customers.

Ready-To-Heat (RTH) business clocked INR 217.4 Crores of revenue while the Food Service segment comprising of Frozen Formed Products (FFP) and Sauces crossed the INR100 cr mark to end the year at INR 119.5 Crores. Overall revenue from both segments touched Rs 355.2 crores including income from export incentives on account of the export business.

Given the relatively high inflation in FY 2018-19, increase in our organic sourcing and long-term contracts for key commodities like Urad, Rice, Dairy and Tomato Paste our material cost increased by 1.4% to 58% of revenues.

Conversion costs were significantly lower at 10.1% compared to 14.1% of revenue in the previous year. This was mainly due to freight adjustment as per the new revenue standard (IND AS 115) applicable from 1st April 2018. Overall margin after direct costs (after all direct variable costs) increased by 250 bps to 31.9% of revenue. Manufacturing overhead costs increased to 6.2% of revenue compared to 5.8% in the previous year mainly because of increase in warehouse rental cost for storage of strategic raw material.

EBITDA grew in line with revenues by 17.8% and was at a stable 18% of revenue.

During FY'19 Profit before tax (PBT) increased to INR 47.1 crores from INR 41 crores in FY'18, an increase of 14.7%. Profit after tax increased to INR 30.1 crores from INR 26.5 crores in FY'18.

Other comprehensive income records the re-measurement gains/losses on our defined benefit plan (gratuity) and the mark to market gain/loss on the effective portion of cash flow hedges taken by the Company to hedge its forex exposures, net of taxes. There was an actuarial loss, net of taxes of INR 33.0 lakhs as compared to an actuarial loss of INR 30.3 lakhs in FY'18 and mark to market gain, net of taxes on effective portion of cashflow hedges of Rs 251.6 lakhs as compared to a loss of Rs 98.4 lakhs in FY'18.

MANAGEMENT DISCUSSION AND ANALYSIS: (Contd.)

Ratio

Various financial ratios are as follows:

Ratio	2018-19
i) Debtor Turnover	2.2
ii) Inventory Turnover	2.0
iii) Interest Coverage Ratio	11.8
iv) Current Ratio	2.1
V) Debt Equity Ratio	0.24
vi) Operating Profit Margin (%)	18.0%
vii) Net Profit Margin (%)	8.5%
viii) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	23.0%

During the year there is significant movement in debt equity ratio. It came down by 52% as compared to previous year primarily because of buyback of preference shares and efficient cash management during the year.

SOURCES & USES OF FUNDS

As at March 31, 2019 the Company had three long-term foreign currency loans from two Japanese banks, namely Mizuho Bank and the Bank of Tokyo-Mitsubishi with a total outstanding balance of \$ 4.7 million (INR 32.5 crores). These loans have maturities from five to eight years with an interest cost of 3 months Libor + 0.90% on two loans and 3 months Libor + 0.75% on the third loan. The Company has entered into an interest rate swap (IRS) agreement with the banks to convert the floating rate liability of these loans into a fixed rate liability. As at March 31, 2019, the IRS has a mark-to-market gain of INR 0.7 crores. The Company has not taken any new long-term loans during the year.

The Company availed working capital loan from affiliates of INR 12 crores in Indian currency in August 2018 which is repayable by August 2019. Out of this INR 6 crores have been repaid and INR 6 crores outstanding is yet to be paid.

The Company has repaid the short-term working capital borrowing in the form of packing credit in foreign currency from Mizuho Bank of INR 6.5 crores in FY 2019.

There was no change in equity share capital (issued/ paid up) during the financial year. However, the Company bought back 59,530 1% non-cumulative, non-convertible redeemable Preference Shares during the year.

Total net property, plant & equipment (including capital work-in-progress) stood at INR 92.4 crores as compared to INR 78.5 crores from previous year. Assets that were capitalized during the year (net of disposals) totaled INR 18.3 crores.

Net working capital in the business grew from INR 52.4 crores in FY'18 to INR 63.0 crores in FY 19, an increase of 20%. Current ratio increased from 2.0 to 2.1

OPPORTUNITIES & THREATS

The business is built on the foundation of strong values, a consistent vision and has developed a sustainable competitive advantage in both its segments through years of experience. This places it in a good position competitively and provides significant opportunities to grow.

Strategy

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

MANAGEMENT DISCUSSION AND ANALYSIS:

(Contd.)

Our endeavor and goal is to make Taste Bite:

- Synonymous with 'Wholesome Mazaa' and a household name in key global markets
- Brand of choice for the Aspirational
- The benchmark for sustainability in the food industry
- A preferred partner for leading food service brands

Strengths

- **Brand name:** Tasty Bite is one of the leading brands in North America amongst Indian and Asian prepared foods. In the Indian shelf stable prepared foods, it commands a dominant market share and is one of the fastest growing brands in the Asian and rice category.
- **Management Experience:** Your Company's senior and middle management has significant experience in the food industry and a strong understanding of consumer business as well as the food service industry.
- **Innovation:** Strong marketing and consumer insight combined highly skilled culinary professionals and food technologists, makes your company extremely strong in innovation. In addition, the innovation team leverages our Research and Development center equipped with latest technology & state-of-the-art equipment.
- **Trusted partner for B2B customers:** Your company partners with leading QSR brands to provide customized product solutions in Frozen Formed Product (FFP) and Specialty Sauces category. The several awards received by your company are a testimony to this strong relationship with its customers.
- **Strong distribution and marketing:** Your company is supported by Preferred Brands International Inc in North America and by Mars Food Corporation for all markets outside of North America. Both these companies have a well-established marketing and distribution network in their respective markets.
- **Strong supply chain:** Your company is one of the largest organic producers in the country and is backed by a very strong, agile and efficient supply chain.
- **Product quality:** Your Company manufactures high quality products for its food service as well as consumer business. The manufacturing facility is audited by several customers and meets stringent quality standards of several countries including US, UK, Australia, Japan and Canada.

Competition

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

In our consumer markets, our products compete not only with other Indian ready-to-eat offerings but all other specialty meal options including other cuisines that a consumer may consider as a lunch or dinner alternative.

Likewise, in our food service business, there are several international and domestic companies that have the technology and capability to manufacture similar products. Some of them also have global relationships with leading QSR brands. Customers are extremely price sensitive and expect continuous innovation from its suppliers

Outlook, Risks and Concerns

The Company intends to continue to focus on both the consumer and food service business that are seeing similar double-digit growth rate.

For the consumer business, growth will be driven by the following strategies:

- Increasing points of distribution in existing markets like North America and Canada
- Geographical Expansion to newer markets
- Launch of new products to improve frequency of purchase and increase customer base.

In North America, Preferred Brands International Inc is continually adding new supermarkets to its portfolio. Apart from that, in-store product sampling and live product demonstrations are a strong medium undertaken to improve customer connect with the brand. Outside of North America, Mars Foods Corporation is partnering with your company to re-launch the Tasty Bite brand in UK, Australia and other markets leveraging their strong relationship with large retailers. In addition, the company plans to launch several new products and convert its existing entrees into Organic.



MANAGEMENT DISCUSSION AND ANALYSIS: (Contd.)

In the Food Service business, our growth will be enabled by the focusing on the following:

- Superior customer service
- Innovation led partnering
- International Expansion

The food service industry is largely relationship driven. QSR brands expect very high levels of customer service, superior product quality and strong innovation capabilities. Your company has been a preferred partner for many customers because it has been extremely strong on these aspects. The company will continue to hold drive higher levels of performance across all parameters. During the year under review, your company expanded its presence in many South East Asia and Middle East markets. In the coming years, the plan would be to leverage this newly formed customer relationships and grow the business in these new geographies. This strategy and approach will enable your Company to target new B2B customers (QSR chains and HORECA) and enhance its market share.

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

- There is intense competition for shelf-space in supermarkets and there is always uncertainty whether the Company would be able to get its products listed in grocery stores. As new product reviews take place only once or twice a year any delay in getting listing could impact growth.
- The success of any product or category depends finally on consumer acceptance and new launches may or may not be successful.
- In the food service business, we need to continue to innovate and at the same time be highly competitive in terms of cost in order to retain and grow our business with our customers.
- We do not have long-term contracts with our customers and they could stop purchasing from the company with little or no notice period. This could negatively impact our revenues and profits.
- Input costs of raw material, packaging material, utilities, labor etc are on the rise in India. Our product pricing remains relatively stable and we may not be able to pass on cost increases to our customers.
- We are exposed to risk of fluctuations in foreign currency on our export sales. We have a robust forex risk management policy in place and this allows us to hedge movements in foreign currency exchange rates for a period of twelve months. As we are a net exporter, any long-term strengthening of the Indian rupee would have an adverse impact on our profitability.
- All our raw materials are agricultural commodities that sometimes see significant price volatility depending on weather and market conditions. While we do strategic purchases to hedge risk of key commodities, it would not cover all the raw materials that we purchase.
- We have one manufacturing facility that manufactures all our products for our consumer and food service business. Any untoward incident beyond our control can impact our ability to fulfill customer orders and our reputation.
- Our products are shipped globally and ocean freight forms a material portion of our total costs. All our exports are shipped from Nhava Sheva port in Mumbai. Increase in oil prices, changes in supply-demand of vessels and port disruptions could increase this cost or cause delays in reaching our products to our markets.
- A few of our raw and packing materials are imported with longer procurement lead times. Changes in exchange rates and any delays on import can impact production schedules and our ability to fulfill orders.
- We have started our organic journey a few years ago. The overall policies, import/export regulations around Organic Products are continuously changing and any policy change could impact our ability to manufacture and/or export our organic products to customers outside of India.
- Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material adverse effect on our business.
- We are eligible for various incentives from the Government on the export of value-added agricultural products. Any change on these policies that reduces these incentives could adversely impact our net income.

MANAGEMENT DISCUSSION AND ANALYSIS:

(Contd.)

- Any shortcoming in the quality of our products could have a financial impact aside from impacting the reputation of the brand.
- We could be the subject of litigation, which if adversely determined, could harm our business and operating results.
- Any changes to import policies and taxes in the countries where we export our products could increase the cost of our products for our consumers which could impact demand.
- We need to invest in manufacturing facilities and physical infrastructure ahead of market demand given the long lead times in creating new capacity. Our profitability could be reduced if our business does not grow proportionately.

Supply Chain

The constant focus of our Supply Chain team is on delivering value through strategic purchases, supplier partnerships and cost optimization initiatives. Through an effective combination of these initiatives they have been able to drive consistent profitability for the Company.

With efforts spanning over last several years, we have been able to build sustainable partnerships for an Organic Ecosystem. Our organic rice portfolio is now marketed as "fantastic fifteen" after the introduction of five new organic rice variants.

Another significant milestone for your company was the conversion of our iconic product Madras Lentils into Organic. Your company is committed to continue on the organic journey and several more farmers are partnering with us to improve health and wellness for our consumers.

We purchase over 450 different kinds of raw materials and a similar number of packing materials. Our strength comes from our ability to understand market dynamics of each of these and make timely strategic buying decisions.

Our purchasing strategy ranges from spot purchases, forward contracts, seasonal buying and in the case of a few commodities, pre-processing these ingredients into intermediate forms that can be easily stored and utilized over the course of the year. This all creates ability to manufacture a better and consistent product leading to consumer delight.

Human Resources

During the year under review, the industrial relations of the Company continued to be cordial and peaceful. Wage agreement with the Union is effective up to March 31, 2020. Total personnel employed by the Company are 242 as on March 31, 2019.

Your company continues to have very cordial and productive relations with its workforce. Several programs, including "Quarterly Townhall Meeting" and "Monthly Power Up Fridays" allow the management to communicate with the workforce on a regular basis creating a transparent work environment. Tasty Bite recruits, retains and rewards the best of talent through its employee-oriented policies and practices. The Company believes that 'employees' are the prime reason behind its success and their contribution needs to be recognized and rewarded. This enables in creating a fun-filled, high-energy, knowledge-driven, vibrant culture.

Programs like 'Campus to Corporate' are aimed at directing new entrants from colleges to understand the company culture and vision. Several other initiatives like 'Workers leadership' and 'Management Leadership' were also conducted to reinforce the belief that ordinary people can deliver extraordinary performance".

The company also undertook several activities like "Tasty Bite Premier Cricket League", "OxFam 100 km Trailwalker" and "All Hands Day" to improve employee engagement and create fun at the work place.

Women are encouraged to take greater responsibility in the company, hence more and more women employee are seen working and growing in the Company. Women managers now hold several key executive positions in the Company. Our female:male gender ratio is 50:50 including contractual and permanent staff in factory. Likewise, women are also encouraged to participate in the Workers Union, and a tradition of having about 33% women in the Union Committee has been set. This is against the backdrop of a 'all male' workers union committee that existed, when the union was initially formed.

Each year, your Company participates in the Great Place to Work survey – a survey jointly conducted by the Economic Times of India and Great Places to Work Institute, India. We are very pleased to report that your Company is in the **Top 50 (ranked 35) list of India's Great**



MANAGEMENT DISCUSSION AND ANALYSIS:

(Contd.)

Mid-Size Workplaces in 2018 and is also ranked in the Top 25 Best Companies to work for in the Manufacturing Sector 2019.

Finance, Accounts and Internal Financial Controls

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

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

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

Some significant aspects covered in the internal control framework include:

- Standard Operating Procedures and Risk Control Matrix for all business processes to ensure effective internal financial controls;
- Oversight by the Audit Committee that finalizes the scope of the internal audit which is carried out by an experienced and qualified firm of Chartered Accountants;
- Integration of ERP system across Materials, Manufacturing and sales processes;
- Review and approval of annual operative and capital expenditure budget and monthly monitoring of actual spends;
- Regular review of key business risks such as new product development, foreign exchange management, commodity risk management, financial reporting.
- Legal framework to manage all compliances applicable to the Company. Your company has implemented a compliance tool in factory and head office.
- For overall supervision of controls, your company has strong governance committees to take key business decisions.

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

Quality

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

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

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

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

Sustainability

The Company focuses on being a sustainable food manufacturer through conserving water (through installation of 'in-ground rain-

MANAGEMENT DISCUSSION AND ANALYSIS:

(Contd.)

water harvesting' system) and reducing its carbon footprint (through use of renewable energy). Around 14% of the company's energy requirement comes from Wind and Biogas. All its steam generation is done using compacted agricultural waste (briquettes). Monitoring and conservation of power and water is inbuilt into Company processes. The Company commissioned its bio-gas facility that now converts all its organic waste into electricity. This is used to power the effluent treatment plant and the water treatment plant. The Company intends to complete installing rooftop solar panels with a total capacity of 640 KWP by end of 2019. This would provide 10% of the current power that the Company consumes, thus furthering the percentage of power that come from renewable sources.

Your company also uses simple techniques such as crop rotation, use of natural fertilizers and pest control methods and green composting in its organic farm. Moreover, several initiatives have been undertaken by the Company towards improvement of air, soil and water quality in its eco-system.

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

Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of the average profits for the immediately three preceding financial years on Corporate Social Responsibility (CSR) activities. For fiscal year FY'19, the Company was required to spend INR 67.21 lakhs on CSR.

The CSR committee has taken the following areas to focus on, namely, (1) farmer's welfare (2) public health, (3) water and soil conservation and (4) rural education.

The Company continued to focus its CSR activity towards improvement of the school infrastructure at the local Bhandgaon village school. It provided infrastructure for the school. The Company spent INR 4.06 lakhs on the above activities during the fiscal year.

Cautionary Statement

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

Appreciation

Your Directors wish to express their sincere appreciation for the co-operation received from the banks, government authorities, customers, vendors and suppliers during the year under review. Your Directors also would like to acknowledge the contribution of its parent, Preferred Brands International Inc. in the role of the marketing company in growing and developing the business in all international markets.

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

For and on behalf of the Board of Directors

Ashok Vasudevan
Chairman
DIN: 00575574

Place: Pune
Date: July 12, 2019



ANNEXURE A

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

To the Members of **Tasty Bite Eatables Limited**

Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated May 1, 2018.
2. This report contains details of compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited ('the Company'), for the year ended 31 March, 2019, as stipulated in regulations 17, 18, 19, 20, 22, 23, 24A, 25, 26, 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ('the Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's responsibility

3. The compliance with the terms and conditions contained in the Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal controls and procedures to ensure compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

Auditor's responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31 March 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

Opinion

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

Restrictions on Use

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

For B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W - 100024

Raajnish Desai

Partner

Place: Pune
Date: 16 May 2019

Membership number: 101190
ICAI UDIN: 19101190AAAAA2383

ANNEXURE B

To,

The Members,

Tasty Bite Eatables Limited,

CIN L15419PN1985PLC037347

201-202, Mayfair Tower,

Wakdewadi, Shivajinagar,

Pune – 411 005

Our Secretarial Audit Report for the financial year 2018-19 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

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

Practicing Company Secretaries

Firm Unique Code: S2017MH498500

Vineet Ramoo Pareek

Proprietor

M.NO. - A49730

C.P. NO. - 18556

Place: Pune

Date: 23 May 2019



SECRETARIAL AUDIT REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,

The Members,

Tasty Bite Eatables Limited,

CIN L15419PN1985PLC037347

201-202, Mayfair Tower,

Wakdewadi, Shivajinagar,

Pune - 411 005

I have conducted the Secretarial Audit of the Compliance of applicable statutory provisions and the adherence to good corporate practices by **Tasty Bite Eatables Limited (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on **31st March 2019**, complied with the statutory provisions listed hereunder and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute book, and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2019, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities And Exchange board of India Act 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further shares capital during the period under review];**
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not Applicable as the Company has not issued employee stock option scheme and employee stock purchase scheme during the period under review];**
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the period under review];**

SECRETARIAL AUDIT REPORT (Contd.)

- f) The Securities and Exchange Board Of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the period under review];**
- g) The Securities And Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not Applicable as there was not reportable event during the period under review];**
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
 - i. Food Safety and Standards Act, 2006 and Rules 2011 with allied rules and regulations.
 - ii. Standards of Weights and Measures Act, 1956 with allied rules and regulations.
 - iii. The Legal Metrology Act, 2009;
 - iv. The Legal Metrology (Packaged Commodities) Rules, 2011;

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

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

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

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and a Women Director. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and Committees thereof were carried out with requisite majority;

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

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

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

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

Vineet Ramoo Pareek
Proprietor
M.NO. - A49730
C.P. NO. - 18556

Place: Pune
 Date: 23 May 2019

ANNEXURE C

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO

A. CONSERVATION OF ENERGY:

i) Steps taken or impact on Energy Conservation

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

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

iii) Capital investment on energy conservation equipment: INR 12.4 lakhs

B. TECHNOLOGY ABSORPTION:

I	Efforts made towards technology absorption	Company has an accredited R&D center (TBRC) that is continuously engaged in research on new and innovative products, both for export and domestic market. TBRC's research and expertise ensures that Company can provide "Great taste, Good value and Real Convenience" to its customers worldwide. Innovation coupled with expertise, and quality enables to serve natural, convenient and specialty foods to its customers.
II	Benefits derived like product improvement, cost reduction, product development or import substitution;	Successful development of innovative products in domestic and export market accomplished through expertise and research in specific areas. Technology adoption helped import substitution thereby reducing cost and product development.
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No imported technology
IV	Expenditure incurred on Research and Development:	
	Capital (in INR '000)	01,975
	Recurring (in INR '000)	16,403
	Total (in INR '000)	18,378
	Total R&D expenditure as % of total turnover	0.52%

C. FOREIGN EXCHANGE ACTUAL INFLOW AND OUTFLOWS

(INR in lakhs)		
Particulars	Current Year	Previous Year
Inflows	22,203.84	18,033.65
Outflows	6,002.27	3,764.90

Ashok Vasudevan

Chairman

DIN: 00575574

Place: Pune

Date: July 12, 2019

ANNEXURE D**ANNUAL REPORT ON CSR ACTIVITIES**

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

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

Company has duly adopted CSR Policy which is available on website of the Company at www.tastybite.co.in. CSR Policy concentrates on 4 major areas- sustainable agriculture, disaster relief, education and health. During the financial year 2018-19, the Company continued to work on project in the field of education. Company would focus on major areas highlighted in its policy or any other area as mentioned under the Companies Act, 2013.

