
NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Tasty Bite Eatables Limited will be held on Wednesday, 10th September, 2014 at 11.00 a.m. at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss Account for the financial year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on 59,530 1% Non-Cumulative, Non Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2013-14.
3. To declare dividend of Re. 1 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the financial year 2013-14.
4. To appoint a Director in place of Mr. Ashok Vasudevan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and to pass with or without modification, the following Resolution as an Ordinary Resolution.

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

SPECIAL BUSINESS:

6. Appointment of Mr. K. P. Balasubramaniam as an Independent Director:

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") the Rules framed thereunder, read with Schedule IV to the Act, Mr. K. P. Balasubramaniam (DIN 00034686), a non executive director of the Company, 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 appointment, be and is hereby appointed as Independent director of the Company from September 10, 2014 till September 9, 2019.

7. Appointment of Dr. V. S. Arunachalam as an Independent Director:

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") the Rules framed thereunder, read with Schedule IV to the Act, Dr. V S Arunachalam (DIN 00400857), a non executive director of the Company, 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 appointment, be and is hereby appointed as Independent director of the Company from September 10, 2014 till September 9, 2019.

8. Appointment of Mr. Kavas Patel as an Independent Director:

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") the Rules framed thereunder, read with Schedule IV to the Act, Mr. Kavas Patel (DIN 00002634), a non executive director of the Company, 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 appointment, be and is hereby appointed as Independent director of the Company from September 10, 2014 till September 9, 2019.

9. Ratification of Cost Auditor's remuneration:

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and any other Rules as applicable, the Company hereby ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus service tax and out of pocket expenses payable to M/s. A J Paranjape & Co, who are appointed as Cost Accountants to conduct cost audit for financial year 2014-15."

10. Borrowing Powers:

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

"RESOLVED THAT in supersession of the Resolution passed by postal ballot dated February 2, 2012, and pursuant to section 180 (1) (c) and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board), to borrow from time to time, any sum or sums of money including the moneys already borrowed by the Company (apart from temporary loan obtained from Company's Bankers in ordinary course of business) may exceed, at any time the aggregate of the paid up capital and free reserves of the Company, provided that the total amount so borrowed by Board shall not exceed at any time Rs. 75 crore (Rupees Seventy five crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers to a Committee constituted by Board with power to the said Committee to sub delegate its powers to any of its members."

11. Creation of Charges:

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

"RESOLVED THAT in supersession of the Resolution passed by postal ballot dated February 2, 2012, and pursuant to section 180 (1) (a) and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board), to create such charges, mortgages and hypothecations in addition to existing charges, mortgages and hypothecations, if any created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, other lending/ investing agencies/ trustees for holders of debentures/ bonds which may be issued to or subscribed by all or any Financial institutions/ Banks/or any other investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as "Lenders") to secure Rupee / Foreign Currency Loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption costs, charges, expenses and all other monies payable by Company in respect of said loans, for which charge, mortgage, hypothecations are created, shall not, at any time exceed the limit of Rs. 75 crore (Rupees Seventy five crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers to a Committee constituted by Board with power to the said Committee to sub delegate its powers to any of its members."

12. Remuneration of Mr. Ravi Nigam, Managing Director of the Company:

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

"RESOLVED THAT pursuant to section 197, 198, Schedule V of the Companies Act, 2013 ("Act") and other

provisions and rules as applicable, the Company hereby approves the remuneration of Mr. Ravi Nigam, Managing Director of the Company, for a period of two years from July 20, 2014 till July 19, 2016 (being the minimum remuneration to be paid even in case of loss or inadequacy of profit) at such terms and conditions and at such remuneration as mentioned in explanatory statement annexed, with authority to the Board or its Committee to add, vary, alter terms & conditions of said remuneration.

RESOLVED FURTHER THAT the Board of Directors and/ or Company Secretary be and is hereby authorized to do all such acts, deeds and things as necessary to give effect to the Resolution."

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

Dated : May 8, 2014

Place : Pune

Ravi Nigam
Managing Director

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item no 6 to 12 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting duly stamped and signed. Members are requested to note that a person can act as proxy for not more than 50 members and not exceeding 10% of the share capital.**
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Annual General Meeting (AGM).
4. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf, at the AGM.
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 30, 2014 to Wednesday, September 10, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
7. The dividend, upon declaration by the members at the AGM shall be credited / dispatched before October 9, 2014, to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (RTA) on or before Friday, August 29, 2014. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, August 29, 2014. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA.
8. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director so as to reach the Company at least seven days before the date of the AGM, so that the required information may be made available at the AGM.

9. Members are requested to bring their own copy of the Annual Report to the meeting. No extra copies of the Annual Report will be distributed at the meeting.
10. All the documents referred to in the Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of AGM.
11. Shareholders/ investors may contact the Company on designated e-mail id: secretarial@tastybite.com for speedy action from Company's end.
12. The Company has paid the annual listing fee to respective Stock Exchanges for financial year 2014-15.
13. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's RTA.
14. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2009-10 onwards, are requested to write to the Company or its RTA, mentioning the relevant folio number(s)/ DP ID and Client ID, for issuance of demand draft.
15. SEBI vide circular dated May 20, 2009 has made it mandatory for transferees requesting for transfer of shares of listed companies in physical form, to furnish a copy of their PAN, duly self attested to the RTA, whilst lodgment of such shares.
16. The Ministry of Corporate Affairs (MCA), Government of India has taken a Green Initiative by allowing paperless compliance by the companies and has permitted companies to issue copies of Annual Report by email to shareholders. The Listing Agreement requires the Company to send the soft copy of Annual Report only to those shareholders who have registered themselves for the purpose. The Members can register their e-mail address with RTA of the Company.
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, a member may exercise his right to vote by electronic means (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 Computershare Private Limited ('Karvy') as the authorised agency to provide e-voting facility.
 - iii. The Board of Directors have appointed Mr. J. N. Mavji, Practicing Company Secretary, Pune as the Scrutinizer for conducting e-voting process in fair and transparent manner.
 - iv. Members are requested to carefully read the instructions for e-voting before casting their vote.
 - v. The 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	September 3, 2014- from 9.00 am (IST)
End of e-voting	September 5, 2014- upto 6.00 pm (IST)

- vi. The Procedure and instructions for e-voting are as under:
 - a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>.
 - b) Enter the login credentials (i.e., user-id & password mentioned in the email forwarding the electronic Notice of AGM, or mentioned on the electronic voting particulars of AGM, in case email id is not registered and physical copy of the Annual Report being received by you.) Your Folio No/DP Client ID will be your User-ID. However, if you hold shares in demat form and are already registered with Karvy for e-voting, you shall use your existing login id and password for casting vote.
 - c) After entering these details appropriately, click on "LOGIN".

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- d) Members holding shares in Demat form (who had not changed their password earlier after logging on to <https://evoting.karvy.com>) /Physical form will now reach Password Change menu wherein you are required to mandatorily change your login password. The new password shall comprise of minimum eight characters consisting of 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 will also be required to enter the 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.**
- e) You need to login again with the new credentials.
- f) On successful login, system will prompt to select the 'Event Number' for 'Tasty Bite Eatables Limited'.
- g) On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST ABSTAIN' for voting. Enter the number of shares (which represents number of votes) as on the cut off date, under 'FOR/AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as on the cut off date. You may also choose the option 'ABSTAIN' in case you do not want to cast vote. The cut off date is August 1, 2014.
- h) After you have casted your vote (by selecting an appropriate option) for all the Resolutions, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- i) Once you 'CONFIRM' your vote on the Resolutions, 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).
- j) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio/ demat account.
- k) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scan (PDF format) of the relevant Board resolution/ Authority letter, etc. together with attested specimen signature(s) of the authorized representative(s) to the Scrutinizer through e-mail to jnmavji@yahoo.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- l) The Members who have casted their vote electronically shall not be allowed to vote again at the meeting.
- m) Please contact the toll free No. 1-800-34-54-001 for any further clarifications. You may visit the FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- n) The Scrutinizer shall after the conclusion of e-voting period and before closing hours on September 9, 2014 unblock the votes in presence of atleast two (2) witnesses not in employment of the Company and will make Scrutinizers Report of the votes cast in favour or against, if any, forth with to the Chairman of the Company.
- o) The Scrutinizers decision on the validity of the vote shall be final and binding.
- p) The result on the Resolutions shall be declared on or after the AGM of the Company and the Resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- q) The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company (www.tastybite.co.in) and on Karvy's website (<https://evoting.karvy.com>) within 2 days of passing of the Resolutions at the AGM and communicated to Stock Exchanges where the shares of the Company are listed.
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PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, A BRIEF RESUME OF THE DIRECTOR PROPOSED TO BE REAPPOINTED VIDE ITEM NO 4 IS DETAILED BELOW :

Mr. Ashok Vasudevan has been a Non Executive Director since March 1999. He is also Chairman of Board of Directors of the Company. He is proposed to be re-appointed as a Director.

A brief profile of Mr. Vasudevan is as follows:

Date of Birth & Age	March 9, 1955, 59 years
Date of Appointment	March 31, 1999
Qualifications	Mr. Vasudevan holds a Bachelor of Science (Agriculture) degree from Bangalore and a Management degree from Jamnalal Bajaj Institute of Management Studies, Bombay. He also holds Owner/President Management (OPM) from the Harvard Business School.
Expertise in specific functional areas	Mr. Vasudevan has wide experience of 30 plus years as an entrepreneur and a corporate executive for large multinationals. He headed the India desk of Pepsi World Trade from New York. He received Pepsi's MVP award in 1991 for his contributions. Before joining Pepsi he spent 10 years with the Unilever group in India in various functions that included Management Development, Sales & Marketing and International Business. He is cofounder of Preferred Brands International Inc, USA.
Directorship in other Companies as on March 31, 2014 (including Private limited companies and excluding foreign companies)	1. Preferred Brands Foods (India) Pvt Ltd- Director 2. ASG Omni India Pvt Ltd- Director 3. Center for Science, Technology and Policy- Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

He is the CEO & Director of Preferred Brands International Inc., USA which in turn is the holding company with 100% shareholding of Preferred Brands Foods (India) Private Limited, the holding Company of Tasty Bite Eatables Limited. He is also Chairman of Preferred Brands Australia Pty Ltd, a fellow subsidiary of the Company.

His wife, Mrs. Meera Vasudevan is also a Non-Executive Promoter Director of the Company. He does not hold any shares of the Company.

ANNEXURE TO NOTICE

(Explanatory Statement pursuant to Section 102 of Companies Act, 2013)

Item No 6:

Mr. K. P. Balasubramaniam has been a Non Executive Director since August 2001, and was considered as Independent for purpose of Clause 49 of Listing Agreement.

A brief profile of Mr. Balasubramaniam is as follows:

Date of Birth & Age	July 15, 1941, 72years
Date of Appointment	August 31, 2001
Qualifications	Mr. Balasubramaniam holds a Bachelor of Science degree from Madras University. He also hold a Diploma in Business Management from London. He also is a Fellow Member of the Institute of Directors, London and Member of British Institute of Management, London.
Expertise in specific functional areas	Mr. Balasubramaniam was Chairman & Managing of erstwhile Mysore Breweries Ltd (now known as SAB Miller Ltd). He has also served as President of 'All India Breweries Association', Beer Manufacturing Association- Mumbai, Liquor Manufacturing Association- Karnataka. He has a rich and vast experience in Beer, Food Products and Garment Industries.
Directorship in other Companies as on March 31, 2014	1. TMC Enterprises Pvt Ltd- Managing Director 2. Jaybear Investment & Finance Pvt Ltd- Chairman 3. EIE Enterprises Pvt Ltd- Director 4. Kar Mobiles Ltd- Director 5. Ritz Hotel (Mysore) Ltd- Director
Chairmanship/ Membership of Committees of above mentioned Companies	Kar Mobiles Ltd- Member of Share Transfer/ Investor Service Committee
Shareholding in the Company	2291 shares

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation.

Mr. Balasubramaniam has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013. In opinion of the Board, Mr. Balasubramaniam fulfills the criteria of being appointed as Independent Director. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on May 8, 2014 which recommended his appointment as Independent Director for a period of 5 years from September 10, 2014 till September 9, 2019.

In terms of section 149, his appointment as Independent Director is being placed before members for approval.

Mr. Balasubramaniam is interested in the Resolution mentioned in item no 6. No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.



Item No 7:

Dr. V. S. Arunachalam has been a Non Executive Director since July, 2002, and was considered as Independent for purpose of Clause 49 of Listing Agreement.

A brief profile of Dr. V. S. Arunachalam is as follows:

Date of Birth & Age	November 10, 1935, 78 years
Date of Appointment	July 26, 2002
Qualifications	Dr. Arunachalam is a Ph.D. in Materials Science and Engineering from University of Wales.
Expertise in specific functional areas	Dr. Arunachalam has served as a Distinguished Services Professor at the Carnegie Mellon University in Engineering & Public Policy, Department of Materials Science and Robotics Institute. He also served as Head DRDO and Scientific Advisor to the Defence Minister (Government of India). He has several awards to his credentials including Padma Vibhushan, Padma Bhushan and the Shanti Swarup Bhatnagar Prize for Engineering Services.
Directorship in other Companies as on March 31, 2014	1. Birla Sun Life Trustee Company Pvt Ltd- Director 2. Center for Study of Science, Technology & Policy - Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation.

Dr. Arunachalam has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013. In opinion of the Board, Dr. Arunachalam fulfills the criteria of being appointed as Independent Director. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on May 8, 2014 which recommended his appointment as Independent Director for a period of 5 years from September 10, 2014 till September 9, 2019.

In terms of section 149, his appointment as Independent Director is being placed before members for approval.

Dr. Arunachalam is interested in the Resolution mentioned in item no 7. No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

Item No 8:

Mr. Kavas Patel has been a Non Executive Director since May, 2009, and was considered as Independent for purpose of Clause 49 of Listing Agreement.

A brief profile of Mr. Kavas Patel is as follows:

Date of Birth & Age	February 2, 1947, 67 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. He presently administers Dua Associates, Advocates, Pune, established in 1998.
Directorship in other Companies as on March 31, 2014	1. Champion Dai-Ichi Technologies Ltd - Director 2. Dai-Ichi Karkaria Ltd - Director 3. Indian Oxides and Chemicals Ltd- Director 4. Phil Corp. Ltd- Director 5. Uni Klinger Ltd- Director 6. Zinnia Properties Pvt Ltd- Director
Chairmanship/ Membership of Committees of above mentioned Companies	1. Dai-Ichi Karkaria Ltd- Chairman - Audit & Shareholder Grievance Committee 2. Phil Corp. Ltd- Chairman- Audit Committee 3. Uni Klinger Ltd- Chairman- Audit Committee
Shareholding in the Company	NIL

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation.

Mr. Patel has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013. In opinion of the Board, Mr. Patel fulfills the criteria of being appointed as Independent Director. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on May 8, 2014 which recommended his appointment as Independent Director for a period of 5 years from September 10, 2014 till September 9, 2019.

In terms of section 149, his appointment as Independent Director is being placed before members for approval. Mr. Patel is interested in the Resolution mentioned in item no 8. No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

Item No 9:

Pursuant to recommendation by the Audit Committee, Board of Directors in its meeting held on May 8, 2014 approved the appointment of M/s. A J Paranjape & Co as Cost Auditors for financial year 2014-15. Eligibility and Willingness Certificate has been submitted by the Cost Auditor.

In accordance with section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of Members is sought for item no 9 as Ordinary Resolution. None of the Directors, Key Managerial Personnel or their Relatives are interested in the Resolution.

Item No 10:

Under the erstwhile Section 293(1) (d) of Companies Act, 1956, the Board of Directors of a Company could, with the consent of shareholders obtained by way of Ordinary Resolution, borrow moneys, apart from temporary loans obtained from Company's Bankers in ordinary course of business, in excess of aggregate paid up capital and free reserves.

Under section 180(1) (c) of the Companies Act, 2013, the above mentioned power can be exercised by the Board of Directors with consent of shareholders obtained by way of Special Resolution.

The consent of shareholder w.r.t. section 293 (1) (d) of erstwhile Act was obtained by way of Postal Ballot on February 2, 2012 for borrowing upto Rs. 75 crore. As per MCA clarification, this approval shall be valid till September 11, 2014 only. Hence, it is necessary to obtain fresh approval of shareholders by way of Special Resolution, to enable the Board to borrow moneys (apart from temporary loans) in excess of aggregate paid up capital and free reserves. The Borrowing limit of Rs. 75 Crore remains unchanged.