2. **The Composition of the CSR Committee:**

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

Name of the director	Position	Independent/ Executive	No. of meetings	
			Held	Attended
Ravi Nigam (till November 02, 2018)	Member	Executive	2	2
Mr. Kavas Patel	Chairman	Independent	4	4
Mr. Abhijit Upadhye (w.e.f. November 03, 2018)	Member	Executive	2	2
Mr. Ashok Vasudevan	Member	Non-Executive	4	4

3. **Prescribed CSR expenditure (two % of the amount as in item 3 above):**

Total amount to be spent was INR 67.21 lakhs.

4. **Details of CSR spent during the financial year:**

(a) Total amount to be spent for the financial year: INR 67.21 lakhs

(b) Amount unspent, if any: INR 63.15 lakhs

(c) Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which activity is covered	Projects or programs 1) Local area or 2) Specify the State and district where projects or programs was undertaken	Amount outlay program wise	Amount spent on the programs Sub-heads: (1) Direct on projects or programs- (2) Overheads	Cumulative expenditure upto the reporting period	Direct or through implementing agency
1	Infrastructure / aid for school - Others	Education	Bhandgaon, Maharashtra	4.06	Overheads	4.06	Direct

5. **In case the Company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board Report:** The Company spent INR 4.06 lakhs. INR 63.15 lakhs remained unspent. Company has promoted Tasty Bite Foundation was incorporated in December 2018 as a wing for spending CSR amount. The Foundation was not fully organised till the end of this financial year though incorporated.
6. **Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company, duly signed by Director and Chairperson of the CSR Committee:** The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

ANNEXURE E

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

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto and Regulation 34(3) and 53(f) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

A. PARENT, ULTIMATE CONTROLLING PARTY AND FELLOW SUBSIDIARY

Sr. No.	Name	Relationship
1	Mars Incorporated, USA	Ultimate Holding Company
2	Kagome Co Ltd (upto 1 November 2017)	Ultimate Holding Company
3	Effem Holdings Limited (With effect from 2 November 2017)	Holding Company
4	Preferred Brands International, Inc. USA (PBI Inc. is Holding company of Preferred Brands Foods (India) Private Limited)	Holding Company
5	Preferred Brands Foods (India) Private Limited	Holding Company
6	Preferred Brands Australia Pty. Ltd.	Fellow Subsidiary
7	Mars Food Australia Pty Ltd.	Fellow Subsidiary
8	Preferred Brands UK Ltd.	Fellow Subsidiary
9	Mars Food UK Ltd.	Fellow Subsidiary
10	Royal Canin India Private Limited	Fellow Subsidiary
11	Mars International India Pvt. Ltd.	Fellow Subsidiary
12	Kagome Australia Pty. Ltd (Till 1 November 2017)	Fellow Subsidiary
13	Kagome Foods India Private Limited (Till 1 November 2017)	Fellow Subsidiary
14	Kagome Inc. (Till 1 November 2017)	Fellow Subsidiary

B. TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Sr. No.	Name	Relationship
1.	Mr. Ravi Nigam	Managing Director (till November 2, 2018)
2.	Mr. Sohel Shikari	Chief Financial Officer (till November 2, 2018)
3.	Ms. Minal Talwar	Company Secretary
4.	Mr. Abhijit Upadhye	Managing Director (w.e.f. November 3, 2018)
5.	Mr. Gaurav Gupta	Chief Financial Officer (w.e.f. November 3, 2018)

ANNEXURE E (Contd.)

(INR in Lakhs)

Key management personnel compensations	Ravi Nigam (till November 2, 2018)		Sohel Shikari (till November 2, 2018)		Minal Talwar		Mr. Abhijit Upadhye (w.e.f. November 3, 2018)		Mr. Gaurav Gupta (w.e.f. November 3, 2018)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Short term employee benefits	91.96	133.50	92.41	135.03	10.78	9.67	120.68	-	25.40	-
Post-employment defined contribution plan	6.91	9.58	5.34	6.58	0.65	0.58	4.96	-	1.00	-
Long term benefits										
Post-employment defined benefit plan- Gratuity	10.75	87.99	-	59.24	1.62	1.19	2.00		1.52	
Compensated absences- Leave encashment	-	27.55	-	29.79	1.59	0.77	9.65	-	3.19	-
Share-based payments (paid by PBI Inc.)	-	-	-	-	-	5.37	-	-	-	-
Total	109.62	258.62	97.76	230.64	14.64	17.58	137.29	-	31.11	-

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

Transaction / Balance	Enterprise	31 March 2019	31 March 2018
Sales	Preferred Brands International, Inc. USA	20,270.14	17,643.22
	Preferred Brands Australia Pty. Ltd.	167.55	264.15
	Preferred Brands United Kingdom Ltd.	81.24	79.01
	Mars Food Australia Pty Ltd.	149.11	-
	Mars Food UK Ltd.	96.97	-
Purchases	Kagome Foods India Private Limited	-	22.55
	Kagome Foods Australia Pty Ltd	-	28.04
	Kagome Inc.	-	399.78
Dividend paid on equity shares	Preferred Brands Foods (India) Private Limited	38.09	38.09
Dividend paid on preference shares	Preferred Brands Foods (India) Private Limited	0.60	0.60
Buyback of Preference Shares	Preferred Brands Foods (India) Private Limited	1,220.37	-
Working Capital loan taken	Royal Canin India Pvt. Ltd.	1,200.00	-
Interest on loan taken	Royal Canin India Pvt. Ltd.	41.40	-
Balance outstanding			
A. Trade receivables	Preferred Brands International, Inc. USA	1,436.73	1,893.19
	Preferred Brands Australia Pty. Ltd.	-	29.70
	Preferred Brands UK Ltd.	-	28.49
	Mars Food Australia Pty Ltd.	89.59	-
	Mars Food UK Ltd.	28.30	-
B. Other receivables	Preferred Brands International, Inc. USA	2.01	-

ANNEXURE E (Contd.)

Transaction / Balance	Enterprise	31 March 2019	31 March 2018
C. Other payables	Preferred Brands International, Inc. USA	-	7.98
	Mars International India Pvt. Ltd.	3.28	-
	Preferred Brands Australia Pty. Ltd.	-	3.17
D. Loans payables	Royal Canin India Pvt. Ltd.	600.00	-
Expense charged to related parties in the nature of:			
A. Courier and postage	Preferred Brands International, Inc. USA	11.81	9.74
	Preferred Brands Australia Pty. Ltd.	6.52	0.88
B. Travelling and conveyance	Preferred Brands International, Inc. USA	10.28	4.51
C. Reimbursements	Effem Holdings Company	-	0.98
	Preferred Brands International, Inc. USA	41.90	-
	Preferred Brands Foods (India) Private Limited	3.97	0.55
	Kagome Company Limited	-	1.47
Expense charged by related parties in the nature of:			
A. Travelling and conveyance	Preferred Brands International, Inc. USA	-	9.94
	Kagome Inc.	-	2.47
B. Reimbursements	Preferred Brands Australia Pty. Ltd.	2.65	3.47
	Preferred Brands International, Inc. USA	14.08	-
	Mars International India Pvt. Ltd.	10.28	-

ANNEXURE F

Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019.

Name	Remuneration in lakhs p.a.	Nature of employment	Qualification	Experience	Date of commencement of employment	Age	Last employment	% of equity shares held	Whether relative of any director
Mr. Abhijit Upadhye (joined July 12, 2018)	300.00	Permanent	Engineer from VJT, Mumbai and MBA from NMIMS, Mumbai	23	12-07-2018	48	Jeeves Consumer Services and F1 Info Solutions	Nil	No
Mr. Gaurav Gupta	65.00	Permanent	Chartered Accountant, CPA, CFE, CISA, B. Com (hons) CCSA, CISM	15	09-07-2015	37	Kesoram Industries Ltd	Nil	No
Mr. Vinay Hastak	60.00	Permanent	BSC Chemistry, BSC Tech- Food Technology & LLB	30	27-11-2017	55	Hard Café Restaurants Pvt Ltd	Nil	No
Mr. Rajendra A. Jadhav	62.00	Permanent	BSC Tech- Food Technology and Post graduation in Foods, Drugs and Cosmetics	31	15-11-1991	55	Kwality Candies and Sweets Limited	Nil	No
Mr. Ankit Singhal	40.00	Permanent	B Tech, Post Graduate Diploma in Rural management from Institute of Rural Management	15	31-08-2009	39	Multi commodity Exchange of India Ltd	Nil	No
Mr. Ujjawal Jain	40.00	Permanent	B. Com (hons) and Post Graduate Programme in Management	12	02-05-2011	34	CITI Financial Consumer Finance India Ltd	Nil	No
Mr. Shashish Hodlur	38.00	Permanent	Bachelor in Hotel Management & Catering Technology	22	16-07-2007	43	Taj Sats India Catering ltd	Nil	No
Mr. Terence D'cruz	37.00	Permanent	BE Bharathiar University, Coimbatore	25	01-03-2012	50	Innovative Foods Ltd	Nil	No
Mr. Ashutosh Parmar	35.00	Permanent	BSC Food Tech	15	14-09-2010	36	ITC Limited	Nil	No
Mr. Shailendra Saxena	32.00	Permanent	BSC Agri and MSC Food Tech	24	09-06-2017	50	Capricorn Food Products Pvt Ltd	Nil	No
Mr. Sohel Shikari (Till Nov 2, 2018)	166.00	Permanent	BS in Civil Engineering and Master's in civil & Environmental Engineering	25	08-05-2014 (designated as KMP)	49	ASG Omni India Pvt Ltd	Nil	No
Mr. Ravi Nigam (till Nov 2, 2018)	168.00	Permanent	BSC Chemistry, MBA from Institute of Rural management, OPM from Harvard Business School	36	1998	59	Ballarpur Industries	0.01	No

CORPORATE GOVERNANCE

GOVERNANCE PHILOSOPHY

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

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

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

BOARD OF DIRECTORS

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

a) Composition of Board:

The Board has an optimum combination of executive and non-executive directors. The Company is managed by the Board with a non-executive, non-independent Chairman, an executive director, 2 non-executive directors, three eminently qualified Independent Directors and an Alternate Director to the non-executive Chairman. There are 2 woman directors on Board of the Company out of which one is an Independent Director.

No.	Name	Designation	Skills/expertise/competence
1.	Mr. Ashok Vasudevan	Chairman (Non executive)	Mr. Vasudevan has wide experience of 36 plus years as an entrepreneur and a corporate executive for large multinationals. He spent 10 years with the Unilever group in India in various functions that included Management Development, Sales & Marketing and International Business. He cofounded Preferred Brands International Inc, USA. He has expertise in integrated marketing, customer insight, brand management, product marketing, business analysis, public relations negotiation, team building etc.
2.	Mr. Abhijit Upadhye	Managing Director (Executive)	Mr. Upadhye has 22 plus years of experience spanning e-Commerce, Food Service, Consulting and FMCG with a mix of International as well as within country leadership roles. He has worked with McDonald's Corporation, Flipkart, Infosys, etc to name a few. He has expertise in sales and marketing, business strategies, supply chain management, strategic planning, business process improvement, vendor management.
3.	Ms. Dawn Allen	Director (Non executive)	Ms. Allen has worked at the Mars, Incorporated group of companies for 20 plus years and during this time she has held a number of finance positions. She is currently CFO of Global Food, Drinks and Multisales at Mars, Incorporated. Her expertise lies in finance, mergers and acquisitions, cross border transactions, overseas operations etc.

CORPORATE GOVERNANCE (Contd.)

No.	Name	Designation	Skills/expertise/competence
4.	Mr. Kavas Patel	Independent Director (Non executive)	Mr. Patel is a Fellow Member of Institute of Chartered Accountant of England & Wales and started his career with Franklin Wild and Co., Chartered Accountants, London as Clerk. He then joined Polaroid Corporation in 1974 and worked with them in various international assignments in Europe, Far East, USA and India. His last assignments with Polaroid was Director of Finance, Asia Pacific Region and Country Director India. His expertise lies in Audit, corporate finance, strategic financial planning, budgeting, mergers and acquisitions, business strategies, Investment, Wealth Management etc.
5.	Ms. Rama Kannan	Independent Director (Non executive)	Ms. Kannan works as a coach / mentor / advisor for various senior executives in corporate and social enterprises in India and abroad. She also has a wide experience in field of marketing and strategic roles with various companies such as British Petroleum, PepsiCo, etc. She has expertise in leadership and executive coaching, business planning and social entrepreneurship.
6.	Dr. Chengappa Ganapati	Independent Director (Non executive)	Dr. Chengappa is one of the leading Agricultural Economist of India. He has over three decades of experience in teaching, research, extension and academic administration. He has expertise in teaching, research, academic administration, economics, agri-business and trade.
7.	Mr. Pydisetty Veera Venkata Srinivasa Rao	Additional Director (Non-Executive)	Mr. Rao holds Post Graduate Diploma in Business Management from IIM (Calcutta). He has also completed Bachelors in Technology Chemical Engineering from IIT (Chennai). He has experience of 24 plus years spanning across automobile industry, telecom industry, FMCG with a mix of international stints and domestic exposure.
8.	Mr. Gaurav Gupta	Alternate Director (Non-Executive)	Mr. Gupta is a Chartered Accountant by profession and also is a CPA, CFE, CISA and B.Com (Hons) degree holder. He has 15 plus years of experience spanning IT industry, telecom industry, tyres, and FMCG with mix of international stints and domestic exposure.

None among the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees across all Companies in which he/she is a Director. Necessary disclosures regarding Committee positions and other directorships have been given by all the Directors. For the purpose of determination of limit of the Committees, Chairperson and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review Mr. Ravi Nigam, resigned with effect from November 2, 2018 as managing director of the Company and Mr. Abhijit Upadhye was appointed as the Additional Director and designated as Managing Director with effect from November 3, 2018. Mr. Srinivasa Rao was appointed as an Additional Director with effect from February 6, 2019.

Mr. Gaurav Gupta was appointed as Alternate Director to Mr. Ashok Vasudevan during the year due to his absence from India.

Ms. Rama Kannan, Mr. Kavas Patel and Dr. Chengappa Ganapati continue to act as the Independent Directors on the Board of the Company. In terms of Regulation 25(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Company confirms that the Independent Directors fulfill conditions

CORPORATE GOVERNANCE (Contd.)

specified in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations") and they are independent of the senior management.

b) Board Meetings and information placed before the Board:

There were six (06) Board meetings held during the financial year 2018-19. These were held on May 16, 2018, July 6, 2018, August 8, 2018, October 11, 2018, November 12, 2018 and February 6, 2019. The maximum interval between any two meetings was not more than 120 days.

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

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

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

Availability of information to the Board:

During the financial year 2018-19, information as mentioned in Part A of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been placed before the Board for its consideration. The Board has unrestricted access to the following information:

- Annual operating plans and budgets, including any updates.
- Capital budgets and any updates.
- Quarterly results for the Company and its operating divisions or business segments
- Details of any joint venture or collaboration agreement, if any
- Minutes of meetings of Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of Senior Managerial Personnel just below board level including the appointment and removal of CFO and Company Secretary
- Show cause, demand, prosecution notices and penalty notices which are materially important
- Fatal or serious accidents, dangerous occurrences any material effluent or pollution problems
- Material default in financial obligations to and by the Company or substantial nonpayment for goods sold by the Company
- Any issue which involves public or product liability, claims of substantial nature or any judgment or adverse view regarding another enterprise that can have negative implications on the Company
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions
- Significant development in human resources / industrial relations front like signing of wage agreement, implementation of VRS, etc

CORPORATE GOVERNANCE (Contd.)

- Non-compliance of any regulatory, statutory nature of listing requirements and shareholders service such as nonpayment of dividend, delay in share transfer, etc
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business
- Material financial / commercial transactions, with Senior Management personnel, in which they are personally interested and which potentially conflicts with the interest of the Company
- Details of foreign exchange exposures and the steps taken by the management to limit the risk of adverse exchange rate movement
- Quarterly compliance report and investor grievance reports
- Dividend data

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

c) Code of Conduct for Directors and Senior Management:

The Company has adopted "Code of Conduct for Board Members and Managerial Personnel" ("Code"). A copy of the Code is posted on the website of the Company www.tastybite.co.in. All board members and managerial personnel have affirmed compliance with the Code of Conduct. The confirmation from the Managing Director regarding the compliance with the Code by all the directors and senior management is annexed to the Report.

d) Directors attendance record & directorships in other companies as on March 31, 2019:

Sr. No	Name of the Director	Category of Director -ship	Attendance in Board Meetings during 2018-19	Attendance at last AGM held on 09.08.2018	No. of other Directorships# as on 31.03.19	No. of other Committee (\$) position held as on 31.03.19 (Other Companies)	No. of Shares/ convertible instruments held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. Ashok Vasudevan	N.E.D.	5	Yes	0	Nil	Nil
2.	Mr. Abhijit Vishwanath Upadhye (w.e.f. November 3, 2018)	E.D.	2	By invitation*	3	Nil	Nil
3.	Ms. Dawn Allen	N.E.D.	6	Yes	1	NIL	Nil
4.	Mr. Kavas Patel	I.D.	6	Yes	7	1. Audit Committee - 2 (Chairman)	Nil
5.	Ms. Rama Kannan	I.D.	5	Yes	1	Nil	Nil
6.	Dr. Chengappa Ganapati	I.D.	5	Yes	4	Nil	Nil
7.	Mr. Pydisetty Veera Venkata Srinivasa Rao (w.e.f. February 6, 2019)	N.E.D.	1	N. A.	1	NIL	Nil
8.	Ravi Nigam (till November 2, 2018)	E.D.	4	Yes	-	NIL	Nil
9.	**Mr. Sohel Shikari (till November 2, 2018)	A.D.	1	Yes	-	NIL	Nil
10.	**Mr. Gaurav Gupta	A.D.	-	Yes	-	NIL	Nil

* Mr. Abhijit Upadhye attended AGM in 2018 as Chief Operating Officer.

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

including Private limited companies and excluding foreign companies

\$ Audit and Stakeholders' Grievance Committees of Public Limited Companies and other than your Company are considered

*Attended as Alternate Director to Mr. Ashok Vasudevan

CORPORATE GOVERNANCE (Contd.)

Details of the directors seeking reappointment in the annual general meeting have been provided with the notice in Annual Report.

- f) Video/ tele-conferencing facilities are also used to facilitate Directors travelling/ residing abroad or at other locations to participate in the meetings.

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

Sr. No	Name of the Director	Names of other listed entities in which the Director has Directorships	Category of Directorship
1.	Mr. Ashok Vasudevan	NIL	-
2.	Mr. Abhijit Vishwanath Upadhye	NIL	-
3.	Ms. Dawn Allen	NIL	-
4.	Mr. Kavas Patel	Dai-Ichi Karkaria Limited	Independent
5.	Ms. Rama Kannan	NIL	-
6.	Dr. Chengappa Ganapati	Tata Coffee Limited	Independent
7.	Mr. Pydisetty Veera Venkata Srinivasa Rao	NIL	-
8.	Mr. Gaurav Gupta	NIL	-

h) **Training of directors:**

All directors of the Company (Independent and Non-Independent) are provided opportunity to familiarize themselves with the Company, its management and its operations. The directors interact with executive directors, senior management personnel/ key managerial personnel, as and when required, and are provided all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part. The weblink with details of familiarization of independent directors is www.tastybite.co.in – investor – corporate governance section. Directors also visit the manufacturing plant of the Company for further understanding of the business and processes.

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

- The duties and responsibilities of Independent Directors have been incorporated in the Code of Conduct as required by the Companies Act, 2013.
 - The amendments / updates in statutory provisions are informed from time to time.
 - The information w.r.t. the nature of industry in which the Company operates and business model of the Company, etc. is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board.
 - Directors visit the manufacturing plant of the Company and directly deal with senior management personnel / key management personnel and auditors to resolve the queries.
- i) The Board on a quarterly basis reviews the compliance reports of all laws applicable to the Company.
- j) None of the directors of the board hold any shares of the Company.

CORPORATE GOVERNANCE (Contd.)

COMMITTEES OF THE BOARD

a) Audit Committee:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013. There were four (04) Audit Committee meetings held during the financial year on May 16, 2018, August 8, 2018, November 12, 2018 and February 6, 2019 respectively. The Audit Committee consist four members, three being Independent Directors and one Managing Director of the Company. All the members of the Audit Committee have adequate accounting and financial knowledge to read, understand and analyse the financial statements. Mr. Kavas Patel, an Independent Director, is Chairman of the Committee.

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

Name of the director	Position	Independent/ Executive	No. of meetings during the financial year 2018-19	
			Held	Attended
Mr. Kavas Patel	Chairman	Independent	4	4
Mr. Abhijit Upadhye (appointed w.e.f. November 3, 2018)	Member	Executive	4	2
Ms. Rama Kannan	Member	Independent	4	3
Dr. Chengappa Ganapati	Member	Independent	4	4
Mr. Ravi Nigam (till November 2, 2018)	Member	Executive	4	2

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

All Members of the Committee have wide exposure and possess sound knowledge in the areas of accounts, finance, business and internal control. The Chairman of the Audit Committee remained present at the Annual General Meeting held on August 9, 2018. The composition of the Committee is in conformity with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of reference:

The powers, duties and terms of reference of the Committee are as mentioned in Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 which are:

- Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, adequate and credible.
- Recommend appointment, remuneration and terms of appointment of Auditors of the Company and review and monitor auditors independence and performance, and effectiveness of audit report.
- Approval or any subsequent modification of transactions of the Company related parties.
- Review the quarterly, half yearly and annual financial statements before submission to the Board or to the Members.
- Review the adequacy and quality of internal control systems and seek information from any employee.
- In addition to the above, all items listed in Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177(4) of the Companies Act, 2013.

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

b) Stakeholders Relationship Committee:

During the financial year under consideration, there were four (04) meetings held on May 16, 2018, August 8, 2018, November 12, 2018 and February 6, 2019. The Stakeholders Relationship Committee looks into the redressal of grievances of all security holders of the Company.

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

CORPORATE GOVERNANCE (Contd.)

Name of the director	Position	Independent/ Executive	No. of meetings	
			Held	Attended
Mr. Kavas Patel	Chairman	Independent	4	4
Ms. Rama Kannan	Member	Independent	4	3
Dr. Chengappa Ganapati	Member	Independent	4	4

Ms. Minal Talwar – Company Secretary is the Compliance Officer of the Company. She may be reached at:

Tasty Bite Eatables Limited

201-202, Mayfair Towers,

Wakdewadi, Shivajinagar,

Pune – 411 005

Telephone: 91 20 3021 6026

The Chairman of the Committee or in Chairman's absence, any member of the committee attends the General Meeting of the shareholders. The Chairman of the Stakeholders Relationship Committee remained present at the Annual General Meeting held on August 9, 2018.

To expedite the transfer, transmission, removal, deletion of name, issue of duplicate share certificate, etc a Committee of executives of Company have been formed. The Committee comprises the following executives:

- Mr. Abhijit Upadhye- Managing Director
- Mr. Gaurav Gupta- Chief Financial Officer
- Ms. Minal Talwar- Company Secretary

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

At beginning of the year under review, there were no investor complaints that remained unresolved. During the year, the Company received 39 complaints which were resolved and no complaint is pending as on March 31, 2019.

c) Nomination and Remuneration Committee:

Terms of reference:

The terms of reference of the Committee are as per the Regulation 19 and Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013.

The Committee formulates criteria to determine qualification, positive attributes and independence of directors and recommend, from time to time to the Board, a policy relating to remuneration of Directors, Key Managerial Personnel and employees and succession plan. The Committee also formulates the criteria for evaluation of individual directors and devising a Policy on diversity of the Board. The Chairman of the Committee remains present at the General Meeting to answer shareholders queries.

Four meetings of Remuneration & Nomination Committee were held during the year on May 16, 2018, August 8, 2018, October 11, 2018 and February 6, 2019.

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

Name of the Director	Position	Independent/ Executive	No. of Meetings	
			Held	Attended
Mr. Kavas Patel	Chairman	Independent	4	4
Ms. Rama Kannan	Member	Independent	4	3
Dr. Chengappa Ganapati	Member	Independent	4	4

Details of remuneration of the Board of Directors

All decisions related to the remuneration of the Directors, both executive and non-executive, are decided by the Board of

CORPORATE GOVERNANCE (Contd.)

Directors of the Company in accordance with the shareholders' approval and/or Central Government, wherever necessary and in compliance with the provisions of applicable laws. Details of remuneration paid to the executive and non executive directors for the year 2018-19 are as follows:

(INR)

Name of Director	Basic Salary	Allowance & Perquisites	Performance linked incentive / commission/ bonus	Company Contribution to Provident Fund & Pension	Sitting fees	Total
Mr. Ashok Vasudevan	---	---	---	---	---	---
Mr. Kavas Patel	---	---	---	---	3,00,000	3,00,000
Mr. Ravi Nigam (till November 2, 2018)	8,890,452	3,05,871	---	6,91,120	---	98,87,443
Mr. Abhijit Upadhye (w.e.f. November 3, 2018)	8,205,415	487,821	3,374,335	495,660	---	1,25,63,231
Mr. Chengappa Padinjaranda Ganapati	---	---	---	---	3,00,000	3,00,000
Ms. Dawn Amanda Allen	---	---	---	---	---	---
Ms. Rama Kannan	---	---	---	---	2,25,000	2,25,000

Notes:

- Mr. Abhijit Upadhye was appointed as Managing Director of the Company w.e.f. November 3, 2018, till December 31, 2021.
- Remuneration of Mr. Abhijit Upadhye as Managing Director is fixed for a period of three years from November 3, 2018 till March 31, 2021, by the shareholders. Revised remuneration is approved by the Board and Nomination Committee in its meeting held on May 16, 2019. The same is proposed for shareholders approval.
- Agreement with the Managing Director can be terminated by giving three months notice in writing by either party. Performance bonus as per the terms of appointment and approval of shareholders will be paid to him.
- No stock option scheme has been framed by the Company for directors and other executives.
- There is only fixed component criteria in the Company for directors and employees apart from variable component paid to Managing Directors as mentioned in the above table.
- No other director including any non-executive director receives any remuneration, commission or any other incentive from the Company.
- Mr. Gaurav Gupta receives remuneration as Chief Financial Officer of the Company.

Remuneration Policy:

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

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

- The directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
- The Board and Nomination and Remuneration Committee to satisfy themselves before recommending any person for directorship that he or she is not disqualified being appointed as director under Companies Act, 2013.

CORPORATE GOVERNANCE (Contd.)

3. In case of appointment of independent director, the Committee to also satisfy itself that person satisfies all criteria of being appointed as Independent director.
4. The Committee shall evaluate the performance of Directors basis their engagement with the management, contribution and participation level. Also the Committee shall consider the time and energy devoted by individual director for performing the duties and responsibilities.
5. The remuneration of the Managing Director or any other director of the Company shall be reviewed and recommended by the Nomination and Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis à vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organizations and decided by the Board of Directors.
6. Sitting fee paid to independent directors was INR 75,000 per quarter during the financial year 2018-2019 as revised w.e.f. May 7, 2016 by Board of Directors in their meeting. Sitting fee paid is within statutory limits.
7. The remuneration of Key Managerial Personnel and Senior Managerial Personnel is reviewed by the Committee. The remuneration of employees largely consist basic remuneration, perquisites and allowances. The components of the total remuneration may vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, individual performances, short and long term performance objectives appropriate to the working of the Company, etc. As per SEBI Regulations, even the remuneration of the Senior Managerial Personnel shall be recommended by the Committee with effect from financial year 2019-20.

The Board of Directors on recommendation of Remuneration & Nominations Committee/ Audit Committee also revised the remuneration of Mr. Gaurav Gupta – Chief Financial Officer of the Company.

The Non-Executive Directors do not draw any remuneration from the Company, except sitting fees for each meeting of the Board and Committees thereof paid to the Independent Directors only.

Performance evaluation:

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

Individual directors including the Chairman of the Board were also evaluated on parameters such as level of engagement and contribution, independence of judgement. The performance evaluation of the Independent Directors was carried out by the entire Board basis participation of Independent directors in the meeting, raising of concerns to the Board, safeguarding the confidential information, rendering of independent decisions, unbiased opinions and resolution of issues in the meetings, timely inputs on the minutes, initiatives in terms of planning and new ideas. The Directors expressed their satisfaction with the evaluation process.

d) Corporate Social Responsibility Committee

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

The Corporate Social Responsibility (CSR) Policy is in place and is available at Company's website www.tastybite.co.in. The Policy adopted is suited to Company's corporate philosophy.

Four meetings of CSR Committee were held during the year on May 16, 2018, August 8, 2018, November 12, 2018 and February 6, 2019.

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

CORPORATE GOVERNANCE (Contd.)

Name of the director	Position	Independent/ Executive	No. of meetings during the financial year 2018-19	
			Held	Attended
Mr. Kavas Patel	Chairman	Independent	4	4
Mr. Ravi Nigam (till November 2, 2018)	Member	Executive	4	2
Mr. Abhijit Upadhye (w.e.f. November 3, 2018)	Member	Executive	4	2
Mr. Ashok Vasudevan	Member	Non Executive	4	4

e) Separate Meeting of Independent Directors

As per the provisions of the Companies Act, 2013 and SEBI Regulations, a separate meeting of independent directors was held on February 6, 2019 for evaluation of performance of entire Board and Chairman of the Company. All Independent Directors attended the meeting. They also assessed the quality, contents and timeline of flow of information between the management and the Board.

GENERAL BODY MEETINGS

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

Financial year ended	Date & Time	Venue	Special Resolution
2017-18	August 9, 2018, at 11.00 a.m.	Hotel Sheraton Grand Pune, RBM Road, Pune – 411 001	1. Approval for declassification of Promoter 2. Revision in overall borrowing powers 3. Creation of charge on assets of the Company 4. Material Related Party transaction approval 5. Approval for buyback of 59,530 1% Non-Cumulative, Non-Convertible Redeemable Preference shares 6. Fixation of remuneration of Mr. Ravi Nigam as managing Director for 3 years.
2016-17	September 20, 2017, at 11.00 a.m.	Hotel Sheraton Grand, RBM Road, Pune – 411 001	1. Approval for related party transactions
2015-16	September 19, 2016, at 11.00 a.m.	Hotel Le Meridien Pune, RBM Road, Pune – 411 001	1. Re-appointment of Mr. Ravi Nigam as Managing Director for a period of 5 years. 2. Fixation of remuneration of Mr. Ravi Nigam as Managing Director for a period of 3 years. 3. Ratification of remuneration of Mr. Ravi Nigam as Managing Director for a period from April 1, 2016 till July 19, 2016.

- The Registered Office of the Company is situated at 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune – 411 005.
- All resolutions moved in the last three Annual General Meetings were passed through e-voting facility and Poll by way of Ballot Papers at meeting made available to the shareholders.
- There was no Extra Ordinary General Meeting of members held in financial year 2018-19.
- One special resolution through Postal Ballot notice dated October 11, 2018 was passed in financial year 2018-19 approving fixation of remuneration of Mr. Abhijit Upadhye, Managing Director. The results of Postal Ballot were announced on November 19, 2018. Mr. Abhishek Jagdale- Practicing Company Secretary was Scrutinizer for the Postal Ballot activity who conducted the exercise of postal ballot as well as the remote e-voting process in a fair and transparent manner. The Postal Ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

CORPORATE GOVERNANCE (Contd.)

Resolution	Votes in favour			Votes against			Invalid Votes	
	Number of members voted through electronic and physical	Number of valid votes cast	% of total number of valid votes	Number of members voted through electronic and physical	Number of valid votes cast	% of total number of valid votes	Number of members whose votes were declared invalid Total number of invalid votes cast (Shares)	Number of members whose votes were declared invalid Total number of invalid votes cast (Shares)
Fixation of remuneration of Abhijit Upadhye till March 31, 2019	14	19,35,928	19,35,928	Nil	Nil	Nil	Nil	Nil

- None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

DISCLOSURES

- The transactions with related parties do not have potential conflict with the interests of the Company at large. A comprehensive list of related party transactions as required by the Indian Accounting Standards (Ind AS) issued by Institute of Chartered Accountants of India, forms part of Note no. 44 of the accounts in the annual report.
- The Company has complied with the formalities as laid down by National Stock Exchange of India Ltd, BSE Ltd, SEBI and other statutory authorities on matter related to capital market. There were no penalties, strictures laid down on the Company relating to capital market during last three years.
- The Company is committed to high standard of Corporate Governance and stakeholder's responsibility. The Company has framed Whistleblower and Vigilance Mechanism Policy to enable reporting unethical or improper activity to the Management/ Board. The Whistle Blower Policy and the Vigilance Mechanism are available at Company's website www.tastybite.co.in. Every employee/ whistle blower has access to the Chairman of the Audit Committee. Details of Chairman of Audit Committee are as under –
Name- Mr. Kavas Patel
Address- C-33, Rivernest, 311 North Main road, Koregoan Park, Pune 411011
Phone: +91 020 26154921; E-mail: kavasp@hotmail.com
During the year, no event or protected disclosure from any employee or person was received by the Chairman of the Committee or management.
- The Company has formed a policy on Related Party Transaction. It is also available on website of the Company at www.tastybite.co.in. Company does not have any material subsidiary and therefore policy with respect to material subsidiaries is not applicable to the Company.
- The Company has laid down procedures to inform Board members about the risk assessment and mitigation process. The Company has identified major and minor risks like market risk, fluctuation in foreign exchange, interest rate, commodity (raw materials etc.) price risks and packaging material prices and other business risks and these risks are analyzed from time to time by the executive management team and reviewed by the Audit Committee and the Board.
- There has been no public, rights or preferential issues of shares or debentures during the year.
- As required by Schedule V (E) of the SEBI Regulations, the Company has obtained a certificate from statutory auditor regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure B to the Directors' Report.
- The Company has also adopted Policy on Material Disclosures, Policy on Preservation of Documents and Archival Policy. The policies are available on website of the company (www.tastybite.co.in)
- A Certificate has been received from M/s. Pareek V. R. & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.
- Following fees paid Statutory Auditors and its member firm / network firm:

CORPORATE GOVERNANCE (Contd.)

Name of firm	INR in Lakhs
B S R and Associates LLP (Statutory Auditors)	24.94
B S R and Co. LLP (Tax Consultants – Transfer Pricing & Corporate Tax)	23.81
Total	48.75

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

Non Mandatory Requirements:

- The quarterly un-audited results of the Company after being subjected to Limited Review by the Statutory Auditors are published in newspapers. These results are not sent to shareholders individually.
- The Auditors have issued an unqualified report on the statutory financial statements of the Company.
- Internal auditors of the Company make half yearly presentation to the audit committee on their reports.
- All the non – executive directors have requisite qualification, rich experience and expertise in their respective functional areas. They attend various programmes in the personal capacities which keep them abreast of relevant developments. There is formal system of evaluating them.
- In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has adopted following codes as prescribed therein.
 1. "Code of Fair Disclosure of Unpublished Price Sensitive Information" for employees and other connected persons.
 2. "Code of Conduct to Regulate Monitor and Report Trading" for its employees and Connected Persons to Directors.
 3. "Policy for Procedure of inquiry in case of leak of Unpublished Price Sensitive Information"

Changes in Whistleblower and Vigilance Mechanism Policy is also made pursuant to change in Prevention of Insider Trading Regulations.
- The Company has adopted a Policy on Determination of Materiality for Disclosure as per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Company has adopted a Policy on Archival and Preservation of Documents as per Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Terms and conditions of appointment/ re-appointment of Independent Directors in terms of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 read with Schedule IV of the Companies Act, 2013 are available on the website of the Company at www.tastybite.co.in.
- Details of familiarization programme imparted to Independent Directors in terms of Regulation 25(7) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are available on the website of the Company at www.tastybite.co.in.
- Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 forms part of the Annual Report.

The revised Code of Fair Disclosure is available on the Company's website www.tastybite.co.in. Ms. Minal Talwar, Company Secretary, is Compliance Officer under the Codes. The Promoters, Directors and Key Managerial Persons have provided initial disclosures of holding of securities by them. The Company may require any of its connected persons to make disclosure of holding and trading of securities to the Company.

MEANS OF COMMUNICATION

- The annual, half-yearly and quarterly results of the Company are published in National newspapers viz. Asian Age and local newspaper viz. Punyanagari; or any other equivalent newspaper.
- These newspapers are selected on the basis of having reasonable circulation in the areas where majority of our shareholders are located and also on the basis of cost effectiveness.

CORPORATE GOVERNANCE (Contd.)

- The Company provides information to the National Stock Exchange of India Limited and BSE Limited as per the requirement of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.
- 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 SEBI Regulations. The website of the Company also contains presentations made to institutional investors and other official news releases, if any.
- Management Discussion and Analysis forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

a)	Annual General Meeting - Date, Time and Venue	:	August 8, 2019, at 11:00 a.m. at the Hotel Sheraton Grand, Pune
b)	Financial Calendar Tentative financial reporting for - the quarter ending June 30, 2019 - the half year ending September 30, 2019 - the quarter ending December 31, 2019 - year ending March 31, 2020 Annual General Meeting for the year ending March 31, 2020		Second week of August 2019 Second week of November 2019 Second week of February 2020 Second Week of May 2020 September 2020
c)	Financial Year	:	April 1 to March 31
d)	Dates of Book Closure	:	July 20, 2019 to August 8, 2019 (both days inclusive)
e)	Dividend Payment	:	INR 2 on each equity share of INR 10 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting.
f)	Listing on Stock Exchange, Address and Stock Code	:	1) BSE Limited (BSE) Code : 519091 Address: 1st Floor, New Trading Ring, Rotunda Bldg., P.J. n Towers, Dalal Street, Mumbai 400 001 2) National Stock Exchange (NSE) of India Limited Symbol: TASTYBITE Address: Corporate Services, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
g)	Demat ISIN Number for NSDL & CDSL	:	INE 488B01017
h)	Registrar & Shares Transfer Agent		M/s Karvy Fintech Pvt Ltd. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Ph: 040-67161528 Fax: 040-23001153 e-mail: ramesh.desai@karvy.com;
i)	Share Transfer System		In respect of transfer of shares, shareholders are advised to contact M/s. Karvy Fintech Pvt. Ltd. directly. All transfer request received are processed by the Registrar and Transfer Agent and are approved by the Committee of executives constituted by the Company. Share transfers are registered and returned within maximum of 15 days from date of lodgment, if complete in all aspects.

CORPORATE GOVERNANCE (Contd.)

j)	Plant location	:	At Post 490, Village Bhandgaon, Taluka- Daund, Dist- Pune- 412214, Maharashtra
k)	Registered Office and Correspondence address:	:	201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune – 411 005

Listing fees as applicable have been paid.