Accordingly, consent of Members is sought for Resolution in item no 10 to be passed as Special Resolution. None of the Directors, Key Managerial Personnel or their Relatives are interested in the Resolution.

Item No 11:

Under the erstwhile Section 293(1) (a) of Companies Act, 1956, the Board of Directors of a Company could, with the consent of shareholders obtained by way of Ordinary Resolution, create charge, mortgage, hypothecate on company's assets, both present and future, in favour of lenders to secure the repayment of moneys borrowed by the Company.

Under section 180(1) (a) of Companies Act, 2013, the above mentioned power can be exercised by the Board of Directors with consent of shareholders obtained by way of Special Resolution.

The consent of shareholder w.r.t. section 293 (1) (a) of erstwhile Act was obtained by way of Postal Ballot on February 2, 2012. As per MCA clarification, this approval shall be valid till September 11, 2014 only. Hence it is necessary to obtain fresh approval of shareholders by way of Special Resolution, to enable the Board to create charges, mortgages, hypothecation on Company's assets, both present and future, in favour of lenders (as mentioned in Resolution) to secure repayment of monies borrowed by the Company (termed as Loans in Resolution). The existing limit of Rs. 75 Crore remains unchanged.

Accordingly, consent of Members is sought for Resolution in item no 11 to be passed as Special Resolution. None of the Directors, Key Managerial Personnel or their Relatives are interested in the Resolution.

Item No 12:

Mr. Ravi Nigam was re-appointed as a Managing Director by the Members in AGM on September 5, 2011 for a term of 5 years w.e.f July 20, 2011 till July 19, 2016. However, his remuneration was fixed for a term of 3 years i.e. from July 20, 2011 till July 19, 2014.

The Remuneration Committee in its meeting held on May 8, 2014 recommended to the Board, the remuneration to be paid for remaining tenure of 2 years. The recommendation was approved by Board of Directors in its Meeting held on May 8, 2014, subject to approval by Members by way of Special Resolution.

Schedule V of the Companies Act, 2013 determines the limit of payment of managerial remuneration by companies in case of loss or inadequacy of profit, in any financial year and inter alia requires approval of Members by way of Special Resolution. Accordingly, in case of inadequacy of profits, the Company can, after approval of members, pay

remuneration to managerial personnel double the limits defined in Schedule V - Part II- Section II without the approval of Central Government.

Besides the terms and conditions for payment of managerial remuneration in proposed Resolution, the other key terms and conditions of his remuneration is as follows:

1. The Board of Directors and/ or the Remuneration & Nomination Committee may revise, enhance, alter or vary the remuneration of the appointee in such manner as may be agreed, within the maximum limit as per the Companies Act, 2013 and approval by Members.
2. **Period:** Managing Director has been re-appointment for 5 (Five) years w.e.f. July 20, 2011 unless terminated by either side with three months notice in writing in Annual General Meeting on September 5, 2011. He is not liable to retire by rotation.
3. **Powers:** Subject to the superintendence and control of the Board, he shall have all powers of the Board as delegated to him for running of day to day business of the Company or by Power of Attorney except those vested in the members in the General Meeting by law.

4. **Remuneration:**

In consideration of the duties and obligations undertaken by the Managing Director hereinabove, the Company shall pay him the remuneration for 2 years w.e.f. July 20, 2014 till July 19, 2016, subject to the approval of Members at the AGM.

The Managing Director shall not be paid any sitting fees for attending Board or Committee Meetings of the Company.

The information w.r.t. proposed remuneration under **Schedule V Part II Section II** is as below:

A. **GENERAL INFORMATION:**

1. **Nature of Industry:** Food Processing consisting of ready to serve products.
2. **Date of commencement of commercial production:** September 20, 1985
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 based on given indicators**

(Rs. in '000)

Particulars	FY 2013-14	FY 2012-13
Total Revenue	14,59,229	11,19,204
Profit before Tax	62,538	93,041
Profit after Tax	43,288	63,256

5. **Export Performance and net foreign exchange collaborations:**

(Rs. in '000)

Particulars	FY 2013-14	FY 2012-13
F.O.B. value of Exports	805,443	669,570

6. **Foreign investments or collaborators, if any:**

There is no direct foreign equity participation. The shareholding of Non-Resident Investors as on March 31, 2014 is 12,511 shares (0.49%).

B. INFORMATION ABOUT THE APPOINTEE FOR WHOM THE REMUNERATION IS PROPOSED:

1. **Background & details:** Mr. Ravi Nigam, aged about 54 years, holds a Degree in Chemistry and a Masters Degree in Rural Management from the Institute of Rural Management, Anand and Owner/President Management (OPM) from the Harvard Business School. He has vast domestic and international experience of over 31 years in food processing and agriculture commodities. He was the Chief General Manager of Ballarpur Industries Ltd- Commodity Foods Group. He started his career with Britannia Industries and also worked for Pepsi India. He also, set up his own business providing Agri-exports consultation and worked with clients such as Pepsi, L&T, Proctor & Gamble, Tata Exports and Ballarpur Industries. He is the Director of Preferred Brands Foods (India) Private Limited which is the holding Company of this Company, Preferred Brands Australia Pty. Ltd. and a member of ASG Omni LLC. He is also a Director of Preferred Brands International Inc., the holding company of Preferred Brands Foods (India) Pvt. Ltd. He holds 200 equity shares, (including 100 equity shares as joint holder) of the Company.

2. Past Remuneration:

Particulars	Amount (in lakh)
Salary (FY 2013-14)	56.13

3. Recognition & Awards:

Mr. Ravi Nigam started his career with Britannia Industries where he led the team for exports, achieving "Star Trading House Status". He then joined Pepsi India's start-up team and set up the company's own Basmati-rice plant and a network of high quality suppliers. Later, he set up his own business specializing in Agri-exports consulting and working on large soya, rice, wheat projects for such blue chip clients as Pepsi, L&T, Proctor & Gamble, Tata Exports and Ballarpur Industries. Later, he headed Ballarpur Industries' Commodity Foods Group as its Chief General Manager. He has been the Chief Executive Officer of Tasty Bite Eatables Limited since 1997 when it was a sick unit under BIFR. He turned it around and made it a profit-making unit. In the year 2006-07, the Company was awarded Silver Trophy by APEDA (Agricultural Processed Food Product Export Development Authority) for outstanding export performance.

4. Job Profile & Suitability:

Mr. Ravi Nigam has proven record of Merit as narrated at point (3) above, and has already turned the Company around from its "sick industry unit" status. The performance of the Company in terms of its growth rate both in exports and domestic market is an indicator of his capabilities. He is the driving force behind the marketing, research and development and overall management of the Company contributing to continuous growth, increased productivity and enhanced quality.

5. Remuneration proposed:

The following remuneration subject to the approval of Central Government for Mr. Ravi Nigam for the period from 20 July 2014 till July 19, 2016:

Salary & Allowances	In the scale of Rs. 3,10,000 - Rs. 6,00,000 p.m.
Perquisites	Medical reimbursement upto Rs. 15,000 p.a. Leave Travel Allowance for self, spouse and children for travel to any place in India upto Rs. 60,000. Encashment of leave as per Company Policy.
Other benefits	Contribution to Provident Fund as per applicable Rules and Company Policy. Gratuity as per Company Policy. Provision of a car with driver and re-imbursement of telephone bills for use on Company's business shall not be considered as perquisite. Mediclaime insurance and Group Accident coverage as per Company Policy shall not be considered as perquisite.

6. Comparative remuneration profile with respect to Industry size of the Company, profile of the position and person:

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. The Board of Directors and Remuneration & Nomination Committee have proposed similar remuneration to the Managing Director, without any change in existing package.

7. Pecuniary relationship, directly or indirectly with the Company or relationship with the managerial personnel, if any:

There is no pecuniary relationship of Mr. Ravi Nigam with the Company or with any managerial personnel except as detailed in the Note no. 34 of Notes to Accounts.

C. OTHER INFORMATION:

1. Reasons for inadequacy of profits:

Though the overall revenues of the Company have grown, the profits of the Company have reduced due to:

- Inflation in agricultural commodities and dairy products led to sharp increase in input cost. Dairy prices increased by more than 20% in last two years.
- Also in quarter 2 & 3 of financial year 2013-14, prices of key agricultural commodities like onions and tomatoes increased to unprecedented levels.
- This led to increase in material cost to 63.5% in financial year 2013- 14 as compared to 57.2% in FY 2013.

2. Steps taken for improvement:

There are several initiatives which include taking forward covers on foreign exchange, smarter buying and entering into fixed price contracts with its suppliers in order to increase profitability. The Company has also initiated various programmes to look at manufacturing costs to seek cost savings. Along with these measures, as the business of the Company continues to grow it is expected to increase the profitability of the Company subject to the constraints of competition and price increase it can undertake.

3. Expected increase in productivity and profits in measurable terms:

With the above steps being taken by the Company, the productivity and profitability is expected to improve and increase.

D. DISCLOSURES:

Remuneration of all directors also form a part of Directors' Report.

The Company has not issued any stock options to any of the Directors. The Company has not defaulted in payment/ repayment of interest.

The Board of Directors recommends the Resolution for approval of the members.

None of the other Directors of the Company, except Mr. Ravi Nigam is in anyway, concerned or interested in the said Resolution.

Above may also be treated as an abstract of the terms and conditions governing the remuneration of the Managing Director.

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

Dated : May 8, 2014
Place : Pune

Ravi Nigam
Managing Director



REAL BOLD. REAL FOOD.

Tasty Bite Eatables Limited

30th Annual Report
2013–14





TASTY BITE EATABLES LIMITED

MISSION STATEMENT

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

CORPORATE INFORMATION**Directors**

Mr. Ashok Vasudevan, *Chairman*
 Mr. Ravi Nigam, *Managing Director*
 Mrs. Meera Vasudevan, *Director*
 Mr. K. P. Balasubramaniam, *Independent Director*
 Dr. V. S. Arunachalam, *Independent Director*
 Mr. Kavas Patel, *Independent Director*
 Mr. Soheli Shikari, *Alternate Director & Chief Financial Officer*

Company Secretary

Ms. Minal Talwar

Statutory Auditors

M/s Kalyaniwalla & Mistry
 Chartered Accountants, Pune

Cost Auditor:

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

Secretarial Auditor:

Mr. J. N. Mavji,
 Practicing Company Secretary, Pune

Internal Auditor:

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

Registered Office

204, Mayfair Towers, Wakdewadi,
 Shivajinagar, Pune- 411 005,
 Maharashtra

CIN: L15419PN1985PLC037347

Tel no: 020 3021 6000

Fax no: 020 3021 6035

Website: www.tastybite.co.in

Email: info@tastybite.com.in

Factory:

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

Registrar and Transfer Agent:

Karvy Computershare Pvt Ltd,
 17-24, Vithal Rao Nagar, Madhapur,
 Hyderabad- 500 081

Ph: 040-44655116

Fax: 040-23420814

Email : ravi.shukla@karvy.com

Bankers:

Axis Bank Limited
 The Ratnakar Bank Limited
 HDFC Bank Limited

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30th Annual General Meeting

Date : Wednesday, September 10, 2014
 Time : 11:00 a.m.
 Venue : Registered Office
 204, Mayfair Towers, Wakdewadi,
 Shivajinagar, Pune - 411 005

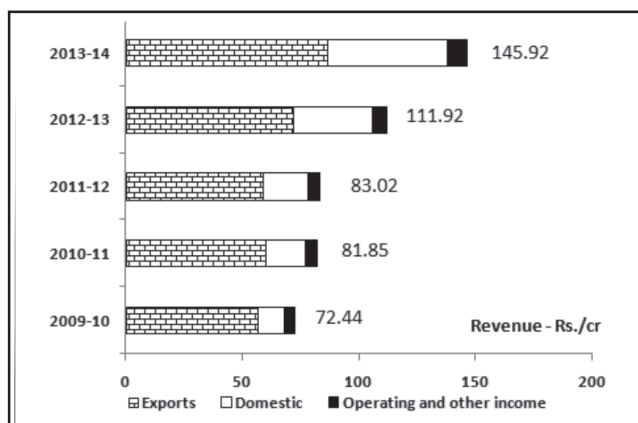
A Request

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

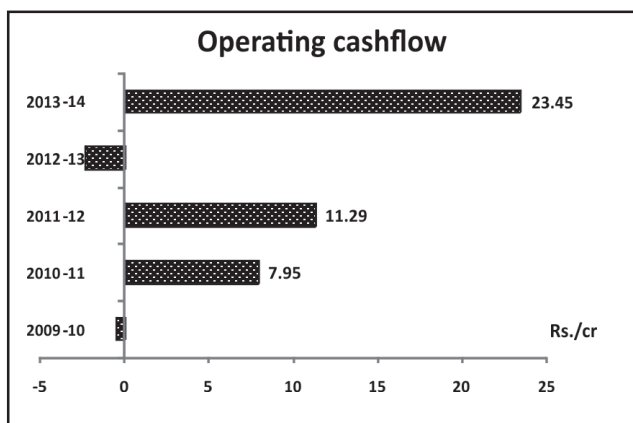


FINANCIAL HIGHLIGHTS

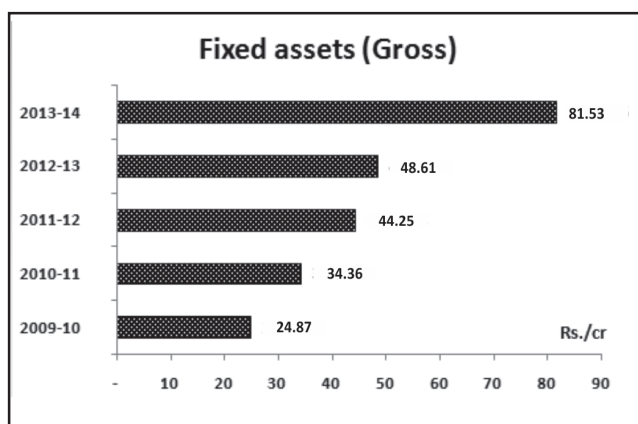
Revenue grows at 15.03% CAGR over the last 5 years



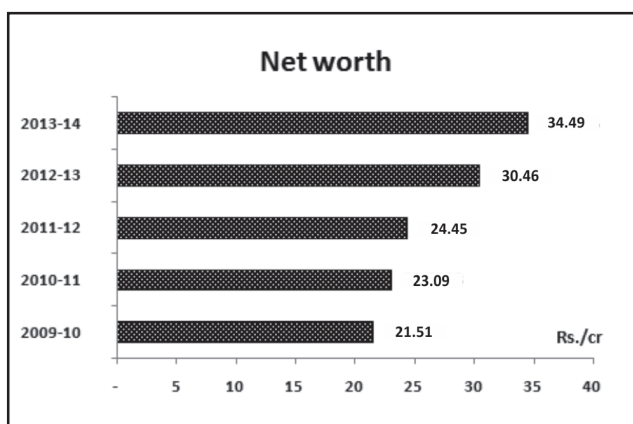
Robust increase in cash generation from operations



Largest capacity expansion during 2013-14



Steady increase in Net Worth



Key financial indicators

		2013-14	2012-13	2011-12	2010-11	2009-10
1.	Gross Profit % To Revenue	36.8%	42.8%	41.4%	38.7%	43.4%
2.	Net Profit % To Revenue	3.0%	5.7%	1.9%	1.1%	9.6%
3.	Earnings Per Share (Rs.)	16.84	24.62	6.24	3.38	27.13
4.	Equity Dividend %	10.00	10.00	10.00	10.00	10.00
5.	Current Ratio	0.95	1.42	1.24	1.50	2.58
6.	Debt Equity Ratio	1.28	1.42	0.87	0.76	0.70

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

Welcome to the 30th anniversary of the Company. Looking back, we see two phases of its history. The first 15 years marked the Company's struggle to survive which ended in it being declared sick and placed under **BIFR**. The second phase witnessed not just a turnaround but a transformation to one of the most respected food companies in the country that would occupy a pride of place as India's top 50 companies to work for.