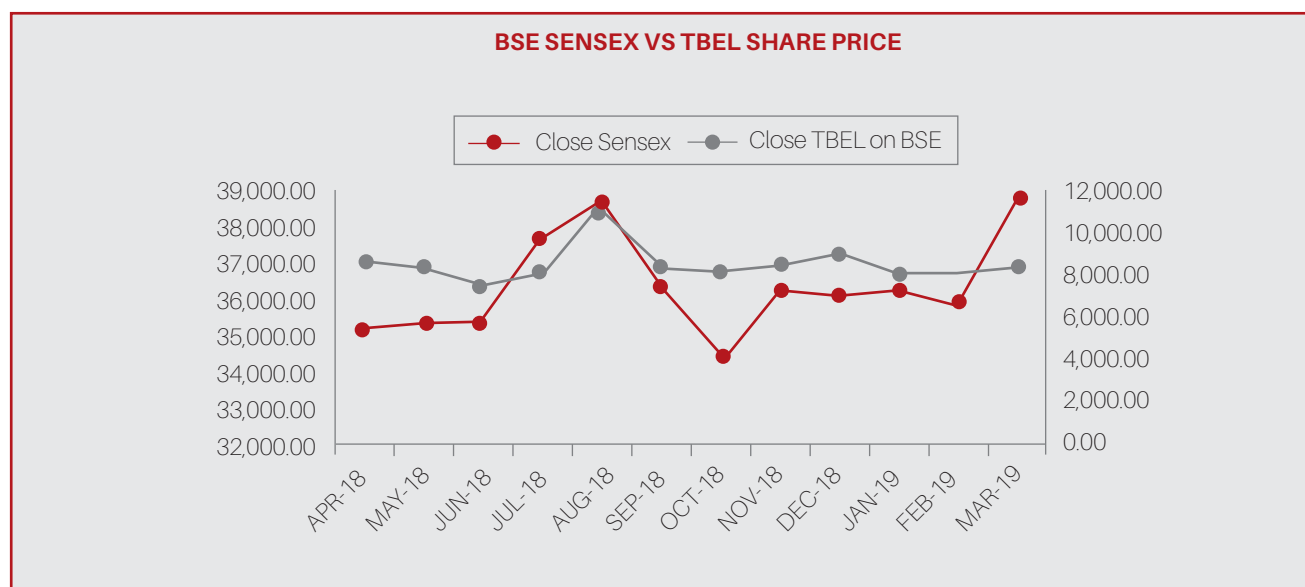
L) STOCK MARKET DATA

The market price and volume of the Company's Equity Shares traded on the BSE Limited; Mumbai during the year 2018-19 is as follows;

Period	TBEL share prices on BSE		BSE Sensex	
	High (Rupees)	Low (Rupees)	High (Rupees)	Low (Rupees)
April, 2018	9,522.90	7,275.00	35,213.30	32,972.56
May, 2018	9,165.00	7,665.05	35,993.53	34,302.89
June, 2018	8,300.00	7,113.50	35,877.41	34,784.68
July, 2018	8,299.95	7,020.65	37,644.59	35,106.57
August, 2018	11,371.65	8,100.00	38,989.65	37,128.99
September, 2018	11,297.75	8,050.05	38,934.35	35,985.63
October, 2018	9,477.70	7,215.15	36,616.64	33,291.58
November, 2018	9,000.00	7,900.00	36,389.22	34,303.38
December, 2018	9,500.00	8,120.00	36,554.99	34,426.29
January, 2019	8,964.35	7,882.00	36,701.03	35,375.51
February, 2019	8,885.00	7,516.00	37,172.18	35,287.16
March, 2019	8,800.00	7,856.60	38,748.54	35,926.94

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

CORPORATE GOVERNANCE (Contd.)



Stock performance Vs NSE Nifty:

The market price and volume of the Company's Equity Shares traded on the NSE during the year 2018-19 is as follows:

Period	TBEL share prices on NSE		NSE Nifty	
	High (Rupees)	Low (Rupees)	High (Rupees)	Low (Rupees)
April, 2018	9,524.00	7,210.00	10,759.00	10,111.30
May, 2018	9,200.00	7,560.10	10,929.20	10,417.80
June, 2018	8,250.00	7,200.05	10,893.25	10,550.90
July, 2018	8,250.05	7,000.01	11,366.00	10,604.65
August, 2018	11,382.00	7,913.00	11,760.20	11,234.95
September, 2018	11,278.45	7,682.00	11,751.80	10,850.30
October, 2018	9,331.00	7,526.00	11,035.65	10,004.55
November, 2018	9,049.95	7,812.65	10,922.45	10,341.90
December, 2018	9,475.00	8,105.40	10,985.15	10,333.85
January, 2019	9,150.00	7,855.15	10,987.45	10,583.65
February, 2019	8,445.00	7,500.00	11,118.10	10,585.65
March, 2019	9,853.5	7,887.85	11,630.35	10,817.00

k) Reconciliation of Share Capital Audit Report

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

CORPORATE GOVERNANCE (Contd.)

l) Distribution of Shareholding (without grouping) as on 31st March 2019

As of March 31, 2019, the distribution of the Company's shareholding was as follows:

Category (Amount)	No. of Cases	% of Cases	Amount (INR)	% of Amount
1-5000	5,833	97.97	21,47,510	8.37
5001- 10000	56	0.94	4,14,300	1.61
10001- 20000	39	0.66	5,46,920	2.13
20001- 30000	6	0.10	1,54,250	0.60
30001- 40000	4	0.07	1,28,360	0.50
40001- 50000	4	0.07	1,81,450	0.71
50001- 100000	2	0.03	129,000	0.50
100001& Above	10	0.17	2,19,58,210	85.57
Total	5,954	100.00	2,56,60,000	100.00

m) Shareholding Pattern (without grouping) as on March 31, 2019

Category	No. of Holders	Total Shares	% to Equity
1 FOREIGN PORTFOLIO - CORP	9	70,874	3
2 TRUSTS	2	100	0
3 ALTERNATIVE INVESTMENT FUND	1	900	0
4 RESIDENT INDIVIDUALS	5,313	4,99,035	19
5 NON RESIDENT INDIANS	121	9,483	0
6 CLEARING MEMBERS	33	454	0
7 INDIAN FINANCIAL INSTITUTIONS	1	264	0
8 BANKS	1	590	0
9 PROMOTER COMPANIES	1	19,04,510	74
10 FOREIGN PROMOTER BODIES CORPORATES	1	300	0
11 NON RESIDENT INDIAN NON REPATRIABLE	50	4,974	0
12 BODIES CORPORATES	225	20,846	1
13 NBFC	1	22	0
14 I E P F	1	40,541	2
15 H U F	194	13,107	1
Total:	5,954	25,66,000	100

n) Dematerialization of shares and liquidity (without grouping) as on March 31, 2019

Description	No. of cases	Total Shares	% to Equity
Physical	290	56,974	2.22
NSDL	3,490	23,11,800	90.09
CDSL	2,174	1,97,226	7.69
Total	5,954	25,66,000	100.00

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

No securities were suspended from trading during the year.

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

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



CORPORATE GOVERNANCE (Contd.)

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

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

Year	Dividend per share in INR	Date of declaration*	Due date of transfer to IEPF**	Amount outstanding as on March 31, 2019 (INR)
2011-12	1.00	06-09-2012	12-10-2019	81,323
2012-13	1.00	10-09-2013	16-10-2020	91,822
2013-14	1.00	10-09-2014	16-10-2021	95,276
2014-15	1.00	14-09-2015	20-10-2022	88,702
2015-16	2.00	19-09-2016	25-10-2023	1,67,426
2016-17	2.00	20-09-2017	27-09-2024	1,70,264
2017-18	2.00	09-08-2018	14-09-2025	1,12,218

*Date of declaration is date of AGM

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

The Company in financial year 2018-19 transferred 2100 shares of financial year 2011-12 to Investor Education and Protection Fund account. Shareholders are requested to follow the prescribed procedure for claiming the shares from the government.

The Company will transfer amount for the year 2011-12 that remained unpaid at the end of 7 years from the date of declaration of dividend after October 12, 2019 to the Investor Education and Protection Fund (IEPF) account as required under Section 124 of the Companies Act, 2013.

CEO/ CFO CERTIFICATION:

A declaration by Mr. Abhijit Upadhye, CEO/Managing Director in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board at its meeting held on May 16, 2019.

DECLARATION STATING COMPLIANCE WITH CODE OF CONDUCT

I, declare that all Directors and members of the Senior Management have affirmed compliance with the code of conduct for the year ended March 31, 2019.

Abhijit Upadhye
Managing Director
Din: 02076451

Place: Pune
Date: July 12, 2019

INDEPENDENT AUDITORS' REPORT

To the Members of Tasty Bite Eatables Limited Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tasty Bite Eatables Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

The key audit matter	How the matter was addressed in our audit
Provision for Inventory write down As at 31 March 2019, the Company held INR 4,890.31 lakhs of inventories. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgments described below, the valuation of inventory required significant audit attention. As disclosed in Note 3.5 and Note 10, inventories are held at the lower of cost and net realizable value determined using the weighted average cost method. At each reporting period, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecasted to be sold below cost. The determination of whether inventory will be realized for a value less than cost requires management to exercise judgment and apply assumptions. Management undertakes the following procedures for determining the level of write down required:	We have performed the following procedures over the provision for inventory: - We tested the design, implementation and operating effectiveness of controls surrounding the inventory valuation process; - For a sample of inventory items, re-performed the weighted average cost calculation and compared the weighted average cost to the net realizable value. On sample basis, we tested the net realizable value of inventory items to the selling price subsequent to the year end; - We tested that the ageing reports, used by management, correctly aged the inventory items by agreeing a sample of aged inventory items to the goods received note; - We assessed the percentage write down applied to older inventory with reference to historic inventory write downs;

INDEPENDENT AUDITORS' REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
- Use inventory ageing reports together with historical trends to estimate the likely future saleability/usability of slow moving and older inventory items; - For inventory aged greater than one year or items due for expiry in the near future, management applies a percentage based provision to inventory. The percentages are derived from historical levels of write down; and - Performs a line-by-line analysis of remaining inventory to ensure it is stated at lower of cost and net realizable value and a specific write down is recognized if Management determines that the stock exceeds future requirements.	- We re-performed the calculation of the inventory write down; - We performed retrospective reviews of provisions made historically to assess the reasonableness of provisions made during the year; and - We also challenged management's judgment for inventory provisions and evaluated whether any specific write downs were required on inventory items.

Other Information

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

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

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

Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

INDEPENDENT AUDITORS' REPORT (Contd.)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT (Contd.)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
 - (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its financial statements - Refer Note 34 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2019.
 - (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For B S R & Associates LLP
Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai
Partner

Membership No: 101190

Place: Pune
Date: 16 May 2019

ANNEXURE A

to the Independent Auditor's Report on the Financial Statements of Tasty Bite Eatables Limited

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular program of physical verification of its fixed assets by which its fixed assets are verified once a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. The discrepancies noticed on such verification between the physical count and the book records were not material and have been properly dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of examination of the records of the Company, the title deeds of the immovable properties are held in the name of the Company, except for the following:

Sr. no	Type of Asset	Gross block as on 31 March 2019	Net block as on 31 March 2019	Remarks
1	Freehold land - Gut No. 503	INR 0.28 lakh	INR 0.28 lakh	The Company has filed a legal suit alleging illegal occupation of the land.

- (ii) The inventory, except goods in transit, has been physically verified by management during the year. The discrepancies noticed on such verification between the physical stock and the book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. In respect of stocks lying with third parties at the year end, written confirmations from major parties have been obtained.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations provided to us, the Company has neither granted any loan and nor made any investments, or guarantees or security during the year, to which section 185 or 186 of the Companies Act, 2013 is applicable. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits in accordance with section 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records under section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been one instance of delay in payment of Employees' State Insurance.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, cess and any other statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales-Tax, Service tax, Goods and Services Tax, Duty of Customs which have not been deposited by the Company on account of disputes, except as disclosed in Enclosure 1 to this Annexure.



ANNEXURE A

to the Independent Auditor's Report on the Financial Statements of Tasty Bite Eatables Limited (Contd.)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any dues to financial institutions or any outstanding debentures during the year.
- (ix) According to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were taken. The Company has not raised money by way of further public offer (including debt instruments) during the year.
- (x) According to the information and explanations given to us, no fraud on or by the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all the transactions with related parties are in compliance with sections 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019

ENCLOSURE 1 TO ANNEXURE A

Details of statutory dues, which have not been deposited on account of dispute:

Name of the statute	Nature of the dues	Period to which the amount relates (Financial year)	Amount (INR lakhs)	Amount paid under protest (INR Lakhs)	Amount unpaid (INR Lakhs)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2007-2008	107.69	50.80	56.89	The Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	2010-2011	238.82	*29.00	209.82	The Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	2013-2014	296.39	-	296.39	The Income Tax Appellate Tribunal, Pune
Central Excise Act, 1944	Duty, Interest and Penalty	September 2010-February 2011	98.83	-	98.83	The Customs, Excise and Service tax Appellate Tribunal, Mumbai
The Central Sales Tax, 1956	Sales Tax, Interest and Penalty	1999-2000	7.88	4.50	3.38	Maharashtra Sales Tax Tribunal, Mumbai
Customs Act, 1962	Duty and Interest	2013 - 2014 and 2014 - 2015	265.01	117.34	147.67	The Customs Excise and Service Tax Appellate Tribunal, Mumbai.

*Represents amount adjusted by tax authorities against refund receivable for FY 2012-2013 and FY 2014-2015.



ANNEXURE B

to the Independent Auditor's Report on the Financial Statements of Tasty Bite Eatables Limited for the year ended 31 March 2019

Report on the Internal Financial Controls with Reference to aforesaid Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Act

Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Tasty Bite Eatables Limited on the financial statements for the year ended 31 March 2019.

Opinion

We have audited the internal financial controls with reference to financial statements of Tasty Bite Eatables Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded

ANNEXURE B

to the Independent Auditor's Report on the Financial Statements of Tasty Bite Eatables Limited for the year ended 31 March 2019 (Contd.)

as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019



BALANCE SHEET

as at 31 March 2019

(Currency - INR in Lakhs, except per share data)

Particulars	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	6	8,191.42	7,617.47
Capital work-in-progress	6	1,031.95	221.91
Intangible assets	7	19.31	14.54
Financial assets			
Other financial assets	8	35.79	34.70
Income tax assets (net)		253.97	172.52
Other non current assets	9	886.61	563.72
Total non-current assets (i)		10,419.05	8,624.86
Current assets			
Inventories	10	4,890.31	3,375.12
Financial assets			
Trade receivables	11	3,836.86	3,689.21
Cash and cash equivalents	12	775.47	566.76
Bank balances other than cash and cash equivalents	13	8.07	11.60
Derivative contract assets	14	572.70	185.89
Other financial assets	15	2.19	349.31
Other current assets	16	1,973.48	2,384.61
Total current assets(ii)		12,059.08	10,562.50
TOTAL ASSETS(i+ii)		22,478.13	19,187.36
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	256.60	256.60
Other equity	18	12,943.27	9,671.14
Total equity (i)		13,199.87	9,927.74
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19A	2,581.26	3,057.04
Deferred tax liabilities (net)	33	485.31	509.37
Provisions	20	456.99	367.30
Total non-current liabilities(ii)		3,523.56	3,933.71
Current liabilities			
Financial liabilities			
Borrowings	19B	600.00	651.30
Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		13.45	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,830.29	2,567.64
Other financial liabilities	22	1,200.26	1,969.44
Other current liabilities	23	36.72	41.58
Provisions	24	73.98	95.95
Total current liabilities(iii)		5,754.70	5,325.91
TOTAL EQUITY AND LIABILITIES(i+ii+iii)		22,478.13	19,187.36
Summary of significant accounting policies	1 - 5		
Notes to the financial statements	6 - 47		

The accompanying notes referred to above form an integral part of the financial statements.
As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019

Abhijit Upadhye

Managing Director

DIN: 07543741

Place: Pune

Date: 16 May 2019

Ashok Vasudevan

Chairman

DIN: 00575574

For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

Gaurav Gupta

Chief Financial Officer

Minal Talwar

Company Secretary

STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2019

(Currency - INR in Lakhs, except per share data)

Particulars	Note	31 March 2019	31 March 2018
Revenue from operations	25	33,692.96	29,632.30
Other income	26	1,822.84	678.68
Total Income		35,515.80	30,310.98
Expenses			
Costs of materials consumed	27	20,982.92	17,136.17
Purchase of Stock-in-Trade		-	152.27
Changes in inventories of finished goods, stock-in-trade and work in progress	28	(398.31)	(167.79)
Excise duty		-	24.99
Employee benefits expense	29	2,699.53	2,120.94
Finance costs	30	432.80	233.99
Depreciation and amortisation expense	31	1,264.94	1,097.62
Other expenses	32	5,826.29	5,608.79
Total expenses		30,808.17	26,206.98
Profit before income tax		4,707.63	4,104.00
Income tax expense			
- Current tax	33	1,842.79	1,348.65
- Deferred tax (credit) /charge	33	(141.48)	109.70
		1,701.31	1,458.35
Profit after tax for the year		3,006.32	2,645.65
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss:			
- Remeasurement of defined benefit liability (asset)		(50.78)	(46.29)
- Income tax related to items that will not be reclassified to profit or loss		17.74	16.02
Items that will be reclassified subsequently to profit or loss:			
- Deferred gain/(losses) on cash flow hedges		386.81	(150.51)
- Income tax related to items that will be reclassified to profit or loss		(135.17)	52.09
Other comprehensive income / (loss) for the year, net of tax		218.60	(128.69)
Total comprehensive income for the year		3,224.92	2,516.96
Earnings per equity share (nominal value of share INR 10)	36		
(1) Basic		117.16	103.10
(2) Diluted		117.16	103.10
Summary of significant accounting policies	1 - 5		
Notes to the financial statements	6 - 47		

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019

Abhijit Upadhye

Managing Director

DIN: 07543741

Place: Pune

Date: 16 May 2019

For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

Ashok Vasudevan

Chairman

DIN: 00575574

Gaurav Gupta

Chief Financial Officer

Minal Talwar

Company Secretary

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
A. Cash flow from operating activities :		
Profit before tax	4,707.63	4,104.00
Adjustments for		
Depreciation and amortisation	1,264.94	1,097.62
Loss/(profit) on sale of fixed assets	-	6.84
Profit on sale of Investments	-	(6.80)
Bad debts written off	8.16	3.77
Allowance for doubtful advances/receivables	17.98	4.46
Liabilities written back to the extent no longer required	(1.30)	(1.50)
Receivables/ deposit written off	-	23.57
Unrealised foreign exchange loss	301.15	67.71
Employee share based payment expense	108.98	28.57
Finance cost	432.80	233.99
Interest income	(11.83)	(31.93)
Operating profit before working capital changes	6,828.51	5,530.30
Working capital adjustments:		
Change in trade payables	1,266.21	554.77
Change in other financial liabilities (current)	224.41	(64.58)
Change in provisions	16.94	59.55
Change in other current liabilities	(4.86)	9.84
Change in trade receivables	(214.53)	(407.89)
Change in inventories	(1,515.19)	(616.83)
Change in other financial assets (non - current)	(1.09)	(0.91)
Change in other financial assets (current)	347.12	(322.45)
Change in other non current assets	120.07	(448.61)
Change in other current assets	411.13	(619.63)
Cash generated from operating activities	7,478.72	3,673.56
Direct taxes paid (net of refunds, if any)	(1,924.24)	(1,556.41)
Net cash from operating activities (A)	5,554.48	2,117.15
B. Cash flow from investing activities :		
Purchase of property, plant and equipment including intangible assets, capital work in progress and movement in capital advances	(3,026.23)	(1,055.87)
Proceeds from sale of property, plant and equipment	3.97	0.02
Proceeds from sale of investment (net)	-	6.80
*Proceeds from other deposits with banks (net of placed during the period, including margin money)"	3.86	299.67
Interest received	11.83	40.63
Net cash used in investing activities (B)	(3,006.57)	(708.75)

STATEMENT OF CASH FLOWS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
C. Cash flow from financing activities :		
Buy-back of 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	(1,175.61)	-
Repayments of short-term borrowings (net)	(104.54)	(709.65)
(Repayment of) / proceeds from long term borrowings	(609.23)	(276.96)
Payment of dividend (including dividend distribution tax) - includes INR 0.19 lakh (2018: Nil) paid for prior years	(61.96)	(61.77)
Interest paid	(387.86)	(132.47)
Net cash used in financing activities (C)	(2,339.20)	(1,180.85)
Net increase in cash and cash equivalents (A+B+C)	208.71	227.55
Cash and cash equivalents at the beginning of the year	566.76	339.21
Cash and cash equivalents at the end of the year	775.47	566.76
Components of cash and cash equivalents (refer note:12)		

PARTICULARS	31 March 2019	31 March 2018	31 March 2017
Cash on hand	2.75	2.43	2.89
Balances with banks			
In current accounts	772.72	564.33	336.32
	775.47	566.76	339.21

Summary of significant accounting policies 1 - 5

Notes to the financial statements 6 - 47

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019

Abhijit Upadhye

Managing Director

DIN: 07543741

Place: Pune

Date: 16 May 2019

For and on behalf of the Board of Directors of**Tasty Bite Eatables Limited****CIN: L15419PN1985PLC037347****Ashok Vasudevan**

Chairman

DIN: 00575574

Gaurav Gupta

Chief Financial Officer

Minal Talwar

Company Secretary

STATEMENT OF CHANGES IN EQUITY

as at 31 March 2019

(Currency - INR in Lakhs, except per share data)

Statement of Changes in Equity	Equity	Reserves and surplus			Items of OCI			Total Equity
		Securities Premium	Share based payments	Capital Reserve	Retained Earnings	Remeasurements of defined benefit liability / asset	Changes in fair value of hedge instruments	
Balance as at 1 April 2017	256.60	94.75	35.19	57.34	6,833.14	(53.03)	219.98	7,443.97
Add : Arising on employee share based payment (refer note 45)	-	-	28.58	-	-	-	-	28.58
Add: Profit for the year	-	-	-	-	2,645.65	-	-	2,645.65
Add: Other comprehensive income (net of tax)	-	-	-	-	-	(30.27)	(98.42)	(128.69)
Less: Payment of dividend (including dividend distribution tax)	-	-	-	-	(61.77)	-	-	(61.77)
Balance as at 31 March 2018	256.60	94.75	63.77	57.34	9,417.02	(83.30)	121.56	9,927.74
Balance as at 1 April 2018	256.60	94.75	63.77	57.34	9,417.02	(83.30)	121.56	9,927.74
Add : Arising on employee share based payment (refer note 45)	-	-	108.98	-	-	-	-	108.98
Add: Profit for the year	-	-	-	-	3,006.32	-	-	3,006.32
Add: Other comprehensive income (net of tax)	-	-	-	-	-	(33.04)	251.64	218.60
Less: Payment of dividend (including dividend distribution tax)	-	-	-	-	(61.77)	-	-	(61.77)
Balance as at 31 March 2019	256.60	94.75	172.75	57.34	12,361.57	(116.34)	373.20	13,199.87

The nature and purpose of reserves and surplus and terms of other comprehensive income has been disclosed under note 18.

Summary of significant accounting policies

1 - 5

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Notes to the financial statements

The accompanying notes referred to above form an integral part of the financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019

Abhijit Upadhye

Managing Director

DIN: 07543741

Place: Pune

Date: 16 May 2019

For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L 15419PN1985PLC037347

Ashok Vasudevan

Chairman

DIN: 00575574

Gaurav Gupta

Chief Financial Officer

Minal Talwar

Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

1. Background

Tasty Bite Eatables Limited ('the Company') is a company domiciled in India with its registered office situated at Shivajinagar, Pune and its manufacturing facility near Pune. The Company has been incorporated under the provisions of Indian Companies Act and its equity shares are listed on the Bombay Stock Exchange Limited and the National Stock Exchange Limited. The Company is in the business of manufacturing and selling 'Prepared Foods'.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

Details of the Company's significant accounting policies are included in Note 3.

The financial statements were authorised for issue by the Company's Board of Directors on 16th May 2019.

2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh (except per share data) to two decimals, unless otherwise indicated.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Liabilities for cash-settled share-based payment arrangements	Refer Note 45.
Net defined benefit (asset)/ liability	Fair Value of plan assets less present value of defined benefit obligations

2.4 Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

Judgements, Assumptions and estimation uncertainties

Information about judgements made in applying accounting policies, assumptions and estimation uncertainties that have the most significant effects on the amounts recognized/significant risk resulting in a material adjustment in the financial statements is included in the following notes:

Note 3.3 - Estimation of useful life used by the management for property, plant and equipment and intangible asset

Note 43 - Measurement of defined benefit obligations: key actuarial assumptions

Note 34 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 37 - Lease classification

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Note 33 – Estimation of current tax expense and tax payable

Note 33 – Recognition of deferred tax asset

Note 11 – Impairment of Trade Receivables

2.5 Measurement of fair values

A number of accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to measurement of fair values. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The established framework is reviewed and monitored by the Chief financial officer, which includes the responsibility for reviewing and monitoring all significant fair value measurements, including level 3 fair values. Chief financial officer regularly reviews significant unobservable inputs and valuation adjustments.

Significant valuation issues are reported to the Company's Board of Directors.

Fair values are categorized into different levels in a Fair value hierarchy based on inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the Company uses observable market data as far as possible. If the inputs used to measure fair value of asset or liability fall into different levels of fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in following notes:

Note 47 - Financial instruments.

Note 45 – Employee Shared based payment.

2.6 Current-non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realized within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Current assets include current portion of non-current financial assets. All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- a) it is expected to be settled in the Company's normal operating cycle;
- b) it is held primarily for the purpose of being traded;
- c) it is expected to be settled within 12 months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The operating cycle of the Company is less than 12 months.

3. Significant accounting policies

3.1 Foreign Currency transaction

Transaction in foreign currencies are translated into the functional currency of the Company at the exchange rates on the date of the transaction or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities denominated in a foreign currency are translated into functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of transaction.

Exchange difference are recognised in profit and loss, except exchanges differences arising from the translation of the qualifying cash flow hedges to the extent the hedges are effective, which are recognized in OCI.

3.2 Financial Instrument

i. Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at

- amortised cost;
- Fair value through profit and loss (FVTPL)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets (except for derivative contract assets) not measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purpose of this assessment, 'principal' is defined as the fair value of financial asset on initial recognition. 'Interest' is defined as consideration for time value of money and for credit risk associated with the principal amount outstanding during a particular period of time and other basic leading risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- term that would adjust the contractual rate, including variable interest rate features;
- prepayment and extension features; and
- term that limits the Company's claim to cash flows for specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amount of principal and interest on principal amount outstanding, which may include reasonable additional compensation for early termination of contract. Additionally, for a financial asset acquired on a significant premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is significant at initial recognition.

Financial assets: Subsequent measurement gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However refer note 47 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Refer note 47 for financial liabilities designated as hedging instrument.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instrument and hedge accounting.

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates.

At inception of designated hedge relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedge item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognised. For all other hedged forecasted transaction, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedge instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedge expected future cash flow affect profit or loss.

If the hedge future cash flow are not expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

3.3 Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight line method, and is generally recognised in the statement of profit and loss.

Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

The estimated useful lives of item of property, plant and equipment for the current and comparative periods are as follows:

Category of asset	Useful life followed (in years)	Useful life as per Schedule II (in years)
Factory Building	30	30
Electrical installations	10	10
Plant and equipment	15	15
-Form Plate	2	15
Office equipment	5	5
Furniture & Fixtures	10	10
Vehicle	10	10
Computers	3	3
-Server	6	6
-Printer	5	3
Lab Equipment	10	10

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represents the period over which the management expects to use these assets.

Assets installed on leasehold premises are depreciated over the period of lease. Freehold land is not depreciated.

Depreciation on additions (disposals) during the year is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

3.4 Intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Estimated useful life
Computer Software	5 years

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.5 Inventories

The cost of inventory is based on weighted average formula, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their present location and condition. In case of manufactured inventory and work-in-progress, cost includes an appropriate share of fixed production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. The net realisable value of work-in-progress is determined with reference to the selling price of related finished products. The comparison of cost and net realizable value is made on an item-by-item basis.

Raw materials, components and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of finished products will exceed their net realizable value.

3.6 Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost. At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Measurement of expected credit loss

The Company measures loss allowances at an amount equal to lifetime expected credit losses. Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward – looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is 180 days or more past due.

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life and not subject to amortization are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which they are separately identifiable cash inflows for which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

3.8 Employee benefits

i. Short-term employee benefits

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

ii. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

iii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified independent actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefit available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of the plan are changed or when plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

The Company's net obligation in respect of other long-term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

v. Employee Shared based payment

Specified employees of the Company were eligible for equity settled stock options under Preferred Brand Inc.'s ('PBI Inc.' or the Holding Company's) 2009 Non-Qualified Stock Option and Equity Plan ('the Equity Plan'). However, during the year 2015 a value pool agreement was entered into, by and between PBI Inc., the Company and the holders of outstanding options ('Holders'), wherein PBI Inc. and the Holders agreed to cancel the Options and terminate the Grant Agreements in exchange for a consideration payable by PBI Inc. in lieu of such cancellation of unvested options to the employees of the Company.

In accordance with Ind-AS 102, the classification of the share-based payment transaction depends on the nature of the award granted and whether the entity has an obligation to settle the transaction and if the entity has either an obligation to settle in its own equity instruments or no obligation to settle at all, then the transaction is accounted as

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Equity Settled. Since, the Company does not have any obligation to reimburse corresponding cost of share based payment transaction to PBI Inc., it has classified the settlement as Equity Settled.

Since the amount of cash payment is pre-determined by the Holding Company based on the Value Pool agreement and the employees covered were specifically mentioned in the said agreement, the Company is of the view that the share based payment shall be measured at such amount agreed since the Company does not have any separate obligation towards the settlement.

3.9 Revenue

i. **Sale of goods**

Revenue from sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. This inter alia involves discounting of the consideration due to the present value if payment extends beyond normal Credit terms. Revenue is recognised when the significant risk and rewards of ownership of goods have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. The timing of transfers of risks and rewards varies depending on the individual terms of sale.

ii. **Export incentive**

Export incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds.

This is the first set of the financial statements where Ind AS 115 has been applied. Changes to significant accounting policies are described in Note 4.

3.10 Recognition of interest income or expense: "t"

Interest income is recognised using effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of financial instrument to:

- the gross carrying amount of the financial assets; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when asset is not credit - impaired) or to the amortised cost of the liability. However, for financial asset that have become credit - impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to gross basis.

3.11 Leases

i. **Determining whether an arrangement contains a lease**

At inception of an arrangement it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other considerations required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for the finance lease that it is impracticable to separate the payment reliably, then an asset and a liability are recognised at an amount equal to fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

ii. **Assets held under leases**

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and present value of minimum lease payment. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to the similar owned asset.

Asset held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating lease) are not recognised in the Company's balance sheet.

iii. **Lease payments**

Payments made under operating leases are generally recognised in profit and loss on straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on remaining balance of the liability.

3.12 Income tax

Income tax comprises current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is also recognised in respect of carried forward tax losses and tax credits only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

3.13 Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Contingencies

Provision in respect of loss contingencies relating to claims, litigations assessment, fines, penalties etc are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. 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.

3.14 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as finance costs.

3.15 Research and development expenditure

Revenue expenditure on research and development are recognised as an expense in the period in which they are incurred.

3.16 Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the year.

The diluted earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity and equivalent potential dilutive equity shares outstanding during the year, except where the result would be anti-dilutive.

3.17 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

4. Changes in significant accounting policies

The Company has adopted Ind AS 115 Revenue from Contracts with Customers (which replaces earlier revenue recognition standard) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018).

The effect of initially applying this standards is mainly attributed to the presentation of income from export incentives. There is no impact of transition to Ind AS 115 on retained earnings as on 1 April 2018.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

The following table summarizes the impact of adopting Ind AS 115 on the Company's Financial Statements for the year ended 31 March 2019 for each of the line items affected:

Sn.	Particulars	Notes	Amounts without adoption of Ind AS 115	Impact of Ind AS 115	As reported
i	Revenue from operations	4 (a) and 4(b)	36,891.23	(3,198.27)	33,692.96
ii	Other Income	4 (a)	96.00	1,726.84	1,822.84
iii	Other Expenses	4 (b)	7,297.72	(1,471.43)	5,826.29

- (a) Amount of export incentives relevant to Merchandise Exports from India Scheme (MEIS) and other export benefits, have been recognised as 'Other Income' with effect from 1 April 2018. In prior periods, these incentives were reported under 'Other Operating Revenue' in the Statement of Profit and Loss.
- (b) In certain cases, the Company makes transport arrangements for delivering its goods to the customers and with effect from 1 April 2018, the Company has presented the gross consideration received net off cost associated with respect to these arrangements within Revenue. Until 1 April 2018, the gross consideration received in respect of these arrangements were recognised and presented in Revenue from Operations and the cost associated with these arrangements was presented with Freight cost in Other Expenses.

This has no impact on reported Profit Before Tax (PBT) for the period.

The details of the new significant accounting policies and the nature of the changes to previous accounting policies in relation to the Company's various goods and services are set out below. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

Sale of goods/scrap: Customers obtain control of goods/scrap when the goods are delivered to and have been accepted at their premises. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 60 days. No discounts are provided for this. For contracts that permit the customer to return an item, under Ind AS 115 revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. In such circumstances, a refund liability and a right to recover returned goods asset are recognised. Ind AS 115 did not have a significant impact on the Company's accounting policies.

Income from export incentives: Under Ind AS 18, income from export incentive schemes was disclosed and presented as Other operating income. Under Ind AS 115, income from export incentive schemes is presented as Other non-operating income as the same is not receivable from customers.

5. Standard issued but not effective

Recent accounting pronouncements

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new Ind AS and amendments to Ind AS which the Company has not applied as they are effective from 1 April 2019:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Ind AS - 116

The Company is required to adopt Ind AS 116, Leases from 01 April 2019, Ind AS 116 introduces a single, on- balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard- i.e. Lessors continue to classify leases as finance or operating leases. Its replaces existing leases guidance, Ind AS 17. Leases.

The Company has completed a initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

Ind AS 23 - Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any significant impact on its financial statements due to this amendment.

Ind AS 19 - Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

6 Property, plant and equipment

(Currency - INR in Lakhs, except per share data)

Reconciliation of carrying amount	Freehold land	Leasehold improvements	Factory Building	Plant and equipment	Lab Equipment	Electrical installation	Computers	Office equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Gross Carrying Amount												
Balance as at 1 April 2017	13.64	38.59	1,491.01	5,271.56	31.15	308.64	21.38	60.34	187.81	0.08	7,424.20	859.66
Additions	-	-	357.37	1,713.86	10.95	48.14	8.60	9.04	51.58	-	2,199.54	1,561.79
Disposals during the year	-	-	-	6.63	0.22	-	0.01	-	-	-	6.86	2,199.54
Balance as at 31 March 2018	13.64	38.59	1,848.38	6,978.79	41.88	356.78	29.97	69.38	239.39	0.08	9,616.88	221.91
Balance as at 1 April 2018	13.64	38.59	1,848.38	6,978.79	41.88	356.78	29.97	69.38	239.39	0.08	9,616.88	221.91
Additions	-	-	398.32	1,217.24	39.52	95.89	45.25	6.70	26.97	7.42	1,837.31	2,647.35
Disposals during the year	-	-	-	-	-	-	4.64	2.81	-	-	7.45	1,837.31
Balance as at 31 March 2019	13.64	38.59	2,246.70	8,196.03	81.40	452.67	70.58	73.27	266.36	7.50	11,446.74	1,031.95
Accumulated Depreciation												
Accumulated depreciation as at 1 April 2017	-	7.98	99.88	698.10	4.63	51.22	7.34	14.39	22.33	0.05	905.93	-
Depreciation for the year	-	7.98	139.45	833.21	5.30	50.29	6.99	16.42	33.82	0.02	1,093.48	-
Balance as at 31 March 2018	-	15.96	239.33	1,531.31	9.93	101.51	14.33	30.81	56.15	0.07	1,999.41	-
Accumulated depreciation as at 1 April 2018	-	15.96	239.33	1,531.31	9.93	101.51	14.33	30.81	56.15	0.07	1,999.41	-
Depreciation for the year	-	7.98	157.67	987.28	7.50	40.08	8.13	14.48	36.10	0.18	1,259.40	-
Accumulated depreciation on disposals	-	-	-	-	-	-	1.80	1.68	-	-	3.48	-
Balance as at 31 March 2019	-	23.94	397.00	2,518.59	17.43	141.59	20.66	43.61	92.25	0.25	3,255.32	-
Carrying amount (net)												
At 31 March 2018	13.64	22.63	1,609.05	5,447.48	31.95	255.27	15.64	38.57	183.24	0.01	7,617.47	221.91
At 31 March 2019	13.64	14.65	1,849.70	5,677.44	63.97	311.08	49.92	29.66	174.11	7.25	8,191.42	1,031.95

a) Depreciation charged to the statement of profit and loss for the year on exchange differences capitalised is INR 80.24 lakhs (2018: INR 71.89 lakhs).

b) Amount of foreign exchange included in Property, plant and equipment and remaining to be depreciated as at 31 March 2019 is INR 313.60 lakhs (31 March 2018: INR 394.45 lakhs).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

7 Intangible assets (other than internally generated)

(Currency - INR in Lakhs, except per share data)

Particulars	Software	Total
A Reconciliation of carrying amount		
Gross Carrying Amount		
Balance as at 1 April 2017	19.73	19.73
Additions	0.89	0.89
Balance as at 31 March 2018	20.62	20.62
Balance as at 1 April 2018	20.62	20.62
Additions	10.31	10.31
Balance as at 31 March 2019	30.93	30.93
Accumulated amortisation		
Accumulated Amortisation as at 1 April 2017	1.95	1.95
Amortisation for the year	4.13	4.13
Balance as at 31 March 2018	6.08	6.08
Balance as at 1 April 2018	6.08	6.08
Amortisation for the year	5.54	5.54
Balance as at 31 March 2019	11.62	11.62
Carrying amount (net)		
At 31 March 2018	14.54	14.54
At 31 March 2019	19.31	19.31

8 Other non-current financial assets

Particulars	31 March 2019	31 March 2018
(Unsecured considered good, unless otherwise stated)		
Security deposits		
Considered good	35.79	34.70
Considered doubtful	-	-
Allowance for expected credited losses	-	-
	35.79	34.70

9 Other non-current assets

Particulars	31 March 2019	31 March 2018
(Unsecured considered good, unless otherwise stated)		
Capital Advances	546.91	103.95
Advances other than capital advances		
Prepayments	1.60	2.66
Advance to suppliers		
Considered doubtful	35.70	16.99
Provision for doubtful advances	(35.70)	(16.99)
Receivable from government authorities	338.10	457.11
	886.61	563.72

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

10 Inventories

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Raw materials	2,627.27	1,806.19
Work-in-progress	444.40	321.37
Finished goods*	782.99	507.71
Stores, spares & consumables	273.03	173.23
Packing materials	762.62	566.62
	4,890.31	3,375.12

*includes goods in transit INR 171.31 lakhs (2018: INR 146.47 lakhs)

Inventories are presented net of the following :

- (i) Provision for slow moving, non moving inventories and stock exceeding future requirements
INR 68.86 lakhs (2018: INR 6.95 lakhs)
- (ii) Provision for rejections INR 31.74 lakhs (2018: INR 33.15 lakhs)
- (iii) Provision for discontinued products and expired material INR 36.27 lakhs (2018: INR 16.56 lakhs)
- (iv) Provision quality rejection and Art work change INR 36.48 lakhs (2018 : INR 8.45 lakhs)

11 Trade receivables

Particulars	31 March 2019	31 March 2018
- considered good - Secured	-	-
- considered good - Unsecured	3,836.86	3,689.21
- having significant increase in credit risk	-	0.73
- credit impaired	-	-
	3,836.86	3,689.94
Expected credit loss allowance	-	(0.73)
Total trade receivables	3,836.86	3,689.21
Current portion	3,836.86	3,689.21
Non-current portion	-	-

*Refer below (receivables by type of counterparty) for breakup of outstanding receivables from related parties. All of these receivables are unsecured and considered good.

There are no receivables secured against borrowings.

For terms and conditions of trade receivables owing from related parties, see note 44.

Exposure to the credit risk for trade receivables by geographic region:	31 March 2019	31 March 2018
India	1,579.97	1,090.53
Rest of the world	2,256.89	2,598.68
	3,836.86	3,689.21

Exposure to the credit risk for trade receivables by type of counterparty:	31 March 2019	31 March 2018
Related parties (also refer note 44 for receivables outstanding from related party)	1,554.62	1,951.38
Other than related parties	2,282.24	1,737.83
	3,836.86	3,689.21

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

11 Trade receivables (continued)

(Currency - INR in Lakhs, except per share data)

Movement in the allowance for expected credit losses:	31 March 2019	31 March 2018
Balance as at the beginning of the year	0.73	12.14
Allowance for loss (net of reversals)	7.43	(7.64)
Amounts written off	(8.16)	(3.77)
Balance as at the end of the year	-	0.73

Movement in the allowance for expected credit losses:	31 March 2019	31 March 2018
0-90 days past due	3,771.65	3,665.36
91-180 days past due	45.47	16.82
More than 180 days past due	19.74	7.76
Gross carrying amount of trade receivables	3,836.86	3,689.94
Allowance for expected credit losses	-	(0.73)
Carrying amount of trade receivables (net of impairment)	3,836.86	3,689.21

Refe Note 47 for Company's exposure to credit and currency risk.