It is now time to look ahead but first let's take stock of the year gone by:

- Revenues for the year grew 30% to ₹ 1.46 billion
 - The Consumer Business represented by Exports weathered a volatile foreign exchange environment and grew 20% to ₹ 863 million
 - The Tasty Bite Food Service (TFS) domestic business grew 50% to cross a record ₹ 500 million mark. It now represents 35% of the Company's revenues.
 - Within the TFS business, Sauces grew just under 25% to ₹ 178 Million and the formed frozen products (FFP) business grew more than 70% to ₹ 331 million.
- Despite productivity gains in most parts of the Company, inflationary pressures (triggered in no small part by explosive onion prices) caused a 44% increase in packaging and raw material costs dropping margins from 42% to under 37%. Consequently, PAT dropped to ₹ 43 million down from ₹ 63 million last year.
- The Consumer business with the Tasty Bite and private label initiatives continued its robust growth not just in the US, but in Canada and UK as well.
 - In the US, the Tasty Bite Indian meals continued their market dominance. Market share increased even as competition intensified.
 - The launch of our Asian noodles proved highly successful and today in its second year it has become the fastest growing Asian brand in both natural and mainstream supermarkets in the US.
 - The launch of our organic rice and multigrain products in the US went as planned and was met with enthusiasm and at the time of writing this report there are already over 5000 points of distribution!
- In the domestic business, we commissioned a state-of-the-art formed frozen plant. This, along with the sauce plant helps us realize our vision of becoming the partner of choice to the leaders in the food service industry in India

The Tasty Bite organic farm lies in a rain shadow area where depending solely on monsoons for crop health has always been perilous. In last year's report, I had promised to provide an update on the rainwater-harvesting project we launched in June 2013. We implemented a unique technology that



MESSAGE FROM THE CHAIRMAN

harvested rainwater by not storing in tanks but by charging the aquifers and ground water. It has only been a year since this project was launched and already we seem to be witnessing a remarkable increase in the height of our water table. It is hard not to assume causality. We will be sharing the results of this remarkable experiment with extension workers, neighboring farmers in the district and with our eco-system at large. It is our hope that the benefits of rainwater harvesting will spread as these results get replicated across geographies.

Let's now look ahead.

Strategically, the Company will continue to focus on the consumer business internationally and the TFS business domestically. US and India will continue to remain key markets for your Company's products over the next few years. The consumer business will expand its offerings in the US backed by the Tasty Bite Research Center (TBRC) and the institutional and QSR segments will continue to remain the major focus for the Company as we deepen our partnerships with leaders in the industry.

With our parent company's focus on sales & marketing and our Company's strength in supply chain, manufacturing and research, we are well poised to enter the third 15-year phase since inception; one that I believe will be marked by innovation and profitable growth.

Ashok Vasudevan
Chairman

NOTICE

Notice is hereby given that the Thirtieth Annual General Meeting of the Members of Tasty Bite Eatables Limited will be held on Wednesday, 10th September, 2014 at 11.00 a.m. at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014, the Statement of Profit & Loss Account for the financial year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on 59,530 1% Non-Cumulative, Non Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2013-14.
3. To declare dividend of Re. 1 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the financial year 2013-14.
4. To appoint a Director in place of Mr. Ashok Vasudevan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration and to pass with or without modification, the following Resolution as an Ordinary Resolution.

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

SPECIAL BUSINESS:

6. Appointment of Mr. K. P. Balasubramaniam as an Independent Director:

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") the Rules framed thereunder, read with Schedule IV to the Act, Mr. K. P. Balasubramaniam (DIN 00034686), a non executive director of the Company, 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 appointment, be and is hereby appointed as Independent director of the Company from September 10, 2014 till September 9, 2019.

7. Appointment of Dr. V. S. Arunachalam as an Independent Director:

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") the Rules framed thereunder, read with Schedule IV to the Act, Dr. V S Arunachalam (DIN 00400857), a non executive director of the Company, 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 appointment, be and is hereby appointed as Independent director of the Company from September 10, 2014 till September 9, 2019.

8. Appointment of Mr. Kavas Patel as an Independent Director:

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

"RESOLVED THAT pursuant to provisions of section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") the Rules framed thereunder, read with Schedule IV to the Act, Mr. Kavas Patel (DIN 00002634), a non executive director of the Company, 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 appointment, be and is hereby appointed as Independent director of the Company from September 10, 2014 till September 9, 2019.

9. Ratification of Cost Auditor's remuneration:

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

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 and any other Rules as applicable, the Company hereby ratifies the remuneration of Rs. 60,000/- (Rupees Sixty Thousand only) plus service tax and out of pocket expenses payable to M/s. A J Paranjape & Co, who are appointed as Cost Accountants to conduct cost audit for financial year 2014-15."

10. Borrowing Powers:

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

"RESOLVED THAT in supersession of the Resolution passed by postal ballot dated February 2, 2012, and pursuant to section 180 (1) (c) and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board), to borrow from time to time, any sum or sums of money including the moneys already borrowed by the Company (apart from temporary loan obtained from Company's Bankers in ordinary course of business) may exceed, at any time the aggregate of the paid up capital and free reserves of the Company, provided that the total amount so borrowed by Board shall not exceed at any time Rs. 75 crore (Rupees Seventy five crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers to a Committee constituted by Board with power to the said Committee to sub delegate its powers to any of its members."

11. Creation of Charges:

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

"RESOLVED THAT in supersession of the Resolution passed by postal ballot dated February 2, 2012, and pursuant to section 180 (1) (a) and other applicable provisions, if any of the Companies Act, 2013 ("Act"), the consent of the Company be and is hereby accorded to the Board of Directors of the Company (the Board), to create such charges, mortgages and hypothecations in addition to existing charges, mortgages and hypothecations, if any created by the Company, on such movable and immovable properties, both present and future, and in such manner as the Board may deem fit, in favour of Banks, Financial Institutions, other lending/ investing agencies/ trustees for holders of debentures/ bonds which may be issued to or subscribed by all or any Financial institutions/ Banks/or any other investing agencies or any other person(s)/ bodies corporate by way of private placement or otherwise (hereinafter collectively referred to as "Lenders") to secure Rupee / Foreign Currency Loans, debentures, bonds or other instruments (hereinafter collectively referred to as "Loans") provided that total amount of loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premia on pre-payment or on redemption costs, charges, expenses and all other monies payable by Company in respect of said loans, for which charge, mortgage, hypothecations are created, shall not, at any time exceed the limit of Rs. 75 crore (Rupees Seventy five crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers to a Committee constituted by Board with power to the said Committee to sub delegate its powers to any of its members."

12. Remuneration of Mr. Ravi Nigam, Managing Director of the Company:

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

"RESOLVED THAT pursuant to section 197, 198, Schedule V of the Companies Act, 2013 ("Act") and other

provisions and rules as applicable, the Company hereby approves the remuneration of Mr. Ravi Nigam, Managing Director of the Company, for a period of two years from July 20, 2014 till July 19, 2016 (being the minimum remuneration to be paid even in case of loss or inadequacy of profit) at such terms and conditions and at such remuneration as mentioned in explanatory statement annexed, with authority to the Board or its Committee to add, vary, alter terms & conditions of said remuneration.

RESOLVED FURTHER THAT the Board of Directors and/ or Company Secretary be and is hereby authorized to do all such acts, deeds and things as necessary to give effect to the Resolution."

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

Dated : May 8, 2014

Place : Pune

Ravi Nigam
Managing Director

NOTES:

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business under item no 6 to 12 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited at the registered office of the Company not less than 48 hours before the meeting duly stamped and signed. Members are requested to note that a person can act as proxy for not more than 50 members and not exceeding 10% of the share capital.**
3. Members /Proxies should bring duly-filled Attendance Slips sent herewith to attend the meeting. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Annual General Meeting (AGM).
4. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf, at the AGM.
5. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 30, 2014 to Wednesday, September 10, 2014 (both days inclusive) for determining the names of members eligible for dividend on Equity Shares, if declared at the meeting.
7. The dividend, upon declaration by the members at the AGM shall be credited / dispatched before October 9, 2014, to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (RTA) on or before Friday, August 29, 2014. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, August 29, 2014. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA.
8. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director so as to reach the Company at least seven days before the date of the AGM, so that the required information may be made available at the AGM.

9. Members are requested to bring their own copy of the Annual Report to the meeting. No extra copies of the Annual Report will be distributed at the meeting.
10. All the documents referred to in the Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of AGM.
11. Shareholders/ investors may contact the Company on designated e-mail id: secretarial@tastybite.com for speedy action from Company's end.
12. The Company has paid the annual listing fee to respective Stock Exchanges for financial year 2014-15.
13. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's RTA.
14. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2009-10 onwards, are requested to write to the Company or its RTA, mentioning the relevant folio number(s)/ DP ID and Client ID, for issuance of demand draft.
15. SEBI vide circular dated May 20, 2009 has made it mandatory for transferees requesting for transfer of shares of listed companies in physical form, to furnish a copy of their PAN, duly self attested to the RTA, whilst lodgment of such shares.
16. The Ministry of Corporate Affairs (MCA), Government of India has taken a Green Initiative by allowing paperless compliance by the companies and has permitted companies to issue copies of Annual Report by email to shareholders. The Listing Agreement requires the Company to send the soft copy of Annual Report only to those shareholders who have registered themselves for the purpose. The Members can register their e-mail address with RTA of the Company.
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, a member may exercise his right to vote by electronic means (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 Computershare Private Limited ('Karvy') as the authorised agency to provide e-voting facility.
 - iii. The Board of Directors have appointed Mr. J. N. Mavji, Practicing Company Secretary, Pune as the Scrutinizer for conducting e-voting process in fair and transparent manner.
 - iv. Members are requested to carefully read the instructions for e-voting before casting their vote.
 - v. The 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	September 3, 2014- from 9.00 am (IST)
End of e-voting	September 5, 2014- upto 6.00 pm (IST)

- vi. The Procedure and instructions for e-voting are as under:
 - a) Open your web browser during the voting period by typing the URL: <https://evoting.karvy.com>.
 - b) Enter the login credentials (i.e., user-id & password mentioned in the email forwarding the electronic Notice of AGM, or mentioned on the electronic voting particulars of AGM, in case email id is not registered and physical copy of the Annual Report being received by you.) Your Folio No/DP Client ID will be your User-ID. However, if you hold shares in demat form and are already registered with Karvy for e-voting, you shall use your existing login id and password for casting vote.
 - c) After entering these details appropriately, click on "LOGIN".

-
- d) Members holding shares in Demat form (who had not changed their password earlier after logging on to <https://evoting.karvy.com>) / Physical form will now reach Password Change menu wherein you are required to mandatorily change your login password. The new password shall comprise of minimum eight characters consisting of 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 will also be required to enter the 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.**
- e) You need to login again with the new credentials.
- f) On successful login, system will prompt to select the 'Event Number' for 'Tasty Bite Eatables Limited'.
- g) On the voting page, you will see Resolution description and against the same the option 'FOR/AGAINST ABSTAIN' for voting. Enter the number of shares (which represents number of votes) as on the cut off date, under 'FOR/AGAINST' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed your total shareholding as on the cut off date. You may also choose the option 'ABSTAIN' in case you do not want to cast vote. The cut off date is August 1, 2014.
- h) After you have casted your vote (by selecting an appropriate option) for all the Resolutions, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- i) Once you 'CONFIRM' your vote on the Resolutions, 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).
- j) Members holding multiple folios / demat accounts shall choose the voting process separately for each folio/ demat account.
- k) Corporate/Institutional Members (i.e. other than individuals, HUF, NRI, etc.) are required to send scan (PDF format) of the relevant Board resolution/ Authority letter, etc. together with attested specimen signature(s) of the authorized representative(s) to the Scrutinizer through e-mail to jnmavji@yahoo.com with a copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name_ Event no."
- l) The Members who have casted their vote electronically shall not be allowed to vote again at the meeting.
- m) Please contact the toll free No. 1-800-34-54-001 for any further clarifications. You may visit the FAQ's section available at Karvy's website <https://evoting.karvy.com>.
- n) The Scrutinizer shall after the conclusion of e-voting period and before closing hours on September 9, 2014 unblock the votes in presence of atleast two (2) witnesses not in employment of the Company and will make Scrutinizers Report of the votes cast in favour or against, if any, forth with to the Chairman of the Company.
- o) The Scrutinizers decision on the validity of the vote shall be final and binding.
- p) The result on the Resolutions shall be declared on or after the AGM of the Company and the Resolutions shall be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- q) The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company (www.tastybite.co.in) and on Karvy's website (<https://evoting.karvy.com>) within 2 days of passing of the Resolutions at the AGM and communicated to Stock Exchanges where the shares of the Company are listed.
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PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT, A BRIEF RESUME OF THE DIRECTOR PROPOSED TO BE REAPPOINTED VIDE ITEM NO 4 IS DETAILED BELOW :

Mr. Ashok Vasudevan has been a Non Executive Director since March 1999. He is also Chairman of Board of Directors of the Company. He is proposed to be re-appointed as a Director.

A brief profile of Mr. Vasudevan is as follows:

Date of Birth & Age	March 9, 1955, 59 years
Date of Appointment	March 31, 1999
Qualifications	Mr. Vasudevan holds a Bachelor of Science (Agriculture) degree from Bangalore and a Management degree from Jamnalal Bajaj Institute of Management Studies, Bombay. He also holds Owner/President Management (OPM) from the Harvard Business School.
Expertise in specific functional areas	Mr. Vasudevan has wide experience of 30 plus years as an entrepreneur and a corporate executive for large multinationals. He headed the India desk of Pepsi World Trade from New York. He received Pepsi's MVP award in 1991 for his contributions. Before joining Pepsi he spent 10 years with the Unilever group in India in various functions that included Management Development, Sales & Marketing and International Business. He is cofounder of Preferred Brands International Inc, USA.
Directorship in other Companies as on March 31, 2014 (including Private limited companies and excluding foreign companies)	1. Preferred Brands Foods (India) Pvt Ltd- Director 2. ASG Omni India Pvt Ltd- Director 3. Center for Science, Technology and Policy- Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

He is the CEO & Director of Preferred Brands International Inc., USA which in turn is the holding company with 100% shareholding of Preferred Brands Foods (India) Private Limited, the holding Company of Tasty Bite Eatables Limited. He is also Chairman of Preferred Brands Australia Pty Ltd, a fellow subsidiary of the Company.

His wife, Mrs. Meera Vasudevan is also a Non-Executive Promoter Director of the Company. He does not hold any shares of the Company.

ANNEXURE TO NOTICE

(Explanatory Statement pursuant to Section 102 of Companies Act, 2013)

Item No 6:

Mr. K. P. Balasubramaniam has been a Non Executive Director since August 2001, and was considered as Independent for purpose of Clause 49 of Listing Agreement.

A brief profile of Mr. Balasubramaniam is as follows:

Date of Birth & Age	July 15, 1941, 72years
Date of Appointment	August 31, 2001
Qualifications	Mr. Balasubramaniam holds a Bachelor of Science degree from Madras University. He also hold a Diploma in Business Management from London. He also is a Fellow Member of the Institute of Directors, London and Member of British Institute of Management, London.
Expertise in specific functional areas	Mr. Balasubramaniam was Chairman & Managing of erstwhile Mysore Breweries Ltd (now known as SAB Miller Ltd). He has also served as President of 'All India Breweries Association', Beer Manufacturing Association- Mumbai, Liquor Manufacturing Association- Karnataka. He has a rich and vast experience in Beer, Food Products and Garment Industries.
Directorship in other Companies as on March 31, 2014	1. TMC Enterprises Pvt Ltd- Managing Director 2. Jaybear Investment & Finance Pvt Ltd- Chairman 3. EIE Enterprises Pvt Ltd- Director 4. Kar Mobiles Ltd- Director 5. Ritz Hotel (Mysore) Ltd- Director
Chairmanship/ Membership of Committees of above mentioned Companies	Kar Mobiles Ltd- Member of Share Transfer/ Investor Service Committee
Shareholding in the Company	2291 shares

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation.

Mr. Balasubramaniam has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013. In opinion of the Board, Mr. Balasubramaniam fulfills the criteria of being appointed as Independent Director. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on May 8, 2014 which recommended his appointment as Independent Director for a period of 5 years from September 10, 2014 till September 9, 2019.

In terms of section 149, his appointment as Independent Director is being placed before members for approval.

Mr. Balasubramaniam is interested in the Resolution mentioned in item no 6. No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.



Item No 7:

Dr. V. S. Arunachalam has been a Non Executive Director since July, 2002, and was considered as Independent for purpose of Clause 49 of Listing Agreement.

A brief profile of Dr. V. S. Arunachalam is as follows:

Date of Birth & Age	November 10, 1935, 78 years
Date of Appointment	July 26, 2002
Qualifications	Dr. Arunachalam is a Ph.D. in Materials Science and Engineering from University of Wales.
Expertise in specific functional areas	Dr. Arunachalam has served as a Distinguished Services Professor at the Carnegie Mellon University in Engineering & Public Policy, Department of Materials Science and Robotics Institute. He also served as Head DRDO and Scientific Advisor to the Defence Minister (Government of India). He has several awards to his credentials including Padma Vibhushan, Padma Bhushan and the Shanti Swarup Bhatnagar Prize for Engineering Services.
Directorship in other Companies as on March 31, 2014	1. Birla Sun Life Trustee Company Pvt Ltd- Director 2. Center for Study of Science, Technology & Policy - Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation.