12 Cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Cash on hand	2.75	2.43
Bank balances	772.72	564.33
	775.47	566.76

13 Bank balances other than cash and cash equivalents

Particulars	31 March 2019	31 March 2018
Unpaid dividend accounts	8.07	7.74
Other deposits with banks*	-	3.86
	8.07	11.60

* Represents deposits held with bank as lien

14 Derivative contract - assets

Particulars	31 March 2019	31 March 2018
Foreign exchange forward contract	503.15	66.21
Interest rate swap	69.55	119.68
	572.70	185.89

15 Other current financial assets

Particulars	31 March 2019	31 March 2018
Other receivables (including contractually reimbursable costs and interest)	2.19	349.31
	2.19	349.31

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

16 Other current assets

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Advance for supply of goods	383.39	141.36
Advances to employees	0.63	1.27
Prepayments	53.94	47.55
Export incentives receivable	443.05	1,277.72
Receivable from government authorities	1,092.47	916.71
	1,973.48	2,384.61

17 Equity share capital

Particulars	31 March 2019	31 March 2018
Authorised		
4,400,000 (2018: 4,400,000) equity shares of INR 10/- each	440.00	440.00
60,000 (2018: 60,000) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of INR 100/- each.	60.00	60.00
Issued, subscribed and paid up shares		
2,566,000 (2018: 2,566,000) equity shares of INR 10/- each fully paid up	256.60	256.60
	256.60	256.60

59,530 (2018 : 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of INR 100/- each are held by Preferred Brands Foods (India) Private Limited and are classified as financial liability as per the requirements of Ind AS.

A) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Equity shares	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
At the commencement and at the end of the year	2,566,000	256.60	2,566,000	256.60

B) Reconciliation of the number of preference shares outstanding at the beginning and at the end of the year:

Preference shares classified as financial liability	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	59,530	59.53	59,530	59.53
Aggregate number of shares bought back during the year	59,530	59.53	-	-
At the end of the year	-	-	59,530	59.53

C) Rights, preferences and restrictions attached to equity shares:

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividend and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of equity shareholders are in proportion to their share of paid up equity capital of the Company.

D) Rights, preferences and restrictions attached to preference shares (classified as financial liability):

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

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

17 Equity share capital (continued)

E) Particulars of shareholders holding more than 5% of a class of shares:

(Currency - INR in Lakhs, except per share data)

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	% Holding	No. of shares	% Holding
Equity shares of INR 10/- each fully paid up held by				
Preferred Brands Foods (India) Private Limited, 'Holding company'	1,904,510	74.22%	1,904,510	74.22%
	1,904,510	74.22%	1,904,510	74.22%

F) Shares held by holding company or ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate:

Name of the shareholder	As at 31 March 2019		As at 31 March 2018	
	No. of shares	Amount	No. of shares	Amount
Equity shares of INR 10/- each fully paid up held by				
Effem Holdings Limited	300	0.03	300	0.03
Preferred Brands Foods (India) Private Limited, 'Holding company'	1,904,510	190.45	1,904,510	190.45
	1,904,810	190.48	1,904,810	190.48

18 Other equity

Reserves and Surplus	31 March 2019	31 March 2018
Securities premium reserve	94.75	94.75
Capital reserve	57.34	57.34
Employee share based payment reserve	172.75	63.77
Retained earnings	12,361.57	9,417.02
Other comprehensive income	256.86	38.26
	12,943.27	9,671.14
Securities premium		
At the commencement and at the end of the year	94.75	94.75
Capital reserve		
At the commencement and at the end of the year	57.34	57.34
Employee share based payment reserve		
At the commencement	63.77	35.19
Add : Employee share based payment cost (refer note 45)	108.98	28.58
At the end of the year	172.75	63.77
Retained earnings		
Opening balance	9,417.02	6,833.14
Net profit for the period	3,006.32	2,645.65
Dividends paid (including dividend distribution tax thereon)	(61.77)	(61.77)
Closing balance	12,361.57	9,417.02
Components of other comprehensive income		
Remeasurement of defined benefit liability (asset), net of tax		
Opening balance	(83.30)	(53.03)
Addition during the year	(33.04)	(30.27)
Closing balance - (deficit)	(116.34)	(83.30)

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

18 Other equity (continued)

(Currency - INR in Lakhs, except per share data)		
Reserves and Surplus	31 March 2019	31 March 2018
Changes in fair value of hedge instruments, net of tax		
Opening balance	121.56	219.98
Addition during the year	251.64	(98.42)
Closing balance - (Loss)	373.20	121.56
Total other comprehensive income	256.86	38.26

Dividends

The following dividends were declared and paid by the Company during the financial year:

Particulars	31 March 2019*	31 March 2018**
INR 2 (2018: INR 2) per equity share	51.32	51.32
Dividend distribution tax (DDT) on dividend to equity shareholders	10.45	10.45
	61.77	61.77
INR: 1 (2018: INR 1) per redeemable preference shares	0.60	0.60
Dividend distribution tax (DDT) on dividend to redeemable preference shares	0.12	0.12
	62.49	62.49

* Dividend paid during the year ended 31st March 2019 is related to dividend proposed during the year ended 31st March 2018

** Dividend paid during the year ended 31st March 2018 is related to dividend proposed during the year ended 31st March 2017

After the reporting dates the following dividends (excluding DDT) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract DDT when declared or paid.

Proposed Dividend	31 March 2019	31 March 2018
On equity shares of INR 10 each amount of proposed dividend	51.32	51.32
Dividend per equity share	2.00	2.00
On preference shares of INR 100 each amount of proposed dividend	-	0.60
Dividend per equity share	-	1.00

Nature and purpose of reserve and surplus and items of other comprehensive income

Securities premium reserve

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve

Capital reserve is created for government subsidies and other liabilities.

Employee share based payment reserve

Employee share based payment reserve is created in accordance with Ind AS 102 consequent to the value pool agreement between PBI Inc., the Company and the holders of the outstanding options. Refer Note 45 - Employee shared based payment.

Changes in fair value of hedge instruments, net of tax

Change in fair value of hedge instruments are hedging instruments used by Company as a part of its management of foreign risk associated with its highly probable forecast sale. For hedging foreign currency risk and interest rate risk the Company uses foreign currency forward contract and interest rate swaps respectively, both of which are designated as cash flow hedges.

Remeasurement of defined benefit liability (asset), net of tax

Remeasurements of defined benefit liability (asset) comprises actuarial gains and losses and return on plan assets (excluding interest income).

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

19 Borrowings

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
A. Non-current borrowings		
From banks		
- External Commercial Borrowings ('ECB')	2,581.26	3,057.04
	2,581.26	3,057.04
B. Current borrowings		
Unsecured		
Working capital loans from banks		
- Packing Credit Foreign Currency ('PCFC')	-	651.30
Working capital loan from related party	600.00	-
	600.00	651.30

Information about the Company's exposure to interest risk, foreign currency risk and liquidity risks is included in note 47

Refer note 22 for current maturities of long term debt.

Terms and conditions of outstanding borrowings are as follows:

In Lakhs of INR	Currency	Nominal interest rate	Maturity (year)	Terms	Carrying amounts	
					31 March 2019	31 March 2018
ECB - Mizuho	USD	3m LIBOR + 0.90%	2018 - 2024	Repayable in 8 years by way of 32 quarterly equal instalments commencing from June, 2016.	1,476.53	1,665.70
ECB - Bank of Tokyo-Mitsubishi-I	USD	3m LIBOR + 0.90%	2018 - 2024	Moratorium period is 2 years and the loan is repayable in 6 years by way of 24 quarterly equal installments commencing from July, 2018.	1,515.50	1,628.25
ECB - Bank of Tokyo-Mitsubishi- II	USD	3m LIBOR + 0.75%	2018 - 2022	Moratorium period is for 1 year and the loan is repayable in 4 years by way of 16 quarterly equal installments commencing from June 10, 2018.	259.80	325.65
Preference shares	INR	1.0%	2018	Refer Note 18.	-	1,175.61
Working capital loan from related party	INR	7.6%	2019	Short-term working capital loan repayable in August 2019	600.00	-
PCFC - Mizuho bank Ltd	USD	LIBOR + 0.40%	2018	Short term pre - shipment credit facility with a maturity period of 180 days from the date of shipment.	-	651.30
Total borrowings					3,851.83	5,446.51
Classified as:						
- Non current borrowings					2,581.26	3,057.04
- Current borrowings					600.00	651.30
- Current maturities of non- current borrowings					670.57	562.56
- Preference shares					-	1,175.61
Total borrowings					3,851.83	5,446.51

There is no default as on 31 March 2019, and as on 31 March, 2018 in repayment of principal and interest.

NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2019 (Contd.)

20 Non-current provisions

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Employee benefits obligations (also refer note 43)		
Gratuity	280.24	207.26
Compensated absences	176.75	160.04
	456.99	367.30

21 Trade payables

Particulars	31 March 2019	31 March 2018
Trade payables other than related parties		
- outstanding dues of micro enterprises and small enterprises (also refer note 35)	13.45	-
- outstanding dues of creditors other than micro enterprises and small enterprises	3,830.29	2,567.64
	3,843.74	2,567.64

Refer Note 47 for the Company's exposure to currency and liquidity risks

22 Other financial liabilities (Current)

Particulars	31 March 2019	31 March 2018
Current maturities of unsecured bank loans	670.57	562.56
1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	-	1,175.61
Interest accrued but not due on borrowings	11.21	11.74
Deposits received from dealers	5.00	3.00
Payable for capital goods	192.50	118.12
Employee dues	313.09	79.52
Unclaimed dividend	7.89	7.74
Other payables (also refer note 44 for payables to related parties)	-	11.15
	1,200.26	1,969.44

23 Other current liabilities

Particulars	31 March 2019	31 March 2018
Contract liabilities (refer note 46)	-	6.47
Statutory dues payable	36.72	35.11
	36.72	41.58

24 Current provisions

Particulars	31 March 2019	31 March 2018
Employee benefits obligations (also refer Note 43)		
Gratuity	44.08	65.13
Compensated absences	29.90	30.82
	73.98	95.95

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

25 Revenue from operations

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Revenue from customers		
Sale of products (including excise duty)		
Finished Goods	33,532.36	27,558.99
Traded Goods	76.36	296.32
	33,608.72	27,855.31
Other operating revenues		
Export benefits / sale of duty scripts (refer note 4)	-	1,702.77
Sale of scrap	84.24	74.22
	84.24	1,776.99
	33,692.96	29,632.30

26 Other income

Particulars	31 March 2019	31 March 2018
Export benefits / sale of duty scripts (refer note 4)	1,726.84	-
Interest income under the effective interest method on cash and cash equivalent	11.83	5.37
Interest income from others	-	26.56
Insurance claim received	-	2.46
Gain on sale of Investments	-	6.80
Liabilities written back to the extent no longer required	1.30	1.50
Net gain on account of foreign currency transactions	-	501.01
Contractually reimbursable costs and interest	50.87	100.00
Miscellaneous income	32.00	34.98
	1,822.84	678.68

27 Costs of materials consumed

Particulars	31 March 2019	31 March 2018
Inventory of raw material and packing materials at the beginning of the year	2,372.81	2,041.66
Add: Purchases	22,000.00	17,467.32
Less: Inventory of raw materials and packing materials at the end of the year	3,389.89	2,372.81
	20,982.92	17,136.17

28 Changes in inventories of finished goods, work in progress and stock in trade

Particulars	31 March 2019	31 March 2018
Inventory at the beginning of the year		
- Finished goods	507.71	442.45
- Work in progress	321.37	218.84
- Traded goods	-	-
(A)	829.08	661.29

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

28 Changes in inventories of finished goods, work in progress and stock in trade (continued)

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Inventory at the end of the year		
- Finished goods	782.99	507.71
- Work in progress	444.40	321.37
- Traded goods	-	-
(B)	1,227.39	829.08
Change in Inventories		
- Finished goods	(275.28)	(65.26)
- Work in progress	(123.03)	(102.53)
- Traded goods	-	-
Increase in Inventory (A-B)	(398.31)	(167.79)

29 Employee benefits expense

Particulars	31 March 2019	31 March 2018
Salaries, wages and bonus	2,303.03	1,868.96
Contribution to provident fund and other funds (refer note 43)	131.37	109.85
Gratuity	65.50	54.81
Employee share based expense (refer note 45)	108.98	28.57
Staff welfare expenses	90.65	58.75
	2,699.53	2,120.94

30 Finance costs

Particulars	31 March 2019	31 March 2018
Interest expense on financial liabilities measured at amortised cost	160.53	133.17
Exchange differences regarded as an adjustment to borrowing cost	226.80	-
Dividend on redeemable preference shares (including related dividend distribution tax)	45.47	100.82
	432.80	233.99

31 Depreciation and amortisation expense

Particulars	31 March 2019	31 March 2018
Depreciation of Property, plant and equipment (Refer note 6)	1,259.40	1,093.49
Amortisation of Intangible assets (Refer note 7)	5.54	4.13
	1,264.94	1,097.62

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

32 Other expenses

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Consumption of Stores and spares	585.12	441.52
Security and contract labour charges	1,382.35	1,213.15
Power and fuel	1,154.19	1,020.42
Freight and forwarding charges (also refer note 4)	224.96	1,392.51
Rent (also refer note 37)	525.83	313.67
Rates and taxes	12.41	14.93
Insurance	62.26	58.19
Repairs and maintenance	299.91	221.66
Advertisement and business promotion expenses	2.62	7.82
Travelling and conveyance expenses	252.41	180.07
Communication costs	56.31	46.22
Legal and professional fees	330.50	227.18
Auditor's remuneration (refer note (i) below)	24.94	26.55
Loss on fixed assets sold / discarded (net)	-	6.84
Receivable/deposits written off	-	23.57
Bad debt/deposits written off	8.16	3.77
Allowance for doubtful advances/receivables	17.98	4.46
Net loss on account of foreign currency transactions	478.53	-
Corporate social responsibilities expenditure (refer note (ii) below)	4.06	48.93
Miscellaneous expenses	403.75	357.33
Total	5,826.29	5,608.79

i) Payments to auditors (excluding taxes)

Particulars	31 March 2019	31 March 2018
As auditor		
Statutory audit	11.75	14.20
Limited reviews	7.50	5.50
Tax audit	2.50	2.00
Certifications	2.19	3.65
Reimbursement of expenses	1.00	1.20
Total	24.94	26.55

Includes INR Nil (2018: INR 4.10 lakhs) related to remuneration paid to erstwhile auditors.

ii) Details of corporate social responsibility expenditure

Particulars	31 March 2019	31 March 2018
a) Gross amount required to be spent by the Company during the year	67.21	50.98
b) Amount spent during the year:		
(i) Promotion of education (Construction of School)	-	48.93
(ii) Others	4.06	-
Total	4.06	48.93
c) Unspent amount	63.15	2.05

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

33 Income tax expense

(Currency - INR in Lakhs, except per share data)

A. Amounts recognised in profit or loss	31 March 2019	31 March 2018
Current period	1,863.13	1,440.30
Changes in estimates related to prior years	(20.34)	(91.65)
Current tax (a)	1,842.79	1,348.65
Attributable to -		
Origination and reversal of temporary differences	(141.48)	109.70
Deferred tax (b)	(141.48)	109.70
Tax expense (a) + (b)	1,701.31	1,458.35

B. Income tax recognised in other comprehensive income	31 March 2019			31 March 2018		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurements of employee benefit obligations	(50.78)	17.74	(33.04)	(46.29)	16.02	(30.27)
Deferred gain/(losses) on cash flow hedges	386.81	(135.17)	251.64	(150.51)	52.09	(98.42)
	336.03	(117.43)	218.60	(196.80)	68.11	(128.69)

C. Reconciliation of effective tax rate	31 March 2019		31 March 2018	
	%	Amount	%	Amount
Profit before tax		4,707.63		4,104.00
Tax using the Company's domestic tax rate	34.94%	1,645.03	34.61%	1,420.39
Effect of:				
Non deductible expenses	1.89%	88.96	1.67%	68.34
Changes in estimates related to prior years	(0.21%)	(9.75)	(0.20%)	(8.15)
Enhanced deduction of research and development expense	(0.49%)	(22.93)	(0.54%)	(22.23)
Effective tax rate / tax expense	36.14%	1,701.31	35.54%	1,458.35

D. Recognised deferred tax assets and liabilities	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Deferred tax assets and liabilities are attributable to the following:						
Property, plant and equipment and intangible assets	-	-	549.11	637.49	549.11	637.49
Inventories	(60.58)	(22.54)	-	-	(60.58)	(22.54)
Trade receivables	-	(0.25)	-	-	-	(0.25)
Other non-current assets	(12.47)	(5.68)	-	-	(12.47)	(5.68)
Provision - employee benefits	(185.54)	(160.33)	-	-	(185.54)	(160.33)
Provision - others	(1.42)	(2.08)	-	-	(1.42)	(2.08)
Cash flow hedge reserve	-	-	200.13	64.34	200.13	64.34
Other items	(3.92)	(1.58)	-	-	(3.92)	(1.58)
	(263.93)	(192.46)	749.24	701.83	485.31	509.37
Offsetting of deferred tax assets and deferred tax liabilities	749.24	701.83	(263.93)	(192.46)	-	-
Net deferred tax (assets) / liabilities	485.31	509.37	485.31	509.37	485.31	509.37

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

Movement in temporary differences:	Balance as at 31 March 2017	Recognised in profit or loss during 2017-18	Recognised in OCI during 2017-18	Balance as at 31 March 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019
Property, plant and equipment and intangible assets	514.61	122.88	-	637.49	(88.38)	-	549.11
Inventories	-	(22.54)	-	(22.54)	(38.04)	-	(60.58)
Trade receivables	(4.20)	3.95	-	(0.25)	0.25	-	-
Other non-current assets	(12.49)	6.81	-	(5.68)	(6.79)	-	(12.47)
Provision - employee benefits	(123.70)	(20.61)	(16.02)	(160.33)	(7.47)	(17.74)	(185.54)
Provision - others	(15.64)	13.56	-	(2.08)	0.66	-	(1.42)
Cash flow hedge reserve	116.43	-	(52.09)	64.34	-	135.17	200.13
Other items	(7.23)	5.65	-	(1.58)	(2.34)	-	(3.92)
	467.78	109.70	(68.11)	509.37	(142.11)	117.43	485.31

34 Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 March 2019	31 March 2018
Contingent liabilities		
Claims against the Company not acknowledged as debts		
Income tax matters	642.90	1,044.83
Excise duty and Custom duty matters (see note below)	246.50	362.93
Sales Tax demands	9.30	9.30
Employees/labour claims	7.37	3.49
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	534.56	188.51
Export commitments on account of import under advance licenses	493.21	-
Total	1,933.84	1,609.06

Note 34 (a)

During the year ended 31 March 2018, a draft order dated 30 November 2017 was received relevant to the assessment year 2014-2015 from the Deputy Commissioner of Income Tax, Pune ('DCIT') proposing upward adjustment of income amounting to INR 991 lakhs under transfer pricing regulations, resulting in approximate tax impact of INR 336.84 lakhs (calculated at tax rate of 30.90%) excluding the amount of penalty and interest. This amount was included under Income tax matters for the year ended 31 March 2018. The Company had filed an objection with Dispute Resolution Panel for the same and was awaiting the final order. During the current year, the Company received the demand order wherein the Transfer Pricing Officer issued the demand of INR 296.39 lakhs. The Company has filed the appeal with the Income Tax Appellate Tribunal (ITAT) on 26 November 2018. This amount is included under Income tax matters for the year ended 31 March 2019.

Income tax demand comprise demand from the Indian tax authorities, upon completion of their tax review for the assessment years 2008-09 to 2011-12. The tax demands are mainly on account of certain transfer pricing adjustments of expenses claimed by the Company under the Income Tax Act. The matters are pending before the ITAT.