Dr. Arunachalam has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013. In opinion of the Board, Dr. Arunachalam fulfills the criteria of being appointed as Independent Director. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on May 8, 2014 which recommended his appointment as Independent Director for a period of 5 years from September 10, 2014 till September 9, 2019.

In terms of section 149, his appointment as Independent Director is being placed before members for approval.

Dr. Arunachalam is interested in the Resolution mentioned in item no 7. No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

Item No 8:

Mr. Kavas Patel has been a Non Executive Director since May, 2009, and was considered as Independent for purpose of Clause 49 of Listing Agreement.

A brief profile of Mr. Kavas Patel is as follows:

Date of Birth & Age	February 2, 1947, 67 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. He presently administers Dua Associates, Advocates, Pune, established in 1998.
Directorship in other Companies as on March 31, 2014	1. Champion Dai-Ichi Technologies Ltd - Director 2. Dai-Ichi Karkaria Ltd - Director 3. Indian Oxides and Chemicals Ltd- Director 4. Phil Corp. Ltd- Director 5. Uni Klinger Ltd- Director 6. Zinnia Properties Pvt Ltd- Director
Chairmanship/ Membership of Committees of above mentioned Companies	1. Dai-Ichi Karkaria Ltd- Chairman - Audit & Shareholder Grievance Committee 2. Phil Corp. Ltd- Chairman- Audit Committee 3. Uni Klinger Ltd- Chairman- Audit Committee
Shareholding in the Company	NIL

Pursuant to provisions of Section 149 of Companies Act, 2013, an Independent Director can be appointed for a period upto 5 years and such director shall not be liable to retire by rotation.

Mr. Patel has provided declaration of his independence as required under section 149(6) of the Companies Act, 2013. In opinion of the Board, Mr. Patel fulfills the criteria of being appointed as Independent Director. The matter of appointment of Independent Director was placed before the Remuneration & Nomination Committee on May 8, 2014 which recommended his appointment as Independent Director for a period of 5 years from September 10, 2014 till September 9, 2019.

In terms of section 149, his appointment as Independent Director is being placed before members for approval. Mr. Patel is interested in the Resolution mentioned in item no 8. No other Director or Key Managerial Personnel or their relatives are interested in the Resolution.

Item No 9:

Pursuant to recommendation by the Audit Committee, Board of Directors in its meeting held on May 8, 2014 approved the appointment of M/s. A J Paranjape & Co as Cost Auditors for financial year 2014-15. Eligibility and Willingness Certificate has been submitted by the Cost Auditor.

In accordance with section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, consent of Members is sought for item no 9 as Ordinary Resolution. None of the Directors, Key Managerial Personnel or their Relatives are interested in the Resolution.

Item No 10:

Under the erstwhile Section 293(1) (d) of Companies Act, 1956, the Board of Directors of a Company could, with the consent of shareholders obtained by way of Ordinary Resolution, borrow moneys, apart from temporary loans obtained from Company's Bankers in ordinary course of business, in excess of aggregate paid up capital and free reserves.

Under section 180(1) (c) of the Companies Act, 2013, the above mentioned power can be exercised by the Board of Directors with consent of shareholders obtained by way of Special Resolution.

The consent of shareholder w.r.t. section 293 (1) (d) of erstwhile Act was obtained by way of Postal Ballot on February 2, 2012 for borrowing upto Rs. 75 crore. As per MCA clarification, this approval shall be valid till September 11, 2014 only. Hence, it is necessary to obtain fresh approval of shareholders by way of Special Resolution, to enable the Board to borrow moneys (apart from temporary loans) in excess of aggregate paid up capital and free reserves. The Borrowing limit of Rs. 75 Crore remains unchanged.

Accordingly, consent of Members is sought for Resolution in item no 10 to be passed as Special Resolution. None of the Directors, Key Managerial Personnel or their Relatives are interested in the Resolution.

Item No 11:

Under the erstwhile Section 293(1) (a) of Companies Act, 1956, the Board of Directors of a Company could, with the consent of shareholders obtained by way of Ordinary Resolution, create charge, mortgage, hypothecate on company's assets, both present and future, in favour of lenders to secure the repayment of moneys borrowed by the Company.

Under section 180(1) (a) of Companies Act, 2013, the above mentioned power can be exercised by the Board of Directors with consent of shareholders obtained by way of Special Resolution.

The consent of shareholder w.r.t. section 293 (1) (a) of erstwhile Act was obtained by way of Postal Ballot on February 2, 2012. As per MCA clarification, this approval shall be valid till September 11, 2014 only. Hence it is necessary to obtain fresh approval of shareholders by way of Special Resolution, to enable the Board to create charges, mortgages, hypothecation on Company's assets, both present and future, in favour of lenders (as mentioned in Resolution) to secure repayment of monies borrowed by the Company (termed as Loans in Resolution). The existing limit of Rs. 75 Crore remains unchanged.

Accordingly, consent of Members is sought for Resolution in item no 11 to be passed as Special Resolution. None of the Directors, Key Managerial Personnel or their Relatives are interested in the Resolution.

Item No 12:

Mr. Ravi Nigam was re-appointed as a Managing Director by the Members in AGM on September 5, 2011 for a term of 5 years w.e.f July 20, 2011 till July 19, 2016. However, his remuneration was fixed for a term of 3 years i.e. from July 20, 2011 till July 19, 2014.

The Remuneration Committee in its meeting held on May 8, 2014 recommended to the Board, the remuneration to be paid for remaining tenure of 2 years. The recommendation was approved by Board of Directors in its Meeting held on May 8, 2014, subject to approval by Members by way of Special Resolution.

Schedule V of the Companies Act, 2013 determines the limit of payment of managerial remuneration by companies in case of loss or inadequacy of profit, in any financial year and inter alia requires approval of Members by way of Special Resolution. Accordingly, in case of inadequacy of profits, the Company can, after approval of members, pay

remuneration to managerial personnel double the limits defined in Schedule V - Part II- Section II without the approval of Central Government.

Besides the terms and conditions for payment of managerial remuneration in proposed Resolution, the other key terms and conditions of his remuneration is as follows:

1. The Board of Directors and/ or the Remuneration & Nomination Committee may revise, enhance, alter or vary the remuneration of the appointee in such manner as may be agreed, within the maximum limit as per the Companies Act, 2013 and approval by Members.
2. **Period:** Managing Director has been re-appointment for 5 (Five) years w.e.f. July 20, 2011 unless terminated by either side with three months notice in writing in Annual General Meeting on September 5, 2011. He is not liable to retire by rotation.
3. **Powers:** Subject to the superintendence and control of the Board, he shall have all powers of the Board as delegated to him for running of day to day business of the Company or by Power of Attorney except those vested in the members in the General Meeting by law.

4. **Remuneration:**

In consideration of the duties and obligations undertaken by the Managing Director hereinabove, the Company shall pay him the remuneration for 2 years w.e.f. July 20, 2014 till July 19, 2016, subject to the approval of Members at the AGM.

The Managing Director shall not be paid any sitting fees for attending Board or Committee Meetings of the Company.

The information w.r.t. proposed remuneration under **Schedule V Part II Section II** is as below:

A. **GENERAL INFORMATION:**

1. **Nature of Industry:** Food Processing consisting of ready to serve products.
2. **Date of commencement of commercial production:** September 20, 1985
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 based on given indicators**

(Rs. in '000)

Particulars	FY 2013-14	FY 2012-13
Total Revenue	14,59,229	11,19,204
Profit before Tax	62,538	93,041
Profit after Tax	43,288	63,256

5. **Export Performance and net foreign exchange collaborations:**

(Rs. in '000)

Particulars	FY 2013-14	FY 2012-13
F.O.B. value of Exports	805,443	669,570

6. **Foreign investments or collaborators, if any:**

There is no direct foreign equity participation. The shareholding of Non-Resident Investors as on March 31, 2014 is 12,511 shares (0.49%).



B. INFORMATION ABOUT THE APPOINTEE FOR WHOM THE REMUNERATION IS PROPOSED:

1. **Background & details:** Mr. Ravi Nigam, aged about 54 years, holds a Degree in Chemistry and a Masters Degree in Rural Management from the Institute of Rural Management, Anand and Owner/President Management (OPM) from the Harvard Business School. He has vast domestic and international experience of over 31 years in food processing and agriculture commodities. He was the Chief General Manager of Ballarpur Industries Ltd- Commodity Foods Group. He started his career with Britannia Industries and also worked for Pepsi India. He also, set up his own business providing Agri-exports consultation and worked with clients such as Pepsi, L&T, Proctor & Gamble, Tata Exports and Ballarpur Industries. He is the Director of Preferred Brands Foods (India) Private Limited which is the holding Company of this Company, Preferred Brands Australia Pty. Ltd. and a member of ASG Omni LLC. He is also a Director of Preferred Brands International Inc., the holding company of Preferred Brands Foods (India) Pvt. Ltd. He holds 200 equity shares, (including 100 equity shares as joint holder) of the Company.

2. Past Remuneration:

Particulars	Amount (in lakh)
Salary (FY 2013-14)	56.13

3. Recognition & Awards:

Mr. Ravi Nigam started his career with Britannia Industries where he led the team for exports, achieving "Star Trading House Status". He then joined Pepsi India's start-up team and set up the company's own Basmati-rice plant and a network of high quality suppliers. Later, he set up his own business specializing in Agri-exports consulting and working on large soya, rice, wheat projects for such blue chip clients as Pepsi, L&T, Proctor & Gamble, Tata Exports and Ballarpur Industries. Later, he headed Ballarpur Industries' Commodity Foods Group as its Chief General Manager. He has been the Chief Executive Officer of Tasty Bite Eatables Limited since 1997 when it was a sick unit under BIFR. He turned it around and made it a profit-making unit. In the year 2006-07, the Company was awarded Silver Trophy by APEDA (Agricultural Processed Food Product Export Development Authority) for outstanding export performance.

4. Job Profile & Suitability:

Mr. Ravi Nigam has proven record of Merit as narrated at point (3) above, and has already turned the Company around from its "sick industry unit" status. The performance of the Company in terms of its growth rate both in exports and domestic market is an indicator of his capabilities. He is the driving force behind the marketing, research and development and overall management of the Company contributing to continuous growth, increased productivity and enhanced quality.

5. Remuneration proposed:

The following remuneration subject to the approval of Central Government for Mr. Ravi Nigam for the period from 20 July 2014 till July 19, 2016:

Salary & Allowances	In the scale of Rs. 3,10,000 - Rs. 6,00,000 p.m.
Perquisites	Medical reimbursement upto Rs. 15,000 p.a. Leave Travel Allowance for self, spouse and children for travel to any place in India upto Rs. 60,000. Encashment of leave as per Company Policy.
Other benefits	Contribution to Provident Fund as per applicable Rules and Company Policy. Gratuity as per Company Policy. Provision of a car with driver and re-imbursement of telephone bills for use on Company's business shall not be considered as perquisite. Mediclaime insurance and Group Accident coverage as per Company Policy shall not be considered as perquisite.

6. Comparative remuneration profile with respect to Industry size of the Company, profile of the position and person:

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. The Board of Directors and Remuneration & Nomination Committee have proposed similar remuneration to the Managing Director, without any change in existing package.

7. Pecuniary relationship, directly or indirectly with the Company or relationship with the managerial personnel, if any:

There is no pecuniary relationship of Mr. Ravi Nigam with the Company or with any managerial personnel except as detailed in the Note no. 34 of Notes to Accounts.

C. OTHER INFORMATION:

1. Reasons for inadequacy of profits:

Though the overall revenues of the Company have grown, the profits of the Company have reduced due to:

- Inflation in agricultural commodities and dairy products led to sharp increase in input cost. Dairy prices increased by more than 20% in last two years.
- Also in quarter 2 & 3 of financial year 2013-14, prices of key agricultural commodities like onions and tomatoes increased to unprecedented levels.
- This led to increase in material cost to 63.5% in financial year 2013- 14 as compared to 57.2% in FY 2013.

2. Steps taken for improvement:

There are several initiatives which include taking forward covers on foreign exchange, smarter buying and entering into fixed price contracts with its suppliers in order to increase profitability. The Company has also initiated various programmes to look at manufacturing costs to seek cost savings. Along with these measures, as the business of the Company continues to grow it is expected to increase the profitability of the Company subject to the constraints of competition and price increase it can undertake.

3. Expected increase in productivity and profits in measurable terms:

With the above steps being taken by the Company, the productivity and profitability is expected to improve and increase.

D. DISCLOSURES:

Remuneration of all directors also form a part of Directors' Report.

The Company has not issued any stock options to any of the Directors. The Company has not defaulted in payment/ repayment of interest.

The Board of Directors recommends the Resolution for approval of the members.

None of the other Directors of the Company, except Mr. Ravi Nigam is in anyway, concerned or interested in the said Resolution.

Above may also be treated as an abstract of the terms and conditions governing the remuneration of the Managing Director.

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

Dated : May 8, 2014
Place : Pune

Ravi Nigam
Managing Director



DIRECTORS' REPORT

To

The Members,

Your Directors are pleased in presenting the Thirtieth Annual Report together with Audited Statement of Accounts for the year ended 31st March 2014.

1. KEY FINANCIAL HIGHLIGHTS

(Rs. Lacs except per share data)

Highlights	FY 2013-14	FY 2012-13
Revenue from operations	14,592.29	11,192.04
Profit before Depreciation, Interest and Tax	1,192.90	1,313.84
Profit after tax	432.88	632.56
Earnings per share (Rs./share - Basic and diluted)	16.84	24.62
Net Cashflow from Operations	2,345.62	(231.75)
Net Fixed Assets	6,415.28	4,413.86
Long term borrowings (excluding current portion)	2,387.36	2,911.03
Net worth	3,449.05	3,046.89
Net worth per share (Rs./share)	131.37	116.05
Appropriations		
Dividend on Preference Shares	0.60	0.60
Dividend on Equity shares	25.66	25.66
Tax on Dividend	4.46	4.46
Profit/ (Loss) transferred to Balance Sheet	1,820.00	1,417.84

2. FINANCIAL PERFORMANCE & OPERATIONS

Tasty Bite registered a healthy 30.4% Year-On-Year (YOY) growth with revenues of Rs 145.92 registered in the year 2013-14. Both business verticals - Consumer Business and Food Service Business grew at a robust rate.

Consumer Business (CB) comprises of sales of Tasty Bite branded products as well as Private Label brands. Currently, Tasty Bite's Consumer Business (CB) is entirely from exports to the US, Canada, Australia, New Zealand and the UK. CB revenues grew 20.3% for the year, to Rs. 86.33 Crores against Rs. 71.81 Crores last year.

Tasty Bite Food Service (TFS) business comprises sales of products to leading Quick Service Restaurants (QSR's) as well as to the HORECA (Hotels, Restaurants and Catering) sector. While efforts are underway to build an exports initiative for TFS, our current revenues of TFS come entirely from the domestic market. The Company registered an impressive growth of 50.6% to record revenues of Rs. 51.06 Crores against Rs. 33.89 Crores last year. This was achieved by strengthening the product portfolio with existing customers, as well as acquisition of new customers. Tasty Bite is now established as the 'supplier of choice' to leaders in the Indian Food Service Industry.

Despite good revenue growth, a higher material consumption on account of heavy commodity inflation and changed business mix (domestic : export ratio) in the current year resulted in PAT for the year being at Rs. 4.32 Crores - 2.9% against 5.7% during the previous year.

3. DIVIDEND

The Board of Directors is pleased to recommend a final dividend of Re. 1 per equity Share (10% on the face value of Rs. 10 each), subject to the approval of shareholders at the ensuing Annual General Meeting.

In addition to the above, the Company has provided for a Preference dividend of 1% aggregating to Rs. 59,530/- on its 59,530 1% Non Cumulative Non Convertible Redeemable Preference Shares of Rs. 100 each for the financial year 2013-14.

The total dividend payout would involve a cash outgo of Rs. 30.72 lacs including dividend tax of Rs. 4.26 lacs.

Upon declaration by the members at the ensuing Annual General Meeting, the dividend shall be paid to those members, whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents on or before Friday, 29 August, 2014. 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, 29 August, 2014.

4. RESEARCH AND DEVELOPMENT

The Company continues to attach high importance to its R&D capabilities. As a strategic enabler to robust business, The Tasty Bite Research Center (TBRC) is located within the campus as a separate unit. TBRC continues to provide innovative products, both for export and domestic markets. TBRC's research in Product, Process and Ingredient innovation through a combination of in-house expertise and global collaboration ensures that in the area of "Natural, Convenient and Specialty Foods" Tasty Bite is able to provide highest levels of "Great taste, Good value and Real Convenience" to its customers across the world.

5. FINANCE

Your Company continues to have stable long term funding and working capital funding in place.

Total long term borrowing (excluding current portion) stood at Rs. 23.80 Crores as on 31st March 2014 against Rs. 29.10 Crores as on 31st March 2013.

The Company continues to successfully honour repayment of ECBs as per agreed repayment schedule. As on March 31, 2014, the Company has completed 4 out of 8 quarterly repayment installments for ECB 1 amounting to US\$ 0.65 Million. Balance US\$ 0.65 Million shall be repaid by March 31, 2015. Likewise, 9 out of 20 installments have already been paid for ECB 2 amounting to US\$ 0.45 Million. Balance US\$ 0.55 Million shall be repaid by December 31, 2016.

The Company continues its relationship with Axis Bank Limited (Axis) and Ratnakar Bank Limited (RBL) for its working capital requirements of Rs. 15 crore and Rs. 2.5 crore respectively.

The Company has been regular in honouring all financial commitments with respect to its lenders.

During the year, interest on ECB 3 obtained from World Business Capital, USA got charged to the P&L Account for part of the year as a result of commercial commencement of new capital expenditure at the end of December 2013. In the previous year, this expenditure was part of capital costs, being pre-commencement costs.

ICRA Ltd. assigned long term rating of ICRA BBB (pronounced as ICRA triple B) with a stable outlook and short term rating as ICRAA2 (pronounced as ICRAA two) to the Company.

6. CAPITAL EXPENDITURE

The Company has successfully completed its largest capital expenditure program involving capacity expansion for its frozen and sauces businesses. These are state-of-the-art, Hygienic Class 1 manufacturing facilities that will result in availability of sophisticated manufacturing for value added products. Total addition to the Gross Block stood at Rs. 32.93 Crores during the year. Total Net fixed assets as of 31st March 2014 stood at Rs. 64.15 Crores against Rs. 44.14 Crores as of 31st March 2013.

7. FIXED DEPOSITS

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

8. DIRECTORS

Mr. Ashok Vasudevan, retires by rotation at the ensuing Annual General Meeting, and being eligible, has offered himself for reappointment.

In compliance with the Companies Act, 2013, the following appointments of Independent Directors are placed before the Members of the Company proposing candidature of each of them for the office of Director.

- Mr. K. P. Balasubramaniam, Dr. V S Arunachalam and Mr. Kavas Patel for a term of five years from date of forthcoming AGM.

The information of these Directors as stipulated is given in the Notice.

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

9. CORPORATE GOVERNANCE

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

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

10. DELISTING OF EQUITY SHARES FROM REGIONAL STOCK EXCHANGES

In view of the fact that there has been no trading at any Regional Stock Exchange of Company's shares, your Company has applied for delisting of its equity shares from The Calcutta Stock Exchange Limited and The Delhi Stock Exchange Limited during the year.

Your Company has provided related documents to these Regional Stock Exchanges for delisting. The process of delisting is expected to be completed smoothly.

11. STATUTORY AUDITORS

M/s. Kalyaniwalla & Mistry, Chartered Accountants, Pune, retire as the Auditors of the Company at the forthcoming Annual General Meeting and are eligible for re-appointment. The Directors recommend that M/s. Kalyaniwalla & Mistry, Chartered Accountants, Pune, be re-appointed as the Company's Auditors to hold

office until the conclusion of the next Annual General Meeting. The Company has received confirmation that their appointment, if made, will be in accordance with provisions of the Companies Act, 2013

12. COST AUDITOR

M/s. A. J. Paranjape & Company, Cost Auditors, Pune were appointed as Cost Auditors for FY 2014-15. Based on the Audit Committee recommendation, Board has approved the re-appointment of the firm for FY 2014-15, subject to ratification of their remuneration by the Members in forthcoming AGM.

13. SECRETARIAL AUDITOR

Mr. J N Mavji, Practicing Company Secretary, Pune is appointed as Secretarial Auditor for FY 2014-15. Based on the Audit Committee recommendation, Board has approved the appointment of Secretarial Auditor for FY 2014-15.

14. MANAGERIAL REMUNERATION FOR THE YEAR 2013-14

As referred in the Independent Auditor's Report, the Company has sought approval of the Central Government for excess remuneration paid to the Managing Director for the year 2013-14 vide SRN C11217536 dated July 18, 2014. The remuneration was paid as per the approval accorded by the members in their meeting held on September 5, 2011. However, during the year, since the profits, as computed as per the Companies Act was inadequate, the overall remuneration exceeded the limit previously approved by the Central Government.

15. BORROWING & CREATION OF SECURITY

Approval of Members through Postal Ballot was obtained on February 2, 2012 for borrowing and creation of charges upto Rs. 75 crore to meet the working capital and capital expenditure requirements of the Company.

Pursuant to provisions of Section 180 of the Companies Act, 2013, approval of Members is sought afresh by way of Special Resolutions.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm:

- (i) that in preparation of the accounts for the financial year ended March 31, 2014, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- (iii) that they have taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) that they have prepared the annual accounts for the financial year ended March 31, 2014 on a 'going concern' basis.



MANAGEMENT DISCUSSION AND ANALYSIS

A. INDUSTRY STRUCTURE AND DEVELOPMENTS:

Tasty Bite is a high growth natural and ethnic foods business, engaged in the marketing and distribution of convenient and specialty Indian and Asian prepared entrées, noodles and rice in North America, India, Australia, New Zealand, and the UK.

Tasty Bite is attractively positioned at the intersection of the three fastest growing mega-trends in the foods industry: natural, convenient and ethnic. It is the largest brand of Indian shelf stable prepared foods in North America (65% share in natural channel and 28% in conventional grocery) and ranks amongst the top 3 brands among all Indian and Asian brands combined.

The Company manufactures its products and markets it through its parent, Preferred Brands International (PBI) based in the US. PBI has a wide distribution channel that covers the majority of supermarket chains in North America and other international markets. Products are either sold directly by PBI to retail chains or through a distributor that services several retailers and independent grocery stores.

During the year, the consumer business delivered strong growth of 20% led by increased distribution in the US in several mainstream accounts and expansion in new markets such as New Zealand and U.K. New offerings such as the Organic Rices and Asian Noodles have led to new distribution and placement of the products in different aisles of retailers.

Margins in the business were impacted by high inflation in agri-commodities in major raw materials such as onions, tomatoes and dairy products that saw unprecedented price increases in 2013-14.

The Tasty Bite Food Service (TFS) business is built around providing creative and unique food solutions for leaders in the food service industry in India - in the area of Formed Frozen Products (FFP) and Culinary Sauces. The Company manufactures specialty products for international and domestic Quick Service Restaurants (QSRs) as well as companies that focus on HORECA (hotels, restaurants and catering) sector.

Business with leading QSRs continued to show healthy growth during the year helping the overall TFS business growing at over 50% over the previous year. The Company also commissioned state-of-the-art large capacities for the manufacture of its FFP and sauce products that enables us to continue with the current growth trend for the next couple of years. The industry continues to remain bullish for growth even though same store revenues at QSRs have seen some slowdown in the last fiscal. We expect to see continued expansion of existing players taking place with new store openings in new geographies. Given the rising disposable incomes and lack of available choices to dine out in second and third tier cities, these would drive the penetration of QSR brands in all markets. We expect new international as well as local chains to enter the Indian market which is yet in a nascent stage and has the potential for aggressive growth.

A key factor driving growth is the launch of innovative and distinct products that meet consumer expectations. QSRs need to offer 'new' products at a good value given the price sensitive nature of the consumer base. Vegetarian offerings - very different from their international portfolio are being developed for the first time for this important emerging industry by Tasty Bite, giving the Company an edge over competition.

While food service business typically has lower margins compared with the consumer business, the new assets are expected to result in improved margins through better productivity and reduction in wastages.

'Supply Chain' remained a key focus area to improve cost and quality of ingredients being used for manufacturing. Several advance purchase decisions were necessary to mitigate serious inflationary pressures through the year. Similar analysis and action will need to be taken in FY 15 too.

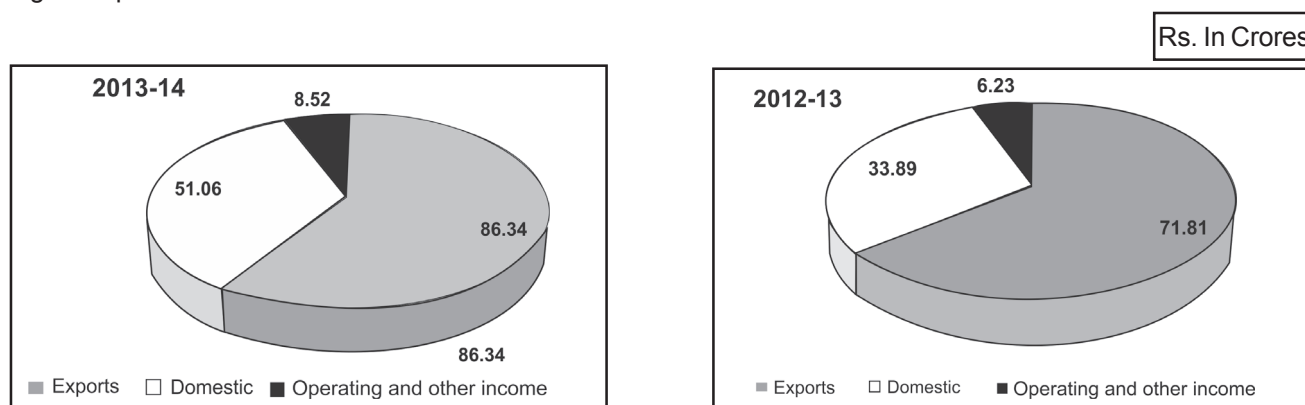
On the shipment front, we are measuring customer fulfillment rates and are seeing steady improvements in OTIF (On-Time In-Full) rates.

The Company continues to invest in R&D which remains a key competitive advantage. Tasty Bite Research Centre (TBRC) is a center of excellence in prepared foods R&D, focusing on product, process and ingredient innovation. The company can seek pride in the fact of TBRC having received accreditation from the Department of Scientific and Industrial Research (DSIR) as an independent R&D center. Several new products have been launched into market during the fiscal and have contributed to approximately 30% of revenue. An important part of TBRC's work is to focus on continuous improvement in existing products to increase their 'Wow' quotient.

Sustainability has been a very important aspect of Tasty Bite. In its own farm, the Company implemented an innovative technology in rain water harvesting to improve the ground water levels. In the very first year of implementation significant improvements have been observed in water table levels. The Company continues to use 'recycled' agri-waste briquettes as fuel for the generation of steam from its boilers. Currently over 80% of the energy used in manufacturing our products comes from renewable sources.

B. REVENUES:

Revenue from operations crossed Rs. 145 Crores during the year. Exports to the US market grew more than 20% due to increased penetration and introduction of products in new categories. As a result, the Company also received higher export incentives.



Buoyed by addition of value added new products and new customers, domestic business crossed the Rs. 50 Crores mark.

Your Company is confident of sustaining the momentum in the business and is looking forward to sustained strong performance in domestic as well as exports markets.

C. MARGIN ANALYSIS:

Heavy inflation in prices of key vegetables, and dairy products witnessed unprecedented increase during the year. Increase in domestic market share also added pressure on increase in baseline material consumption. Material consumption increased from 57.2% in FY13 to 63.2% in FY14.

Other fixed costs remained flat as a percentage of revenue.

Profit before tax was at 4.3% for the year against 8.3% during the previous year.

D. OPPORTUNITIES AND THREATS

The international market for convenient, natural and specialty foods is one of the fast growing categories in supermarkets. The products continued to show one of the fastest rates of growth within this category and currently occupies a 65% market share in natural supermarkets and a 28% market share in the mainstream grocery markets for Indian and pan-Asian foods. Opportunities exist for further growth in distribution to increase market share in conventional supermarkets and other channels.

The institutional business for the Company in India has also grown aggressively achieving a 50% growth over the



previous financial year. The increase in Quick-Service Restaurants (QSRs) and the increase in frozen product offerings enabled the Company to grow in this segment. The Company has added several new customers and through its R&D center developed specialized products to service the needs of the Indian consumer.

E. OUTLOOK

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

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

F. SEGMENT WISE OR PRODUCT WISE PERFORMANCE

The company operates in one segment: Food processing consisting of ready to serve products.

G. RISKS, CONCERNS & RISK MITIGATION

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

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

The Company is also subject to volatility in prices of its agricultural and packaging inputs. Agricultural commodities are impacted by many factors such as deficient or excessive rain during monsoons, global price corrections and local supply and demand situations. The Company enters into short to medium term rate contracts for some of its key raw materials in order to minimise risk. The cold storage facility at the factory is a good enabler in being able to store vegetables at the time of commodity harvest in order to manage costs.

The Company exports by sea to various global markets and any change in fuel costs or supply and demand can lead to increased shipping costs which could have an impact on our margins. An increase in global fuel prices, reduction in India's overall exports and imports placed pressure on the shipping industry directly impacting increase of over 17% in sea freight costs in comparison to FY13 and are expected to remain relatively stable during FY15.

The Company understands that consistent deliverance of 'world class' quality products will ensure global competitiveness. In the consumer business where there are no minimum purchase commitments or contracts with customers, growth is dependent upon the Company's ability to follow best in class food safety and quality practices.

The Company's growth of its food service business is also closely linked to the expansion plans of its customers. This could vary based on market conditions and change or delays in the strategic plans of these companies. Growth of these revenues are therefore, linked to the customers' and the overall category growth.

H. HUMAN RESOURCES, INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMENT

Human Resources and Industrial Relations

Your Company believes in harnessing human talent through sustained focus on improving employee engagement. During the year, there were three key objectives of improving employee engagement - enhanced skill development, rewards and recognition and talent retention programs.

- (i) During the year, different work groups were involved in specially tailored programs for enhanced skill development. Notable among these is an external program where a group comprising of key manufacturing personnel across different hierarchy visited manufacturing facility of Toyota Kirloskar Motors at Bangalore. The objectives of the visit were to learn about workplace safety and manufacturing excellence.
- (ii) Every employee has a clear performance objective set through a specific document called "*Spice Card*". The Spice Card enables objective assessment of individual performance. The performance is rewarded appropriately having cash and/or merit certifications.
- (iii) Each year, specific and structured set of activities enable your company to work with key people who are groomed to take greater responsibilities within the Company. This not only allows your Company to continuously create bench strength but also motivate key employees to contribute more.

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

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

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

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.

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

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

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.

Environment:

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

Your Company has invested a lot of resources in effluent treatment through the use of latest technologies allowing us to recycle 100% of the treated water in our agricultural farm.



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

Community Development/ Corporate Social Responsibility (CSR):

As part of this endeavor, the Company has been committing itself to undertake community and development programs with local schools, environmental initiatives and Tasty Bite Meal support program.

Pursuant to provisions of Companies Act 2013, the Company on May 8, 2014 constituted Corporate Social Responsibility (CSR) Committee comprising Mr. K. P. Balasubramaniam- Independent Director, Mr. Kavas Patel- Independent Director & Mr. Ravi Nigam (Managing Director) of the Company. Policy for CSR shall be adopted by the Board in FY 2014-15. The CSR Committee shall monitor implementation of the policy.

INTERNAL CONTROL SYSTEMS AND RISK MANAGEMENT

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

Some significant aspects covered in the internal control framework include:

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

I. CAUTIONARY STATEMENT

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

J. RELATED PARTY TRANSCATIONS

Note No 34 in Annual accounts sets out the nature of transactions with related parties. Transaction with related parties is carried out on arms length basis and details are tabled before Audit Committee. The transfer pricing is determined considering appropriate margin as prevalent in the industry.

K. ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

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

Your company places the highest levels of importance to people safety. Safety of all employees and all other persons while within the premises is of utmost importance to the Company. The Company has been practicing

safety of women at workplace as part of its formally adopted Code of Conduct. In order to strengthen it and also in compliance to newly enacted Act for protection of women, your Company has formed Internal Complaints Committee. The Committee's mandate is to bring awareness about ensuring safe work place for women; receive and take appropriate decision on complaints, if any received from any woman. No complaints have been received during the year.