Excise duty demand comprise demand from the Central Excise authorities of INR 98.83 lakhs (31 March 2018: INR 98.83 lakhs). The tax demands are mainly related to Excise duty on clearance of goods under certain concessional rate of duty, which as per Department's contention, are covered under different category (with higher tax rates). Management is of the view that the

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

34 Contingent liabilities and commitments (to the extent not provided for) (continued)

department's contention is not appropriate since the Company does not sell any products in domestic market under categories mentioned by the department. These litigation are pending before Central Excise and Service Tax Appellate Tribunal ('CESTAT').

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt judgements / decision pending with various forums/authorities.

Custom duty demand comprise demand from the Office of the Commissioner of Custom of INR 147.67 lakhs (31 March 2018: 264.09 lakhs). The tax demands are mainly related to benefit received by the Company under Agri Infrastructure Incentive Scheme, which as per Department's contention, have been availed under incorrect and inadmissible notification. Management is of the view that such benefits are admissible and cannot be denied only because of incorrect mentioning of the notification. This litigation is pending before CESTAT.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where the provision is required and disclosed as contingent liabilities where applicable, in its financial statements.

Note 34 (b)

Based on the Supreme Court judgement dated 28th February 2019, the Company has reassessed the components to be included in basic salary for the purpose of employer's contribution towards Provident Fund. However, there has been no corresponding amendment in the Act or Scheme framed under the Provident Fund Act, consequent to Supreme Court judgement. Management does not expect the Supreme Court decision to have any significant impact on the Company's financial position as at 31 March 2019

35 Compliance with Micro, Small and Medium Enterprises Development Act, 2006

(Currency - INR in Lakhs, except per share data)		
Particulars	31 March 2019	31 March 2018
a) The principal amount and the interest due thereon remaining unpaid to supplier at the end of each accounting year;		
- Principal	13.45	-
- Interest	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
- Interest paid	-	-
- Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year, in relation to the year	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED ACT	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

36 Earnings per share

A. Basic earnings per share

The calculation of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purpose of basic earnings per share calculation are as follows:

(Currency - INR in Lakhs, except per share data)

i. Profit attributable to equity shareholders (basic)		31 March 2019	31 March 2018
Profit for the year, attributable to the equity holders		3,006.32	2,645.65
ii. Weighted average number of equity shares (basic)		31 March 2019	31 March 2018
In lakhs of shares			
Opening balance	17	25.66	25.66
Effect of changes during the year		-	-
Weighted average number of equity shares for the year		25.66	25.66
Total basic earnings per share attributable to equity share holder of the Company		117.16	103.10

B. Diluted earning per share

The calculation of diluted earning per share is based on profit attributable to equity shareholders and weighted average number of equity shares outstanding, after adjusting for the effects of all dilutive potential equity shares as follows:

i. Profit attributable to equity shareholders (diluted)		31 March 2019	31 March 2018
Profit for the year, attributable to the equity holders (diluted)		3,006.32	2,645.65
ii. Weighted average number of equity shares (diluted)		31 March 2019	31 March 2018
In lakhs of shares			
Opening balance	17	25.66	25.66
Effects of dilutive potential equity shares		-	-
Weighted average number of equity shares for the year		25.66	25.66
Total diluted earnings per share attributable to equity share holder of the Company		117.16	103.10

37 Operating leases

A. Leases as lessee

The Company has taken on lease a number of offices, warehouse and factory premises under operating leases, The leases typically runs for a period of 3 to 5 years, generally with an option to renew the lease after that period. Lease payments are negotiated after the end of every lease term to reflect market rentals.

i. Future minimum lease payments

At 31 March, the future minimum lease payments to be made under non-cancellable operating lease are as follows:

Particulars	31 March 2019	31 March 2018
Payable within one year	-	32.25
Payable between one and five years	-	-
Payable after five years	-	-
Total	-	32.25

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

38 Details of specified bank notes held

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.

39 Capital management

A business objective of the Company is to sustain the strongest possible equity base in order to foster confidence in all key stakeholders and promote the Company's onward development. A sound equity base is also a key factor in ensuring a stable risk rating with lenders, which is important for obtaining acceptable borrowing terms for the Company. The Board of Directors and the shareholders of the Company ensure a responsible dividend policy and an appropriate return on invested capital to promote value growth and safeguard the Company's future.

The Board of Directors of the Company are kept informed about the equity position of the Company as part of quarterly reporting. Measures are implemented as necessary, taking the tax and legal frameworks into account, to sustain an appropriate capital base that enables the Company to attain operating targets and to meet the strategic goals.

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019	31 March 2018
Total borrowings	3,851.83	5,446.51
Less: cash and cash equivalent	775.47	566.76
Adjusted net debt	3,076.36	4,879.75
Total equity	13,199.87	9,927.74
Less: effective portion of cash flow hedge (net of tax)	373.20	121.56
Adjusted equity	12,826.67	9,806.18
Adjusted net debt to adjusted equity ratio	0.24	0.50

The Company is required to comply with certain covenants for the borrowing facilities availed by the Company. The Company has complied with these covenants throughout the reporting period.

40 Disclosure in respect of Research and Development activities as per the requirements of Guidelines issued by the Department of Scientific and Research ('DSIR'):

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

Amount eligible for deduction under section 35(2AB) of the Income Tax Act, 1961:	31 March 2019	31 March 2018
Amount debited to Statement of profit and loss, excluding depreciation	164.03	157.22
Amount not debited to Statement of profit and loss	19.75	0.28
Total eligible expenditure	183.78	157.50

Capital expenditure for Research and development included under fixed assets:

Particulars	Plant and equipments	
	31 March 2019	31 March 2018
Gross block		
As at the beginning of the year	156.02	155.74
Additions (represents capital expenditure during the year)	19.75	0.28
As at the end of the year	175.77	156.02
Accumulated depreciation/amortisation		
As at the beginning of the year	61.18	49.98
Charge for the year	12.65	11.20
As at the end of the year	73.83	61.18
Net block	101.94	94.84

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

41 Transfer pricing regulations

The Company has established a comprehensive system of maintenance of information and documentation as required by the transfer pricing legislation under section 92- 92F of the Income Tax Act, 1961. The Company is in process of preparing related documentation for the financial year 2018-2019.

The management is of the opinion that its international transactions are at arm's length such that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

42 Segment information

A. Business Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company recognizes its sale of Prepared Foods activity as its only primary business segment since its operations predominantly consist of manufacture and sale of Prepared Foods to its customers. The 'Chief Operating Decision Maker' monitors the operating results of the Company's business as single segment. Accordingly in context of 'Ind AS 108 - Operating Segments' the principle business of the Company constitute a single reportable segment.

B. Information about major customers

Revenue from one of the customers of the Company's single segment i.e. Prepared Foods is INR 18,798.70 lakhs (2018: INR 17,643.22 lakhs) which is more than 10 percent of the total revenue for the year ended 31 March 2019 and 31 March 2018.

43 Assets and liabilities relating to employee benefits

(Currency - INR in Lakhs, except per share data)		
Particulars	31 March 2019	31 March 2018
Net defined benefit liability - Gratuity plan	324.32	272.39
Liability for compensated absences	206.65	190.86
Total employee benefit liabilities	530.97	463.25
Non-current	456.99	367.30
Current	73.98	95.95

For details about the related employees benefit expenses (including those of Defined Contribution Plan), see Note 29

The Company operates the following post employment benefit plans:

"The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. Benefit plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days for every completed year of service or part thereof in excess of six months, based on the rates of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered and funded through a Group Gratuity Scheme with HDFC Life.

These defined benefit plans expose the Company to actuarial risk, such as longevity risk, interest rate risk and market (investment) risk.

A. Funding

Gratuity Plan is funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Gratuity Plan is based on separate actuarial valuation for funding purposes for which assumption may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to pay INR 65 lakhs in contributions to its defined benefit plans in 2019-2020.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

43 Assets and liabilities relating to employee benefits (continued)

B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

(Currency - INR in Lakhs, except per share data)		
Reconciliation of present value of defined benefit obligation (A)	31 March 2019	31 March 2018
Balance at the beginning of the year	534.21	434.67
Current service cost	44.54	39.30
Interest cost	41.11	30.41
Actuarial (gain)/loss on obligations recognised in other comprehensive income in other comprehensive income		
- changes in demographic assumptions	-	1.21
- changes in financial assumptions	3.25	(6.21)
- experience variance	31.19	49.98
Benefits paid	(183.53)	(15.15)
Balance as the end of the year	470.77	534.21
Reconciliation of present value of plan assets (B)	31 March 2019	31 March 2018
Balance at the beginning of the year	261.82	212.98
Investment Income	20.15	14.90
Employers contributions	55.00	40.00
Benefits paid	(174.19)	(4.75)
Return on plan assets	(16.33)	(1.31)
Balance as the end of the year	146.45	261.82
Net defined benefit liability (A) - (B)	324.32	272.39

C. (i) Expense recognised in profit or loss

Particulars	31 March 2019	31 March 2018
Current service cost	44.54	39.30
Interest cost	41.11	30.41
Interest income	(20.15)	(14.90)
Total	65.50	54.81

C. (ii) Remeasurements recognised in other comprehensive income

Particulars	31 March 2019	31 March 2018
Actuarial (gain) loss on defined benefit obligation	34.45	44.98
Return on plan assets excluding interest income	16.33	1.31
Total	50.78	46.29

D. Plan assets

Plan assets comprise of the following:

Particulars	31 March 2019	31 March 2018
State Government securities	27%	27%
High quality corporate bonds	41%	41%
Equity shares of listed companies	25%	25%
Other Investments	7%	7%
	100%	100%

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

43 ASSETS AND LIABILITIES RELATING TO EMPLOYEE BENEFITS (continued)

E. Defined benefit obligation

i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:	31 March 2019	31 March 2018
Discount rate	7.70%	7.70%
Future salary growth	8.00%	8.00%
Attrition rate	9.00%	9.00%
Mortality rate (% of IALM 06-08)	100%	100%

Assumptions regarding future mortality are based on published statistics and mortality tables (i.e. India Assured Live Mortality (2006-08).

At 31 March 2019, the weighted average duration of the defined benefit obligation is 6 years

ii. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Effect in lakhs of INR

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(34.49)	31.40	(30.58)	34.16
Future salary growth (1% movement)	30.93	(34.66)	33.73	(30.77)
Attrition rate (50% movement)	(8.76)	3.72	(3.36)	4.52
Mortality rate (10% movement)	(3.52)	(3.47)	(0.02)	0.02

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

44 Related party disclosures

A. Parent, Ultimate controlling party and Fellow Subsidiary

Sr. No.	Name	Relationship
1	Mars Incorporated, USA	Ultimate Holding Company
2	Kagome Co Ltd (upto 1 November 2017)	Ultimate Holding Company
3	Effem Holdings Limited (With effect from 2 November 2017)	Holding Company
4	Preferred Brands International, Inc. USA (PBI Inc. is Holding company of Preferred Brands Foods (India) Private Limited)	Holding Company
5	Preferred Brands Foods (India) Private Limited	Holding Company
6	Preferred Brands Australia Pty. Ltd.	Fellow Subsidiary
7	Mars Food Australia Pty Ltd.	Fellow Subsidiary
8	Preferred Brands UK Ltd.	Fellow Subsidiary
9	Mars Food UK Ltd.	Fellow Subsidiary
10	Royal Canin India Private Limited	Fellow Subsidiary
11	Mars International India Pvt. Ltd.	Fellow Subsidiary
12	Kagome Australia Pty. Ltd (Till 1 November 2017)	Fellow Subsidiary
13	Kagome Foods India Private Limited (Till 1 November 2017)	Fellow Subsidiary
14	Kagome Inc. (Till 1 November 2017)	Fellow Subsidiary

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

44 Related party disclosures (continued)

B. Transactions with key management personnel

Sr. No.	Name	Relationship
1	Mr. Ravi Nigam (upto 2 November 2018)	Managing Director
2	Mr. Sohel Shikari (upto 2 November 2018)	Chief Financial Officer and non whole time Director
3	Mr. Abhijit Upadhye (From 3 November 2018)	Managing Director
4	Mr. Gaurav Gupta (From 3 November 2018)	Chief Financial Officer
5	Ms. Minal Talwar	Company Secretary

(Currency - INR in Lakhs, except per share data)

Key management personnel compensations	Ravi Nigam		Sohel Shikari		Abhijit Upadhye	Gaurav Gupta	Minal Talwar	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2019	31 March 2019	31 March 2018
Short term employee benefits	91.96	133.50	92.41	135.03	120.68	25.40	10.78	9.67
Post-employment defined contribution plan	6.91	9.58	5.34	6.58	4.96	1.00	0.65	0.58
Long term benefits								
Post-employment defined benefit plan- Gratuity	10.75	87.99	-	59.24	2.00	1.52	1.62	1.19
Compensated absences- Leave encashment	-	27.55	-	29.79	9.65	3.19	1.59	0.77
Share-based payments (paid by PBI Inc.)	-	-	-	-	-	-	-	5.37
	109.62	258.62	97.76	230.64	137.29	31.11	14.64	17.58

C. Remuneration to non executive / independent directors

Name of the director	31 March 2019	31 March 2018
Rama Kannan	2.25	1.50
Chengappa Ganapati	3.00	0.75
Kavas Patel	3.00	3.75
Sucharita Hegde*	-	1.50
Vallampaduigai Arunachalam **	-	3.00
Dawn Allen	-	-
Ashok Vasudevan	-	-
	8.25	10.50

* Resigned as non executive independent director on 9 October 2017

** Resigned as non executive independent director on 9 March 2018

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

44 Related party disclosures (continued)

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

(Currency - INR in Lakhs, except per share data)

Transaction / Balance	Enterprise	31 March 2019	31 March 2018
Sales	Preferred Brands International, Inc. USA	20,270.14	17,643.22
	Preferred Brands Australia Pty. Ltd.	167.55	264.15
	Preferred Brands United Kingdom Ltd.	81.24	79.01
	Mars Food Australia Pty Ltd.	149.11	-
	Mars Food UK Ltd.	96.97	-
Purchases	Kagome Foods India Private Limited	-	22.55
	Kagome Foods Australia Pty Ltd	-	28.04
	Kagome Inc.	-	399.78
Dividend paid on equity shares	Preferred Brands Foods (India) Private Limited	38.09	38.09
Dividend paid on preference shares	Preferred Brands Foods (India) Private Limited	0.60	0.60
Buyback of Preference Shares	Preferred Brands Foods (India) Private Limited	1,220.37	-
Working Capital loan taken	Royal Canin India Pvt. Ltd.	1,200.00	-
Interest on loan taken	Royal Canin India Pvt. Ltd.	41.40	-
Balance outstanding			
A. Trade receivables	Preferred Brands International, Inc. USA	1,436.73	1,893.19
	Preferred Brands Australia Pty. Ltd.	-	29.70
	Preferred Brands UK Ltd.	-	28.49
	Mars Food Australia Pty Ltd.	89.59	-
	Mars Food UK Ltd.	28.30	-
B. Other receivables	Preferred Brands International, Inc. USA	2.01	-
C. Other payables	Preferred Brands International, Inc. USA	-	7.98
	Mars International India Pvt. Ltd.	3.28	-
	Preferred Brands Australia Pty. Ltd.	-	3.17
D. Loans payables	Royal Canin India Pvt. Ltd.	600.00	-
Expense charged to related parties in the nature of:			
A. Courier and postage	Preferred Brands International, Inc. USA	11.81	9.74
	Preferred Brands Australia Pty. Ltd.	6.52	0.88
B. Travelling and conveyance	Preferred Brands International, Inc. USA	10.28	4.51
C. Reimbursements	Effem Holdings Company	-	0.98
	Preferred Brands International, Inc. USA	41.90	-
	Preferred Brands Foods (India) Private Limited	3.97	0.55
	Kagome Company Limited	-	1.47
Expense charged by related parties in the nature of:			
A. Travelling and conveyance	Preferred Brands International, Inc. USA	-	9.94
	Kagome Inc.	-	2.47
B. Reimbursements	Preferred Brands Australia Pty. Ltd.	2.65	3.47
	Preferred Brands International, Inc. USA	14.08	-
	Mars International India Pvt. Ltd.	10.28	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

45 Employee share based payment

a) Background:

Specified employees of the Company were eligible for equity settled stock options under Preferred Brand Inc.'s ('PBI Inc.' or the Holding Company's) 2009 Non-Qualified Stock Option and Equity Plan ('the Equity Plan'). However, during the year 2015 a value pool agreement was entered into, by and between PBI Inc., the Company and the holders of outstanding options ('Holders'), wherein PBI Inc. and the Holders agreed to cancel the Options and terminate the Grant Agreements in exchange for a consideration payable by PBI Inc. in lieu of such cancellation of unvested options to the employees of the Company.

The details of such aggregate consideration was as below:

Payout date	Consideration payable (Amount in USD)
01-Apr-16	\$ 53,184
01-Apr-17	\$ 44,070
01-Apr-18	\$ 76,970

b) Conditions:

The consideration is payable only to those Holders who continue their employment with the Company on such dates. Any payments forfeited shall be credited to a segregated account of the Company and on 1 April 2020 shall be allocated and paid pro-rata among the Holders and each other Holder who is employed by the Company.

c) Classification of share based payments:

In accordance with Ind-AS 102, the classification of the share-based payment transaction depends on the nature of the award granted and whether the entity has an obligation to settle the transaction and if the entity has either an obligation to settle in its own equity instruments or no obligation to settle at all, then the transaction is accounted as Equity Settled. Since, the Company does not have any obligation to reimburse corresponding cost of share based payment transaction to PBI Inc., it has classified the settlement as Equity Settled.

d) Expense recognised in the Statement of Profit and Loss:

(Currency - INR in Lakhs, except per share data)		
Particulars	31 March 2019	31 March 2018
Share based payment	108.98	28.57

e) Measurement of settlement:

Since the amount of cash payment is pre-determined by the Holding Company based on the Value Pool agreement and the Employee covered were specifically mentioned in the said agreement, the Company is of the view that the share based payment shall be measured at such amount agreed since the Company does not have any separate obligation towards the settlement. Accordingly, the details of the fair value and the inputs used in the measurement of the grant-date fair values are not required. Further, since the aggregate amount payable is pre-determined and any payments forfeited shall be allocated and paid pro-rata among the Holders who are in employment with the Company, details such as reconciliation of outstanding share options, weighted average etc. are not applicable.

The liabilities as at 31 March 2017 and 31 March 2018 were settled by PBI Inc. during the year ended 31 March 2018 and 31 March 2019 respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

46 Disclosure for revenue from contracts with customers

(Currency - INR in Lakhs, except per share data)

Particulars	Year ended 31 March 2019
Revenue recognised from contracts with customers	33,692.96
Disaggregation of revenue	
(A) Based on type of goods	
Sale of goods	
Finished goods	33,532.36
Traded goods	76.36
Sale of scrap	84.24
	33,692.96
(B) Based on market	
India	11,622.93
United States of America	18,798.70
Rest of the world	3,271.33
	33,692.96

Refer note 25 for Revenue from operations.

Performance obligations

The Company satisfies its performance obligations pertaining to the sale of products at point in time when the control of goods is actually transferred to the customers. The control of goods is transferred to the customer based on the delivery terms:

Terms of sale	Transfer of control
Domestic sales	
Ex works	On dispatch or collection by customers
Door delivery	When goods are handed over to the customer
Export sales	On the date of bill of lading

No significant judgement is involved in evaluating when customer obtains control of the promised goods. The payment is generally due within 30-60 days. There are no obligations on account of refunds or returns.

Disclosure for transaction price allocated to the remaining performance obligations

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, in accordance with paragraph 121 of Ind AS 115, the Company is not required to disclose information about its remaining performance obligation since the Company does not have any performance obligation that has an original expected duration of more than one year.

Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

46 Disclosure for revenue from contracts with customers (continued)

Details of contract balances:

There are no contract assets as at 31 March 2019. Refer note 11 for information on trade receivables.