M. PERSONNEL

During the year under review, the industrial relations of the Company continued to be cordial and peaceful. Total personnel employed by the Company as on the date of this Report are 194 only.

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

N. ACKNOWLEDGEMENT

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

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

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

For and on behalf of the Board of Directors

May 8, 2014
Pune

Ashok Vasudevan
Chairman



ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE A

The Members

Tasty Bite Eatables Limited

Re: Corporate Governance Certificate

I have examined the compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited (the Company) for the year ended on March 31, 2014 as stipulated in Clause 49 of the Listing Agreement entered into with BSE Limited.

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

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

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

J. N. Mavji

Practising Company Secretary

Membership No. 6111

Certificate of Practice No. FCS 2821

Date : 8 May 2014

Place : Pune

ANNEXURE B

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO:

A. CONSERVATION OF ENERGY:

- a) Energy Conservation measures taken
 - i. Company continues to use briquettes as a measure for energy conservation
- b) Additional investment & proposals for reduction of consumption of energy being proposed. Nil
- c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods - Nil
- d) Total energy consumption & energy consumption per unit of production as per Form A of this Annexure

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- f) Total foreign exchange used & earned

	Current Year	Previous Year
Used (Rs. lacs)	2,687.22	2,139.61
Earned (Rs. lacs)	8,054.43	6,695.70

FORM A

A. Power and fuel consumption		
1. Electricity	Current Year	Previous Year
a) Purchased unit (in KWH)	4,528,753	3,992,990
Total amount (in Rs.)	34,513,507	29,197,650
Rate/unit (in Rs.)	7.62	7.31
b) Own generation		
Through Diesel Generator: A very small amount of electric power was generated through 750 KVA DG sets installed as stand-by arrangements, whenever there is power shortage from MSEDCCL.		
2. Others (Briquettes)		
Qty (in ton)	2,784.00	2,268.50
Total amount (in Rs.)	16,495,499.00	1,06,66,122.00
Average rate (in Rs./ton)	5,925.11	4,701.84
B. Consumption per unit of production	Current Year	Previous Year
Standards Products (with details) unit		
Electricity: KWH/KG	0.355	0.347
Furnace oil: KG/KG		-
Briquettes: KG/KG	0.218	0.251



Form B

a) Research & Development (R & D)**1. Specific areas in which R & D carried out by the Company**

Company has focused on development of a complete range of innovative Asian Noodles and Organic rice by using the thermal processing technologies to impart great taste, consistency and the real convenience to the customer.

The Company has also continued Research and Development in Frozen processing technologies and has innovated a range of Frozen Formed Products.

Considerable R&D has also been done through the year to expand the development capabilities into Emulsion base sauce like Mayonnaise, Dips etc.

Research and Product development initiatives were undertaken also to design nutritionally balanced meals.

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

Commercialized 6 SKU's of Asian Noodles for export market and also 5 SKU's of Frozen Formed Products to Indian QSR customers.

3. Future plan of action:

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

4. Expenditure on R & D

a) Capital (in Rs. '000)	282
b) Recurring (in Rs. '000)	13,689
c) Total (in Rs. '000)	13,971
d) Total R & D expenditure as percentage of total turnover	0.97%

b) Technology, absorption, adaptation and innovation

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

} NIL

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

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

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

BOARD OF DIRECTORS

a) Composition of Board

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

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

b) Board Meetings and information placed before the Board:

There were six Board Meetings held during the year ended March 31, 2014. These were on May 8, 2013, August 13, 2013, October 31, 2013, January 27, 2014, March 6, 2014 and March 14, 2014. The maximum interval between any two meetings was not more than 4 months

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

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

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

c) Code of Conduct for Directors and Senior Management:

The Company has adopted " Code of Conduct" (Code) for Board Members and Managerial Personnel". The Code of Conduct for Board Members as well as the Managerial Personnel is posted on 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.

c) Directors attendance record & directorships held

Sr.	Name of the Director	Category of Directorship	Attendance in Board Meetings during 2013-14	Attendance at last AGM held on 10.09.13	No. of other Directorships# as on 31.03.14	No. of other Committee\$ position held as on 31.03.14 (Other Companies)	No.of Shares held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. Ashok Vasudevan	N.E.D.	2	Yes	3	NIL	NIL
2.	Mrs. Meera Vasudevan	N.E.D.	1	Yes	2	NIL	NIL
3.	Mr. Ravi Nigam	E.D.	4	Yes	2	NIL	200@
4.	Mr. K. P. Balasubramaniam	I.D.	5	Yes	5	1 (member)	2291^
5.	Dr. V. S. Arunachalam	I.D.	6	Yes	2	NIL	NIL
6.	Mr. Kavas Patel	I.D.	3	Yes	6	4 (Chairman of 4)	NIL
7.	Mr. Sohel Shikari*	A.D.	3	N.A.	2	NIL	NIL

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

Mrs. Meera Vasudevan is wife of Mr. Ashok Vasudevan

including Private limited companies and excluding foreign companies

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

@ out of which 100 as joint holder

^ out of which 1500 as joint holder

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

COMMITTEES OF THE BOARD
a) AUDIT COMMITTEE

There were four Audit Committee meetings held during the relevant year viz. on May 8, 2013, August 05, 2013, October 31, 2013 and January 27, 2014. The Audit Committee consists four members, three being Independent Non-Executive Directors and one Executive Director i.e. the Managing Director of the Company. All the members of the Audit Committee have adequate accounting and financial knowledge. Mr. K. P. Balasubramaniam, an Independent Director is Chairman of the Committee.

CORPORATE GOVERNANCE REPORT

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

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

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

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

Terms of reference

The powers, duties and terms of reference of the Committee are as mentioned in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956 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.
- 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 clause 49(II) (D), (E) and clause 49 (iv) of the Listing Agreement.

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

b) SHAREHOLDERS' GRIEVANCE COMMITTEE

During the relevant financial year, there were four meetings held on May 8, 2013, August 05, 2013, October 31, 2013 and January 27, 2014. The Shareholders Grievance Committee of the Board looks into the redressal of shareholder complaints like share transfers, non-receipt of Annual Reports, issue of duplicate shares, non-receipt of declared dividends etc. and redressal thereof. The Board of Directors on May 8, 2014 renamed the Committee as "Stakeholders' Relationship Committee".

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

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

Company Secretary is the Compliance Officer of the Company.

As on March 31, 2014, 94.30% shares of the Company were traded in dematerialized form. To expedite the transfer, transmission, removal, deletion of name, issue of duplicate share certificate, etc a Committee of executives of Company have been formed. The Committee comprises the following executives:

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

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

During the year, the Company received 4 (four) complaints which were resolved and no complaint was pending as on March 31, 2014.

c) REMUNERATION COMMITTEE

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

The Committee consists of following independent non-executive directors:

Name of the Director	Position	Independent/Executive
Mr. K. P. Balasubramaniam	Chairman	Independent Director
Dr. V.S. Arunachalam	Member	Independent Director
Mr. Kavas Patel	Member	Independent Director

DETAILS OF REMUNERATION OF THE BOARD OF DIRECTORS

All decisions related to the remuneration of the Directors, both Executive & Non Executive are decided by the Board of Directors of the Company in accordance with the shareholders' approval and/or Central Government, wherever necessary and in compliance with the provisions of applicable laws. Details of remuneration paid to the Executive & Non Executive Directors for the year 2013-14 are as follows:

Name of the Director	Basic Salary	Allowance & Perquisites*	Performance linked Incentive / Commission / Bonus	Company Contribution to Provident Fund & Pension	Sitting fees	Total
Mr. Ashok Vasudevan	—	—	—	—	—	—
Mrs. Meera Vasudevan	—	—	—	—	—	—
Mr. K. P. Balasubramaniam	—	—	—	—	1,90,000	1,90,000
Dr. V. S. Arunachalam	—	—	—	—	2,40,000	2,40,000
Mr. Kavas Patel	—	—	—	—	1,50,000	1,50,000
Mr. Ravi Nigam	46,88,472	3,62,119	—	5,62,617	—	5,613,208
Mr. Sohel Shikari	—	—	—	—	—	—

* Perquisites include leave encashment ** excluding service tax

Notes :

1. Mr. Ravi Nigam has been re-appointed as Managing Director of the Company w.e.f. July 20, 2011 for a period of 5 years. The shareholders, subject to the approval of the Central Government, have approved the remuneration payable to Mr. Ravi Nigam for a period of 3 years upto July 19, 2014 at the AGM held on September 5, 2011 and further as detailed in the notice and the explanatory statement of the AGM held on September 5, 2011. The Central Government, vide its letter dated May 1, 2012, approved minimum remuneration of Rs. 41, 80,991/- for the period. The Board of Directors at their meeting held on May 8, 2013 revised the remuneration within the limits approved by the shareholders in the AGM held on September 5, 2011 and within the limits provided under applicable provisions of the Companies Act, 1956.
2. Application is made Central Government vide SRN C11217536 on July 18, 2014 for approval of excess remuneration paid to Mr. Ravi Nigam, Managing Director for financial year 2013-14. The auditors have without qualifying drawn attention via matter of emphasis in their report on this matter.
3. Approval of Members is sought in ensuing Annual General Meeting for approval of Remuneration of Managing Director for his remaining tenure of 2 years i.e. from July 20, 2014 till July 19, 2016.

CORPORATE GOVERNANCE REPORT

4. Agreement with the Managing Director can be terminated by giving three month notice in writing by either party. He is not eligible for any commission or performance bonus as per the terms of appointment.
5. No stock option scheme has been framed by the Company for directors and other executives.
6. Salary is paid to Mr. Sohel Shikari as Chief Financial Officer.

c) Remuneration Policy

The Board of Directors has proposed the remuneration of the Managing Director as recommended by the Remuneration Committee in their meetings held on May 8, 2014. The remuneration is proposed considering various factors such as qualification, experience, expertise, prevailing remuneration in the Indian corporates, financial position of the Company etc. The non-executive directors do not draw any remuneration from the Company except sitting fees for each meeting of the Board & Committees thereof paid to the Independent Directors.

The Board of Director have renamed the Remuneration Committee as "Remuneration and Nomination Committee" in May 8, 2014 Board Meeting.

GENERAL BODY MEETINGS

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

Financial year ended	Date & Time	Venue	Special Resolution
2012-13	September 10, 2013 11.00 am.	Registered Office	None
2011-12	September 6, 2012, 12.00 noon	Registered Office	None
2010-11	September 5, 2011, 12.30 p.m	Registered Office	1. Waiver of excess remuneration to Managing Director. 2. Waiver of excess remuneration to Alternate Director & Group CFO. 3. Approval of Remuneration to Managing Director for his balance tenure up to July 19, 2011. 4. Appointment of Managing Director for 5 years and approval of remuneration for 3 years w.e.f. July 20, 2011. 5. Appointment and remuneration of Alternate Director & Group CFO for 3 years w.e.f. April 1, 2011.

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

DISCLOSURES

1. The transactions with related parties do not have potential conflict with the interests of the Company at large. A comprehensive list of related party transactions as required by the Accounting Standards (AS) 18 issued by Institute of Chartered Accountants of India, forms part of Note No. 34 of the Accounts in the Annual Report.
2. The Company has complied with the formalities as laid down by BSE Ltd, SEBI and other statutory authorities on matter related to capital market.

The Company had obtained approval of Members in General Meeting held in 2001 for delisting its equity shares from Calcutta Stock exchange (CSE) and Delhi Stock exchange (DSE) and any other Regional Stock Exchange, wherever the shares may be listed. The Company took suo moto initiative for completing the pending formalities of delisting from CSE & DSE.

The Board of Directors in its meeting held on March 6, 2014 approved assessing the status of delisting from Regional Stock Exchanges and approved the suo moto initiative of delisting from them. All formalities as prescribed by Calcutta Stock Exchange w.r.t. delisting have been completed. The Company has even paid the prescribed amount of fee and other pending dues to CSE. Certificate of Delisting awaited from CSE. The Company has also complied with various requirements of DSE for delisting its equity shares. Certificate of Delisting is awaited from DSE.

3. 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.
4. There has been no public, rights or preferential issues of shares and debentures during the year.
5. As required by Clause 49 of the Listing Agreement, the Company has obtained a certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure A to the Directors' Report.

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

Non Mandatory Requirements:

- Your Company has in place Whistle Blower Policy to provide necessary forum to raise any unethical or improper activity to the management. This policy encourages employees to communicate incidents of any misuse of company's properties, any mismanagement or wrongful conduct prevailing anywhere within the organization.
- The quarterly un-audited results of the Company after being subjected to Limited review by the Statutory Auditors are published in newspapers. These results are not sent to shareholders individually.
- The Auditors have issued an unqualified report on the statutory financial statements of the Company.
- All the non - executive directors have requisite qualification, rich experience and expertise in their respective functional areas. They attend various programmes in the personal capacities which keep them abreast of relevant developments. There is no formal system of evaluating them.
- In terms of SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted 'Code of Conduct for Prevention of Insider Trading' for its Directors and Designated Employees. Ms. Minal Talwar, Company Secretary, is Compliance Officer under the Code. The Directors and Designated Employees have provided specified declarations of not indulging in any insider trading activity.

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

- Date and Time : September 10, 2014 at 11.00 am
- Venue : Registered Office at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005

b) Financial Calendar (tentative)

Financial reporting for

- the quarter ending June 30, 2014 : Second week of August, 2014
- the half year ending September 30, 2014 : First week of November, 2014
- the quarter ending December 31, 2014 : Second week of February, 2015
- year ending March 31, 2015 : Second Week of May 2015

Annual General Meeting for the year ending March 31, 2015

- : September 2015

c) Financial Year

- : April 1 to March 31

d) Dates of Book Closure

- : August 30, 2014 to September 10, 2014 (both days inclusive)

e) Dividend Payment

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

f) Listing on Stock Exchange and Stock Code:

- BSE Limited (BSE)
Code : 519091
The Calcutta Stock Exchange Limited (CSE)
The Delhi Stock Exchange Limited (DSE)

g) Demat ISIN Number for NSDL & CDSL

- : INE 488B01017

h) Registrar & Share Transfer Agent

- : M/s Karvy Computershare Pvt. Ltd.
17-24, Vithal Rao Nagar, Madhapur,
Hyderabad - 500081
Ph : 040-44655116 Fax: 040-23420814
e-mail : ravi.shukla@karvy.com

i) Share Transfer System

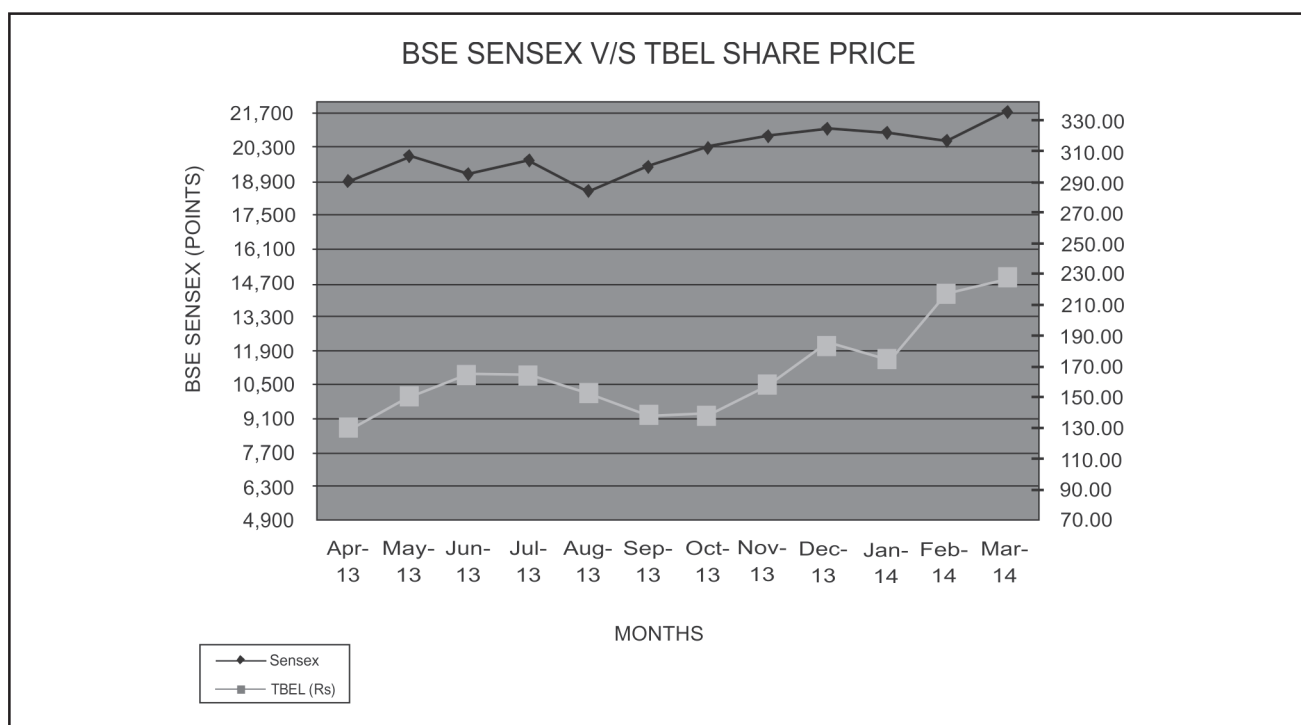
- : In respect of transfer of shares, shareholders are advised to contact M/s. Karvy Computershare Pvt. Ltd. directly.
All transfer request received are processed by the Registrar and Transfer Agent and are approved by the Committee of Executives constituted by the Company. Share transfers are registered and returned within maximum of 15 days from date of lodgment, if complete in all aspects.

j) Stock Market data

The market price and volume of the Company's Equity Shares traded on the BSE Limited; during the year 2013-14 is as follows;

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)	Spread (Rs.) H-L
April 13	150.00	110.00	2,500	40.00
May 13	183.45	117.40	14,197	66.05
June 13	180.00	150.00	7,292	30.00
July 13	175.00	155.25	2,916	19.75
August 13	167.90	138.10	6,820	29.80
September 13	142.50	135.20	3,287	7.30
October 13	149.00	126.10	3,146	22.90
November 13	175.00	143.00	2,616	32.00
December 13	198.00	170.00	4,550	28.00
January 14	194.25	154.45	17,215	39.80
February 14	272.00	162.50	34,432	109.50
March 14	246.00	210.00	32,702	36.00

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

Stock performance Vs BSE Sensex :

k) Reconciliation of Share Capital Audit Report

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

CORPORATE GOVERNANCE REPORT

l) Distribution of Shareholding as on 31st March 2014

As of March 31, 2014, the distribution of the Company's shareholding was as follows:

Category (Amount)	No. of Cases	% of Cases	Amount (Rs.)	% of Amount
1 - 5000	1,549	92.15	19,87,380	7.75
5001 - 10000	61	3.63	4,92,290	1.92
10001 - 20000	33	1.96	4,93,440	1.92
20001 - 30000	10	0.59	2,72,800	1.06
30001 - 40000	5	0.30	1,78,830	0.70
40001 - 50000	11	0.65	5,03,260	1.96
50001 - 100000	6	0.36	4,15,720	1.62
100001 & Above	6	0.36	2,13,16,280	83.07
Total	1681	100 %	2,56,60,000	100 %

m) Shareholding Pattern as on March 31, 2014

Category	No. of Holders	Total Shares	% To Equity
PROMOTER	1	19,04,510	74.22%
BANKS	1	1,500	0.06%
BODIES CORPORATE	55	58,084	2.26%
OTHERS	23	10,447	0.41%
NON RESIDENT INDIANS	18	12,511	0.49%
CLEARING MEMBERS	4	145	0.01%
RESIDENT INDIVIDUALS	1,579	5,78,803	22.55%
Total	1681	25,66,000	100.00%

n) Dematerialization of shares and liquidity as on 31.03.2014

Description	No. of cases	Total Shares	% to equity
Physical	742	1,46,502	5.71
NSDL	648	22,93,120	89.37
CDSL	291	1,26,378	4.93
Total	1,681	25,66,000	100.00%

m) Outstanding GDR/ADR/Warrants or any convertible instruments

: Not Applicable

n) Factory Location

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

o) Investors Correspondence

: Ms. Minal Talwar
Company Secretary
204, Mayfair Towers, Wakdewadi,
Shivajinagar, Pune - 411005
Ph : 91-020-30216000
Fax : 91-020-30216035
E-mail : secretarial@tastybite.com



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

To the Board of Directors of

Tasty Bite Eatables Limited

We certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year 2013-14 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Place : Pune
Date : May 8, 2013

Ravi Nigam
Managing Director

Sohel Shikari
CFO

Certificate for compliance with Code of Conduct

I, confirm that all Directors and members of the Senior Management have affirmed compliance with the Code of Conduct for the year ended March 31, 2014.

Place: Pune
Date: May 8, 2014

Ravi Nigam
Managing Director

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF TASTY BITE EATABLES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Tasty Bite Eatables Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Without qualifying our report, we draw attention to note no. 44, wherein, it has been stated that the Company is in the process of making an application to the Central Government for the approval of the excess remuneration paid to the Managing Director.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by sub-section (3) of section 227 of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors as on March 31, 2014, where applicable, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Act nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

Ermin K. Irani
Partner
Membership No.. 35646

Date : May 8, 2014
Place : Pune

ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date on the accounts of Tasty Bite Eatables Limited for the year ended March 31, 2014

- 1) (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(ii) As explained to us, the Company has a program for physical verification of fixed assets at periodic intervals. In our opinion, the frequency of physical verification of fixed assets is reasonable having regard to the size of the Company and the nature of its assets. As informed to us, no material discrepancies were noticed on such verification and the same have been properly dealt with in the accounts.
(iii) In our opinion, there was no significant disposal of fixed assets during the year to affect the going concern assumption.
- 2) (i) The Management has conducted physical verification of inventory at reasonable intervals. In our opinion, the frequency of verification is reasonable.
(ii) In our opinion, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(iii) The Company has maintained proper records of inventory. As informed to us, no material discrepancies were noticed on the physical verification between the physical stocks and the book records and the same have been properly dealt with in the accounts.
- 3) (i) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
(ii) The question of commenting on the rates of interest and other terms and conditions of the loans granted being prejudicial to the interest of the Company, regular receipt of principal and interest, overdue amount and reasonable steps taken for recovery of principal and interest does not arise.
(iii) The Company has taken loans from one party listed in the register maintained under section 301 of the Companies Act, 1956. The total loan amount outstanding at the year end is Rs.72,071 thousand.
(iv) In our opinion, the rate of interest and other terms and conditions of loans taken from Companies and parties listed in the register maintained under Section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the Company.
(v) The Company is regular in the payment of principal and interest.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchases of inventory, fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls.
- 5) (i) Based upon the audit procedures applied by us and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956, have been entered in the register maintained under that section.
(ii) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000 in respect of any party during the year, have been made at prices which are reasonable, having regard to prevailing market prices at the relevant time.
- 6) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- 7) In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of its business.
- 8) We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the

Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

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

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

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax, Interest and Penalty	788,036	1999 -2000	Sales Tax Tribunal
Bombay Sales Tax Act, 1959	Interest and Penalty	41,778	1999 -2000	Sales Tax Tribunal
Delhi Sales Tax Act, 1975	Tax, Interest and Penalty	48,702	2003 -2004	Deputy Commissioner of Sales Tax (Appeal)
The Finance Act, 1994 (Service Tax)	Tax and Penalty	2,716,214	2005 - 2010	The Customs, Excise and Service Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	5,183,624	2006 -2007	The Income Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	11,828,200	2007-2008	The Income Tax Appellate Tribunal
The Income Tax Act, 1961	Tax	22,412,640	2008-2009	The Income Tax Appellate Tribunal

Of the above, the Company has deposited Rs.491,778 towards sales tax, Rs.800,000 towards service tax. Out of disputed dues of Income Tax, the Company has deposited Rs.1,080,000 and has requested the Income Tax Department to adjust Rs.4,183,624 out of income tax refunds of subsequent periods.

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

- 10) The Company has no accumulated losses as at the end of the financial year. Further, it has not incurred any cash losses in the current financial year and immediately preceding financial year.
- 11) According to the information and explanations given to us and based on the documents and records produced before us, there has been no default in repayment of dues to financial institutions or banks. There are no dues to debenture holders.

- 12) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13) According to the information and explanations given to us, the nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi / mutual benefit fund / societies.
- 14) According to the information and explanations given to us, the Company does not deal or trade in shares, securities, debentures and other investments.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16) In our opinion and according to the information and explanations given to us, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, funds amounting to Rupees 51,755 thousand raised on short-term basis (primarily represented by changes in working capital and short term borrowings) have been used for long-term investment (primarily represented by additions to fixed assets and repayment of long term borrowings).
- 18) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- 19) The Company did not issue any debentures during the year.
- 20) The Company has not raised any money through a public issue during the year.
- 21) According to the information and explanations given to us by the Management and to the best of our knowledge and belief, no fraud on, or by the Company has been noticed or reported during the year.

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

Ermin K. Irani
Partner
Membership No.: 35646

Date : May 8, 2014
Place : Pune



BALANCE SHEET AS AT 31ST MARCH, 2014

Particulars	Note	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	3	31,613	31,613
(b) Reserves and Surplus	4	313,292	273,076
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	238,736	291,103
(b) Deferred tax liabilities (Net)	6	38,985	19,735
(c) Long term provisions	7	8,259	7,544
(3) CURRENT LIABILITIES			
(a) Short-term borrowings	8	127,686	104,567
(b) Trade payables	9	231,369	126,155
(c) Other current liabilities	10	88,748	54,597
(d) Short-term provisions	11	9,433	25,506
Total		1,088,121	933,896
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	12	635,559	323,340
(ii) Intangible assets	13	160	908
(iii) Capital work-in-progress		5,809	117,138
(b) Long term loans and advances	14	12,010	52,363
(c) Other non-current assets	15	-	-
(2) CURRENT ASSETS			
(a) Inventories	16	139,337	97,706
(b) Trade receivables	17	143,550	176,885
(c) Cash and cash equivalents	18	44,816	93,749
(d) Short-term loans and advances	19	106,546	70,547
(e) Other current assets	20	334	1,260
Total		1,088,121	933,896

See accompanying notes (1 to 45) to the financial statements

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

As per our report attached
For KALYANIWALLA & MISTRY

CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W)

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

For TASTY BITE EATABLES LIMITED

Ermin K. Irani
PARTNER
Membership No. 35646

Ravi Nigam
Managing Director

Sohel Shikari
Alternate Director

Minal Talwar
Company Secretary

Date : May 8, 2014
Place : Pune

Date : May 8, 2014
Place : Pune

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	Note	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
		Rs. '000	Rs. '000
I Revenue from Operations (Gross)	21	1,385,433	1,064,360
Less: Excise Duty		11,434	7,412
Revenue from Operations (Net)		1,373,999	1,056,948
II Other Operating Income	22	79,860	58,277
III Other Income	23	5,370	3,979
IV Total Revenue	(I + II + III)	1,459,229	1,119,204
V Expenses:			
a) Cost of raw materials including packaging materials consumed	24	940,819	652,984
(b) Changes in Inventories of Finished Goods and Work-in-Progress	25	(18,209)	(12,506)
(c) Employee Benefit Expenses	26	169,484	133,598
(d) Interest and Finance Costs	27	16,673	10,541
(e) Depreciation and Amortization Expenses	28	40,079	26,965
(f) Other Expenses	29	247,845	213,744
Total Expenses		1,396,691	1,025,326
VI Profit before extraordinary items and tax	(IV - V)	62,538	93,878
VII Extraordinary Items		-	837
VIII Profit before tax	(VI - VII)	62,538	93,041
IX Tax expense:			
(a) Current tax		13,003	29,197
(b) MAT credit Entitlement		(13,003)	-
(c) Deferred tax		19,250	588
X Profit/(Loss) for the year	(VIII - IX)	43,288	63,256
XI Earning per equity share			
Basic and Diluted (Face value: Rs.10 per share)			
- After Extraordinary items		16.84	24.62
- Before Extraordinary items		16.84	24.95

See accompanying notes 1 to 45 to the financial statements.

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

As per our report attached
For **KALYANIWALLA & MISTRY**

CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W)

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

For **TASTY BITE EATABLES LIMITED**

Ermin K. Irani
PARTNER
Membership No. 35646

Ravi Nigam
Managing Director

Sohel Shikari
Alternate Director

Minal Talwar
Company Secretary

Date : May 8, 2014
Place : Pune

Date : May 8, 2014
Place : Pune



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31st March, 2014	For the Year Ended 31st March, 2013
	Rs. '000	Rs. '000
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit Before Tax	62,538	93,041
Adjustment for:		
Depreciation and Amortisation	40,079	26,965
Interest and Finance Costs	16,673	10,541
Interest Income	(4,731)	(2,173)
Loss / (Gain) on Foreign Exchange Transactions	(1,934)	(4,727)
Provision for Retired Assets	(1,805)	1,805
Extra Ordinary Items	-	837
Provision for Mark to Market Losses on Derivatives	1,956	1,141
(Profit) / Loss on fixed assets sold / written off (Net)	1,584	-
	51,822	34,389
Operating Profit Before Working Capital Changes	114,360	127,430
Changes in Working Capital		
Increase / (Decrease) in Trade Payables	105,715	31,499
Increase / (Decrease) in Other Current Liabilities	34,057	(6,322)
Increase / (Decrease) in Provisions	355	2,579
(Increase) / Decrease in Loans and Advances	12,214	(52,197)
(Increase) / Decrease in Inventories	(41,631)	(30,364)
(Increase) / Decrease in Trade Receivables	31,973	(82,323)
(Increase) / Decrease in Other Current Assets	1,243	-
	143,926	(137,128)
Cash Generated from Operations	258,286	(9,698)
Income Tax Paid	(23,724)	(13,477)
Net Cash Flow from Operating Activities	234,562	(23,175)
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(212,089)	(148,760)
Sale of Fixed Assets	28	-
Net Cash Used in Investing Activities	(212,061)	(148,760)
<i>Balance carried forward</i>	22,501	(171,935)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	For the Year Ended 31st March, 2014		For the Year Ended 31st March, 2013
	Rs. '000	Rs. '000	Rs. '000
<i>Balance Brought Forward</i>		22,501	(171,935)
C. CASH FLOW FROM FINANCING ACTIVITIES:			
Change in Borrowings	(56,514)		215,414
Interest and Finance Costs	(16,673)		(10,541)
Interest Income	4,731		2,173
Dividend Paid on Equity Shares	(2,472)		(2,480)
Dividend Paid on Redeemable Preference Shares	(60)		(60)
Dividend Distribution Tax Paid	(446)		(426)
Net Cash Used in Financing Activities		(71,434)	204,080
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :		(48,933)	32,145
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING		93,749	61,604
CASH AND CASH EQUIVALENTS AS AT THE ENDING		44,816	93,749
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		-	-
		44,816	93,749
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :		(48,933)	32,145
Cash and Cash equivalents comprise of:			
Cash on hand		180	71
Balances with banks*		44,636	93,678
		44,816	93,749
* includes following balances which are not available for use by the Company			
- Unpaid dividend account		335	241
- Margin money deposit		-	2,802
- Deposits held as security against borrowings		-	2,022
- Deposits held as lien		22,112	22,106
- Deposits with more than three months maturity but less than twelve months maturity		853	50,618

NOTES

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

As per our report attached

For **KALYANIWALLA & MISTRY**

CHARTERED ACCOUNTANTS

(Firm Registration No.: 104607W)

For and on behalf of the Board

For **TASTY BITE EATABLES LIMITED**

Ermin K. Irani

PARTNER

Membership No. 35646

Ravi Nigam

Managing Director

Sohel Shikari

Alternate Director

Minal Talwar

Company Secretary

Date : May 8, 2014

Place : Pune

Date : May 8, 2014

Place : Pune



NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

Note : 1 General Information

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

Note : 2 Significant Accounting Policies

a) Basis of Accounting:

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

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

b) Use of Estimates:

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

c) Fixed Assets and Depreciation:

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

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

d) Inventories:

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

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

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

e) Investments:

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

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

f) Borrowing Costs:

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

g) Foreign Exchange Transactions:

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year-end, are stated at the year-end rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at the year end exchange rates. Exchange gains / losses are recognized

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

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

h) **Revenue Recognition:**

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

Interest income is recognised on the time proportion method.