Details of contract liabilities:

The following table provides information about contract liabilities from contracts with customers:

(Currency - INR in Lakhs, except per share data)

Particulars	Year ended 31 March 2019
Contract liabilities (Advance from customers)	-

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended 31 March 2019 are as follows:

Advance from customers at the beginning of the year	6.47
Revenue recognised that was included in the advance from customer at the beginning of the year	6.47
Increase due to cash received, excluding amounts recognised as revenue during the year	-
Advance from customers at the end of the year	-

47 Financial instruments - fair value and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 March 2019	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
Financial assets measured at fair value								
Forward exchange contracts used for hedging	14	-	503.15	-	503.15	-	503.15	-
Interest rate swaps used for hedging	14	-	69.55	-	69.55	-	69.55	-
Financial assets not measured at fair value*								
Security deposits	8	-	-	35.79	35.79			
Trade receivables	11	-	-	3,836.86	3,836.86			
Cash and cash equivalent	12	-	-	775.47	775.47			
Bank balance other than cash and cash equivalent	13	-	-	8.07	8.07			
Other receivables (including contractually reimbursable costs and interest)	15	-	-	2.19	2.19			
Total financial assets		-	572.70	4,658.38	5,231.08	-	572.70	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

(Currency - INR in Lakhs, except per share data)

31 March 2019	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
Financial liabilities not measured at fair value*								
External Commercial Borrowings	19	-	-	2,581.26	2,581.26			
Working capital loan from related party	19	-	-	600.00	600.00			
Trade payables	21	-	-	3,843.74	3,843.74			
Current portion of unsecured bank loans	22	-	-	670.57	670.57			
Interest accrued but not due on borrowings	22	-	-	11.21	11.21			
Payable for capital goods	22			192.50	192.50			
Deposits received from dealers	22	-	-	5.00	5.00			
Employee dues	22	-	-	313.09	313.09			
Unclaimed dividend	22	-	-	7.89	7.89			
Other payables (also refer note 44 for payables to related parties)	22			-	-			
Total financial liabilities		-	-	8,225.26	8,225.26	-	-	-

31 March 2018	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
Financial assets measured at fair value								
Forward exchange contracts used for hedging	14	-	66.21	-	66.21	-	66.21	-
Interest rate swaps used for hedging	14	-	119.68	-	119.68	-	119.68	-
Financial assets not measured at fair value*								
Security deposits	8	-	-	34.70	34.70			
Trade receivables	11	-	-	3,689.21	3,689.21			
Cash and cash equivalent	12	-	-	566.76	566.76			
Bank balance other than cash and cash equivalent	13	-	-	11.60	11.60			
Other receivables (including contractually reimbursable costs and interest)	15	-	-	349.31	349.31			
Total financial assets		-	185.89	4,651.58	4,837.47	-	185.89	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

(Currency - INR in Lakhs, except per share data)

31 March 2018	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
Financial liabilities not measured at fair value*								
External Commercial Borrowings	19	-	-	3,057.04	3,057.04			
Working Capital Loans repayable on demands from banks	19	-	-	651.30	651.30			
Trade payables	21	-	-	2,567.64	2,567.64			
Current portion of unsecured bank loans	22	-	-	562.56	562.56			
1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	22	-	-	1,175.61	1,175.61			
Interest accrued but not due on borrowings	22	-	-	11.74	11.74			
Payable for capital goods	22	-	-	118.12	118.12			
Deposits received from dealers	22	-	-	3.00	3.00			
Employee dues	22	-	-	79.52	79.52			
Unclaimed dividend	22	-	-	7.74	7.74			
Other payables (also refer note 44 for payables to related parties)	22	-	-	11.15	11.15			
Total financial liabilities		-	-	8,245.42	8,245.42	-	-	-

* Financial assets and liabilities such as trade receivables, employee dues, cash and cash equivalent, bank balance other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, borrowing, trade payables, deposits from dealers, unclaimed dividend, Other payables etc. are largely short-term in nature. The fair values of these financial assets and liabilities approximate their carrying amount due to the short-term nature of such assets and liabilities.

** Also refer Note 2.5

B. Measurement of fair value

Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes of similar instruments
- the fair value of interest rate swaps is calculated at the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts and principle swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

(Currency - INR in Lakhs, except per share data)

47 Financial instruments - fair Value and risk management (continued)

C. Financial risk management

The Company has exposure to the following risk arising from financial instruments:

- credit risk (see (ii) below);
- liquidity risk (see (iii) below); and
- market risk (see (iv) below).

i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established a Risk Management Framework, which is reviewed and monitored by the Chief Financial Officer (CFO). The CFO reports regularly to the board of directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal auditors. Internal auditors undertake regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Companies receivable from customer and loans, if any.

The carrying amounts of financial asset represents the maximum credit risk exposure.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside India. Credit risk is managed by a periodic review of amounts outstanding from customers by treasury head and the chief financial officer. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Company's historical experience for customers. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period for customers.

Refer Note 11 for the following information:

- Exposure to the credit risk for trade receivables by geographic region

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

- Exposure to the credit risk for trade receivables by type of counterparty (concentration of credit risk)
- Movement in the allowance for impairment
- Carrying amount of trade receivables (net of impairment)

Also refer note 3.6 for policy related impairment of financial instruments

Cash and cash equivalent and bank balances other than cash and cash equivalent ('collectively referred as Bank balance')

The Bank balance is held with Banks. Credit risk on Bank balance is limited as the Company generally invest in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Bank balance primarily include investment in fixed deposit with banks for a specified time period.

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for liquidity and funding. The Company manages its liquidity risk by continuously monitoring its working capital and by preparing month on month cash flow projections to monitor liquidity requirements.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company aims to maintain the level of its working capital at an amount in excess of expected cash outflows on account of financial liability over the next six months.

(Currency - INR in Lakhs, except per share data)

Working capital	31 March 2019	31 March 2018
Total current assets (both - financial and non financial) (A)	12,059.08	10,562.50
Total current liabilities (both - financial and non financial) (B)	5,754.70	5,325.91
Working capital (A-B)	6,304.38	5,236.59

In addition, the Company maintains the following line of credit:

Facility	Amount of facility	Amount utilised	
		31 March 2019	31 March 2018
Working capital loan	3,592.80	600.00	651.30
Total	3,592.80	600.00	651.30

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

(Currency - INR in Lakhs, except per share data)

As at 31 March 2019	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities							
ECB - Mizuho	1,476.53	147.65	147.65	295.31	885.92	-	1,476.53
ECB - Bank of Tokyo-Mitsubishi-I	1,515.50	144.33	144.33	288.67	866.00	72.17	1,515.50
ECB - Bank of Tokyo-Mitsubishi- II	259.80	43.30	43.30	86.60	86.60	-	259.80
Working Capital Loan from Related Party	600.00	600.00	-	-	-	-	600.00
Trade payables	3,843.74	3,843.74	-	-	-	-	3,843.74
Other current financial liabilities	529.69	529.69	-	-	-	-	529.69
Total	8,225.26	5,308.71	335.28	670.58	1,838.52	72.17	8,225.26

As at 31 March 2018	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
Non-derivative financial liabilities							
ECB - Mizuho	1,665.71	138.81	138.81	277.62	832.85	277.62	1,665.71
ECB - Bank of Tokyo-Mitsubishi-I	1,628.26	67.84	135.69	271.38	814.13	339.22	1,628.26
ECB - Bank of Tokyo-Mitsubishi- II	325.66	40.71	40.71	81.41	162.83	-	325.66
Preference shares	1,175.61	1,220.37	-	-	-	-	1,220.37
PCFC	651.30	651.30	-	-	-	-	651.30
Trade payables	2,567.64	2,567.64	-	-	-	-	2,567.64
Other current financial liabilities	231.27	231.27	-	-	-	-	231.27
Total	8,245.45	4,917.94	315.21	630.41	1,809.81	616.84	8,290.21

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to foreign exchange risk through purchases from overseas suppliers and sales to overseas customers in various foreign currencies. The Company uses derivatives to manage market risk. All such transactions are carried out within the guidelines set by the Company. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

A) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency (INR) of the Company. The exposure is primarily denoted in US Dollars.

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges. At any point of time, the Company hedges 80 to 90% of its estimated foreign currency exposure in respect of forecasted sales. Currency risk related to External Commercial Borrowings have been fully hedged using forward contracts on same dates as the loan are due for repayment.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as at reporting date is as follows:

(Currency - INR in Lakhs, except per share data)

Particulars	31 March 2019		31 March 2018	
	INR	USD	INR	USD
Trade receivables	1,502.25	21.68	1,917.02	29.43
Other receivables	6.58	0.10	-	-
Advances for supply of goods	143.70	2.07	-	-
Capital Advances	146.04	2.11	-	-
Borrowings	(3,251.83)	(46.94)	(4,270.90)	(65.58)
Trade payables	(470.46)	(6.79)	(612.45)	(9.40)
Other payables	-	-	(8.04)	(0.12)
Net exposure in respect of recognised assets and liabilities	(1,923.72)	(27.77)	(2,974.37)	(45.67)

Particulars	31 March 2019		31 March 2018	
	INR	GBP	INR	GBP
Trade receivables	667.43	7.39	652.31	7.15
Net exposure in respect of recognised assets and liabilities	667.43	7.39	652.31	7.15

Particulars	31 March 2019		31 March 2018	
	INR	JPY	INR	JPY
Capital Advances	2.93	4.73	-	-
Net exposure in respect of recognised assets and liabilities	2.93	4.73	-	-

Particulars	31 March 2019		31 March 2018	
	INR	AUD	INR	AUD
Trade receivables	87.21	1.77	29.34	0.59
Other Payables	-	-	(3.46)	(0.07)
Net exposure in respect of recognised assets and liabilities	87.21	1.77	25.88	0.52

Particulars	31 March 2019		31 March 2018	
	INR	EUR	INR	EUR
Advances for supply of goods	1.12	0.01	-	-
Capital Advances	337.30	4.34	-	-
Trade payables	(2.69)	(0.03)	(2.78)	(0.03)
Payable on account of capital purchases	-	-	(2.27)	(0.03)
Net exposure in respect of recognised assets and liabilities	335.73	4.32	(5.05)	(0.06)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar and other currencies against INR at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assume that all other variables as remain constant other than change in foreign currency rate to INR.

1 % increase or decrease in foreign currency rate will have following impact on profit before tax:

(Currency - INR in Lakhs, except per share data)

	Impact on profit before tax*				Impact on equity, net of tax*			
	31 March 2019		31 March 2018		31 March 2019		31 March 2018	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
USD	(19.24)	19.24	(29.74)	29.74	(12.51)	12.51	(19.45)	19.45
GBP	6.67	(6.67)	6.52	(6.52)	4.34	(4.34)	4.27	(4.27)
JPY	0.03	(0.03)	-	-	0.02	(0.02)	-	-
AUD	0.87	(0.87)	0.26	(0.26)	0.57	(0.57)	0.17	(0.17)
EUR	3.36	(3.36)	(0.05)	0.05	2.18	(2.18)	(0.03)	0.03
Net exposure in respect of recognised assets and liabilities	(8.31)	8.31	(23.01)	23.01	(5.40)	5.40	(15.04)	15.04

* Amount in brackets represents unfavourable position

B) Interest Rate risk

The Company adopts the policy of ensuring that between 80 and 90 % of its interest rate risk exposure is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at floating rate and using interest rate swaps as hedges of the variability in cash flows to interest rate risk.

Exposure to interest rate risk	31 March 2019	31 March 2018
Variable-rate instruments (financial liabilities)	3,251.83	4,270.90
Less: Effect of interest rate swap	(3,251.83)	(3,619.65)
Net exposure in respect of recognised assets and liabilities	(0.00)	651.25

Fair value sensitivity analysis for fixed-rate instruments/ cash flow sensitivity analysis for variable-rate instruments

	Impact on profit before tax				Impact on equity, net of tax			
	31 March 2019		31 March 2018		31 March 2019		31 March 2018	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable-rate instruments (financial liabilities)	(32.52)	32.52	(42.71)	42.71	(21.16)	21.16	(27.93)	27.93
Less: Effect of interest rate swap	32.52	(32.52)	36.20	(36.20)	21.16	(21.16)	23.67	(23.67)
Sensitivity (net)	0.00	(0.00)	(6.51)	6.51	0.00	(0.00)	(4.26)	4.26

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019 (Contd.)

47 Financial instruments - fair Value and risk management (continued)

C) Cash flow hedges - hedge exposures

(Currency - INR in Lakhs, except per share data)

	31 March 2019			31 March 2018		
	1-6 months	6-12 months	More than 1 year	1-6 months	6-12 months	More than 1 year
Foreign currency forward contracts						
Net exposure	127.32	101.46	-	103.54	42.66	-
Average INR:USD forward contract rate	72.22	73.25	-	66.56	66.92	-
Interest rate swaps						
Net exposure	335.29	335.29	2,581.26	247.36	315.20	3,057.04
Average fixed interest rate	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%

Details of item designated as hedging instruments

	31 March 2019			31 March 2018		
	Nominal Amount	Assets	Liabilities	Nominal Amount	Assets	Liabilities
Foreign currency forward contracts						
Forward contracts sales, receivables	16,626.90	503.15	-	9,751.23	66.21	-
Interest rate risk						
Interest rate swaps	3,251.83	69.55	-	3,619.65	119.68	-
	19,878.73	572.70	-	13,370.88	185.89	-

All the above categories of hedging instruments have been included in derivative assets/derivative liabilities. Management of the Company believes that there are no items to be recognised in profit or loss as hedge ineffective, except for realised portion of foreign exchange against the relevant forward contract. The amount recognised as effective hedge is disclosed under Other comprehensive income.

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Cash flow hedges -Equity head 'Effective portion of cash flow hedges'	31 March 2019	31 March 2018
Change in fair value:		
Foreign currency risk	503.15	66.21
Interest rate risk	69.55	119.68
	572.70	185.89
Amount classified to profit and loss:		
Foreign currency risk	-	-
Interest rate risk	-	-
Tax on movements in relevant items of OCI during the year	(199.50)	(64.33)
Balance as at the end of the year	373.20	121.56

For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/ W - 100024

Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 16 May 2019

Abhijit Upadhye

Managing Director

DIN: 07543741

Place: Pune

Date: 16 May 2019

Ashok Vasudevan

Chairman

DIN: 00575574

For and on behalf of the Board of Directors of Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

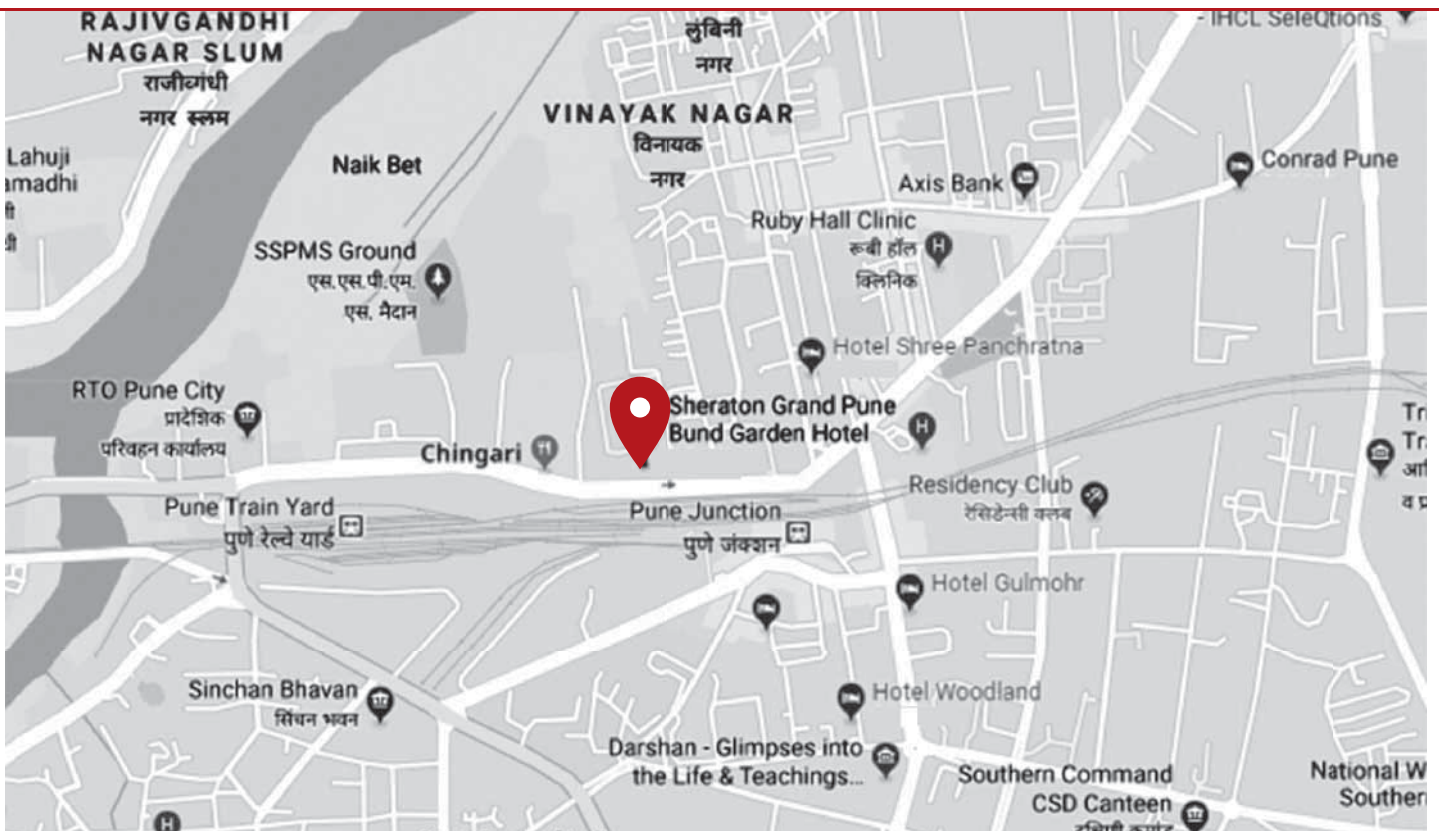
Gaurav Gupta

Chief Financial Officer

Minal Talwar

Company Secretary

Venue of AGM
Hotel Sheraton Grand
Pune, RBM Road,
Pune - 411 001



**TASTY BITE EATABLES LIMITED**

CIN L15419PN1985PLC037347

Registered Office: 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005

E-mail info@secretarial.com Website: www.tastybite.co.in

PROXY FORM

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

35th Annual General Meeting - August 8, 2019

Name of the Member(s) E-mail id

Registered address Folio no. / *Client ID * DP ID

* Applicable for Investors holding shares in electronic form.

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

1 of having e-mail id: or failing him

2 of having e-mail id: or failing him

3 of having e-mail id: or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 35th Annual General Meeting of the Company, to be held on Thursday, August 8, 2019 at 11.00 a.m. at Hotel Sheraton Grand, Pune, RBM Road, Pune - 411 001, and at any adjournment thereof in respect of such Resolutions as are indicated below:

No	Resolution	Vote * (Optional See Note 2)		
		For	Against	Abstain

ORDINARY BUSINESS:

1.	Adoption of Financial Statements and Report of the Directors and Auditors thereon			
2.	Declaration of dividend of Rs.2 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the financial year 2018-19			
3.	Re-appointment of Ms. Dawn Allen, as Director who retires by rotation			

SPECIAL BUSINESS:

4.	Regularization of Additional Director Mr. PVV Srinivasa Rao			
5.	Fixation of remuneration of Mr. Abhijit Upadhye as Managing Director till March 31, 2020			
6.	Re-appointment of Mr. Kavas Patel as Independent Director			
7.	Issue of equity share on preferential basis			

Signed this day of 2019

Signature of the MemberSignature of the Proxy holder(s)

Affix One
Rupee
Revenue
Stamp here

Notes:

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



TASTY BITE EATABLES LIMITED

CIN L15419PN1985PLC037347

Registered Office: 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005

E-mail info@secretarial.com Website: www.tastybite.co.in

ATTENDANCE SLIP

35th Annual General Meeting - August 8, 2019

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

No. of Shares:.....

Name of the Member/ Proxy holder**:
(in BLOCK letters)

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

I hereby record my presence at the 35th Annual General Meeting of the Company, held on Thurs day, August 8, 2019 at 11.00 a.m. at Hotel Sheraton Grand Pune, RBM Road, Pune- 411001.

.....
Signature of the Member/Proxy holder

** Strike out whichever is not applicable.

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

NOTES

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