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

i) **Research and Development Expenditure:**

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

j) **Export Incentives:**

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

k) **Government Grants:**

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

l) **Employee Benefits:**

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

m) **Taxes on income:**

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

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

n) **Impairment of Assets:**

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

o) **Provisions and Contingencies:**

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

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



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

p) Derivative contracts

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

q) Earnings Per Share

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

	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
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Note : 3 Share Capital

(a) AUTHORISED SHARE CAPITAL :

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

(b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL :

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

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

Equity Shares	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	2,566,000	25,660	2,566,000	25,660
Issues during the year	-	-	-	-
Outstanding at the end of the year	2,566,000	25,660	2,566,000	25,660

1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	As at 31st March, 2014		As at 31st March, 2013	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	59,530	5,953	59,530	5,953
Issues during the year	-	-	-	-
Outstanding at the end of the year	59,530	5,953	59,530	5,953

(d) Details of shares held by Holding Company

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

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

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

“Preferred Brands International Inc. USA, the Holding Company has pledged its 100% holding in its wholly owned subsidiary, Preferred Brands Foods (India) Private Limited, which is the immediate holding company of the Company.

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	% holding	No. of shares	% holding	No. of shares
Preferred Brands Foods (India) Private Limited	74.22	1,904,510	74.22	1,904,510
K. Swapna	6.15	157,900	6.15	157,900

(f) Terms attached to Equity Shares

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

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

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

	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
Note : 4 Reserve and Surplus		
(a) Securities Premium Account	9,475	9,475
(b) Capital Reserve	5,734	5,734
(c) Reserve for Premium of Preference Share Capital	116,083	116,083
(d) Surplus / (deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	141,784	81,600
Add : Transferred from Statement of Profit and Loss	43,288	63,256
Less : Appropriations		
Proposed Dividend on Equity Shares	2,566	2,566
Dividend on Redeemable Preference Shares	60	60
Tax on dividend	446	446
Net surplus in the statement of profit and loss	182,000	141,784



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

Total Reserves and Surplus	313,292	273,076
	As at	As at
	31st March, 2014	31st March, 2013
	Rs. '000	Rs. '000

Note : 5 Long-Term Borrowings

Secured Loans

(a) Term Loans

- from Financial Institutions	217,715	217,140
- from Related Parties	21,021	73,963
Total Long-Term Borrowings	238,736	291,103

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

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

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

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

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

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

Above ECBs are not pre-payable.

- d) There is no default as on March 31, 2014 and as on March 31, 2013 in repayment of principal and interest.

	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
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Note : 6 Deferred Tax Liability

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

Deferred Tax Liability		
Depreciation on fixed assets	48,635	28,334
Deferred Tax Asset		
Provision for employee benefits	4,992	4,312
Others	4,658	4,287
Deferred Tax Liability (Net)	38,985	19,735

Note : 7 Long-Term Provisions

Provision for Employee Benefits (Also refer note no. 25)

- Gratuity	3,002	3,036
- Leave Encashment	5,257	4,508
Total Long-Term Provisions	8,259	7,544

Note : 8 Short Term Borrowings

Secured Loans

Working Capital Loans repayable on demand from banks

Cash Credit	127,686	104,567
	127,686	104,567

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



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

(b) There is no default as on March 31, 2014 and as on March 31, 2013 in repayment of principal and interest.

	As at	As at
	31st March, 2014	31st March, 2013
	Rs. '000	Rs. '000

Note : 9 Trade Payable

(a) Trade Payables	231,369	126,155
Total Trade Payables	231,369	126,155

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

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

	As at	As at
	31st March, 2014	31st March, 2013

	Rs. '000	Rs. '000
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Note : 10 Other Current Liabilities

(a) Current maturities of long term borrowings (Secured, Refer Note no. 5)	73,572	37,321
(b) Interest accrued but not due on borrowings	118	111
(c) Unpaid dividends	335	241
(d) Payables for fixed assets	7,452	9,919
(f) Other payables		
- Statutory dues payable	2,748	2,579
- Employee dues payable	4,523	3,749
- Related parties	-	438
- Others	-	239
Total Other Current Liabilities	88,748	54,597

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

	As at 31st March, 2014	As at 31st March, 2013
Note : 11 Short-Term Provisions		
(a) Provision for Employee Benefits (Also refer note no. 25)		
- Gratuity	3,242	2,795
- Leave Encashment	1,163	829
(b) Provision for Taxation	-	15,864
(c) Provision for Mark to Market Losses on Derivatives	1,956	1,141
(d) Proposed Dividend on Equity Shares	2,566	2,566
(e) Proposed Dividend on Redeemable Preference Shares	60	60
(f) Tax on Dividend	446	446
(g) Provision for retired assets	-	1,805
Total Short-Term Provisions	<u><u>9,433</u></u>	<u><u>25,506</u></u>

(h) Movement in provisions is as follows:

Provision for Mark to Market Losses on Derivatives

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

Provision for retired assets

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

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

Note 12 - Tangible Assets

Rs. '000

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-Apr-13	Additions	Adjust- ments	Deductions	As at 31-Mar-14	Upto 31-Mar-13	For the Year	On Deductions	Upto 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Freehold Land	1,255	-	-	-	1,255	-	-	-	-	1,255	1,255
Buildings	90,004	61,633	6,456	55	158,038	19,688	4,399	4	24,083	133,955	70,316
Plant and Machinery	352,159	241,247	28,676	22,654	599,428	126,899	32,440	21,735	137,604	461,824	225,260
Office Equipment	6,382	3,235	132	155	9,594	1,508	368	28	1,848	7,746	4,874
Computers	7,994	738	3	430	8,305	6,137	601	372	6,366	1,939	1,857
Furniture and Fixtures	9,518	1,592	148	766	10,492	4,541	406	119	4,828	5,664	4,977
Vehicles	75	-	-	-	75	52	5	-	57	18	23
Electrical Installations	18,750	8,850	735	146	28,189	3,972	1,112	53	5,031	23,158	14,778
TOTAL	4,86,137	3,17,295	36,150	24,206	8,15,376	1,62,797	39,331	22,311	1,79,817	6,35,559	
Previous Year	4,42,554	35,645	7,938	-	4,86,137	1,36,580	26,217	-	1,62,797		3,23,340

- (a) Adjustments include exchange differences arising on reporting of long-term foreign currency monetary liability on account of option exercised by the Company as per Accounting Standard 11 - The Effects of Changes in Foreign Exchange Rates.
- (b) Depreciation charged to the statement of profit and loss for the year on availment of above option is Rs.4,897 thousand (Previous Year: Rs.2,642 thousand).
- (c) Amount of foreign exchange remaining to be amortised as at March 31, 2014 is Rs.50,036 thousand (Previous Year: Rs.18,786 thousand).
- (d) In addition to above, the Company has adjusted Rs.Nil (Previous Year: Rs.345) to the cost of capital work in progress on account of such difference.
- (e) The Company has capitalised borrowing costs (Net) of Rs. 3,418 thousand (Previous Year: 36,902) under fixed assets and capital work in progress.

Note 13 - Intangible Assets

Rs. '000

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-Apr-13	Additions	Deductions	As at 31-Mar-14	Upto 31-Mar-13	For the Year	On Deductions	Upto 31-Mar-14	As at 31-Mar-14	As at 31-Mar-13
Computer Softwares	3,741	-	-	3,741	2,833	748	-	3,581	160	908
TOTAL	3,741	-	-	3,741	2,833	748	-	3,581	160	
Previous year	3,741	-	-	3,741	2,085	748	-	2,833		908

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

	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
Note : 14 Long-Term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
(a) Security Deposits		
- Considered Good	1,215	381
- Considered Doubtful	2,357	2,357
(b) Export Incentives Receivables		
- Considered Doubtful	1,836	1,836
(c) Capital Advances	1,759	51,108
(d) Prepaid Expenses	1,176	874
(e) Advance to suppliers		
- Considered Doubtful	3,034	1,534
(f) Advance taxes	7,860	-
Less: Provision for doubtful receivables and advances	7,227	5,727
Total Long-Term Loans and Advances	12,010	52,363

Note : 15 Other Non-current Assets

(Unsecured)

Trade Receivables

(a) Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered doubtful	300	329
(b) Others		
- Considered doubtful	81	-
(c) Less : Provision for doubtful debts	381	329
Total Other Non-Current Assets	-	-

Note : 16 Inventories

(a) Raw Material	46,693	43,594
(b) Stores and Spares	568	588
(c) Packing Material	45,656	25,313
(d) Work in Progress	14,238	4,917
(e) Finished Goods		
- Finished Goods on hand	22,346	22,673
- Finished Goods in transit	9,836	621
Total Inventories	139,337	97,706



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

	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
(f) Details of inventory		
(i) Finished Goods		
- Ready to Serve	15,243	3,663
- Frozen Formed Products	10,392	16,280
- Sauces	6,547	3,351
	<u>32,182</u>	<u>23,294</u>
(ii) Work in Progress		
- Ready to Serve	10,385	3,733
- Frozen Formed Products	1,127	374
- Sauces	2,726	810
	<u>14,238</u>	<u>4,917</u>
Note : 17 Trade Receivables		
(Unsecured, considered good unless otherwise stated)		
(a) Outstanding for a period exceeding 6 months from the date they are due for payment		
- Considered good	7,959	631
(b) Others		
- Considered good	135,591	176,254
Total Trade Receivables	<u>143,550</u>	<u>176,885</u>
Note 18 : Cash and Bank Balances		
(a) Cash and Cash Equivalents		
(i) Cash on hand	180	71
(ii) Balances with banks	21,336	15,889
	<u>21,516</u>	<u>15,960</u>
(b) Other Bank Balances		
(i) Margin Money	-	2,802
(ii) Deposits held as security against borrowings	-	2,022
(iii) Deposits with bank held as lien	22,112	22,106
(iv) Deposits with more than three months maturity but less than twelve months maturity	853	50,618
	<u>22,965</u>	<u>77,548</u>
(c) Earmarked Balances with Banks	335	241
Total Cash and Bank Balances	<u>44,816</u>	<u>93,749</u>

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

	As at 31st March, 2014 Rs. '000	As at 31st March, 2013 Rs. '000
Note 19 : Short-term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
(a) Security Deposits	2,833	1,832
(b) Balances with Government Authorities	33,636	23,277
(c) Prepaid expenses	2,807	1,882
(d) Export Incentives Receivables	63,049	36,976
(e) Employee advances	422	104
(f) Advance to suppliers	3,799	6,476
Total Short-Term Loans and Advances	106,546	70,547
Note 20 : Other Current Assets		
(Unsecured, considered good unless otherwise stated)		
Assets Held for Disposal (at cost or net realizable value whichever is lower)	283	-
Others	51	1,260
Total Other Current Assets	334	1,260
Note 21 : Revenue from Operations		
(a) Sales (Gross)	1,385,433	1,064,360
Less : Excise Duty	11,434	7,412
Total Revenue from Operations	1,373,999	1,056,948
(b) Details of sales		
Finished Goods		
- Ready to Serve	863,077	716,421
- Frozen Formed Products	331,133	195,477
- Sauces	177,904	143,320
Others	1,885	1,730
	1,373,999	1,056,948
Note 22 : Other Incomes		
Export Incentives	76,265	56,281
Scrap Sales	3,595	1,996
Total Other Operating Income	79,860	58,277



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

	Year ending 31st March, 2014 Rs. '000	Year ending 31st March, 2013 Rs. '000
Note 23 : Other Incomes		
(a) Interest		
- on bank deposits	2,011	2,173
- on others	2,720	-
(c) Miscellenoues income	639	1,806
	<u>5,370</u>	<u>3,979</u>

Note 24 : Cost of raw materials including packaging materials consumed

(a) Opening Stock	68,907	51,487
(b) Purchases (Net)	964,261	670,404
	<u>1,033,168</u>	<u>721,891</u>
(c) Less : Closing Stock	92,349	68,907
Total Cost of Materials Consumed	<u>940,819</u>	<u>652,984</u>

Note 25 : Changes in inventories of finished goods and work-in-progress

(a) Opening Stock of :		
Finished Goods	23,294	10,641
Work in Progress	4,917	5,064
	<u>28,211</u>	<u>15,705</u>
(b) Closing Stock of :		
Finished Goods	32,182	23,294
Work in Progress	14,238	4,917
	<u>46,420</u>	<u>28,211</u>
Changes in inventories of finished goods and work-in-progress	<u>(18,209)</u>	<u>(12,506)</u>

Note 26 : Employees Benefit Expenses

(a) Salaries, Wages, Bonus and Gratuity	160,002	125,765
(b) Contribution to Provident and Other Funds	5,206	4,381
(c) Workmen and Staff Welfare Expenses	4,276	3,452
	<u>169,484</u>	<u>133,598</u>

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

	Year ending 31st March, 2014 Rs. '000	Year ending 31st March, 2013 Rs. '000
(d) Defined Contribution Plan:		
Contribution to defined contribution plans includes contribution to provident fund and are recognized as expense for the year.		
(e) Defined Benefit Plan:		
The amounts recognized in the Company's financial statements as at the year end as per the certificate issued by actuary in respect of gratuity are as under :		
	2013-14 Rs. '000	2012-13 Rs. '000
Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	15,506	12,197
Current Service Cost	1,240	1,204
Interest Cost	1,125	1,006
Contribution by Plan Participants	-	-
Actuarial (Gain) / Loss on Obligation	(398)	1,446
Foreign Currency exchange rate changes	-	-
Benefits Paid	(828)	(347)
Past Service Cost	-	-
Amalgamations/ Curtailments/ Settlements	-	-
Present value of the obligation at the end of the year	16,646	15,506
Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	9,675	8,833
Expected return on Plan Assets	842	760
Actuarial Gain / (Loss) on Plan Assets	713	82
Foreign Currency exchange rate changes	-	-
Contributions by the Employer	-	-
Contributions by Plan Participants	-	-
Benefits Paid	(828)	-
Amalgamations/ Settlements	-	-
Fair value of Plan Assets at the end of the year	10,402	9,675
Amounts Recognized in the Balance Sheet:		
Present value of Obligation at the end of the year	16,646	15,506
Unrecognized Past Service Cost	-	-
Fair value of Plan Assets at the end of the year	10,402	9,675
Net Obligation at the end of the year	6,244	5,831
Amounts Recognized in the statement of Profit and Loss:		
Current Service Cost	1,240	1,204
Interest cost on Obligation	1,125	1,006
Expected return on Plan Assets	(842)	(760)
Expected return on Reimbursement Right recognised as an asset	-	-
Net Actuarial (Gain) / Loss recognised in the year	(1,111)	(1,364)
Past Service Cost	-	-



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

	2013-14 Rs. '000	2012-13 Rs. '000
Effect of Curtailment or Settlement	-	-
Net Cost Included in Personnel Expenses on account of benefits paid	-	-
Expenses recognized in the statement of profit and loss	413	2,814
Actual return on Plan Assets	1,555	842
Actuarial Assumptions:		
Discount Rate	8.00%	8.00%
Expected Rate of Return on Plan Assets	8.70%	8.70%
Salary Escalation Rate	7.50%	7.50%
Employee Turnover	8.48%	8.48%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate

Note:

- (i) The estimates of future salary increases, considered in actuarial valuation, have been done on the basis of current salary suitably projected for future taking into consideration the general trend in inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.
- (ii) The discounting rate is considered based on government securities having the term, which is consistent with the expected future service based on the average age.
- (iii) Plan assets are insurer managed fund.
- (f) The liability for leave encashment as at the year end is **Rs. 6,420 thousand** (Previous Year: Rs.5,337 thousand).

Year ending 31st March, 2014	Year ending 31st March, 2013
Rs. '000	Rs. '000

Note 27 : Interest and Finance Cost

(a) Interest		
- Long term borrowings from banks	-	611
- Long term borrowings from others	7,863	4,607
- Short term borrowings from banks	3,988	3,489
- Interest on income tax	567	-
- Others	673	7
(b) Other Finance Charges	3,582	1,827
	16,673	10,541

Note 28 : Depreciation and Amortisation Expense

(a) Depreciation on tangible assets	39,331	26,217
(b) Depreciation on intangible assets	748	748
	40,079	26,965

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

	Year ending 31st March, 2014 Rs. '000	Year ending 31st March, 2013 Rs. '000
Note 29 : Other Expenses		
(a) Stores and Spares Consumed	47,578	37,580
(b) Power and Fuel	34,537	28,257
(c) Repairs and Maintenance:		
- Plant and Machinery	5,127	6,375
- Buildings	5,620	1,572
- Others	1,174	814
(d) Rent, Rates and Taxes	7,156	4,112
(e) Telephone and Postage	3,492	3,984
(f) Travelling and Conveyance	11,597	12,020
(g) Legal and Professional Charges	11,033	10,840
(h) Printing and Stationary	5,672	4,933
(i) Insurance	3,694	2,615
(j) Freight	77,033	65,922
(k) Selling Expenses	2,285	442
(l) Bad Debts Written Off	1,006	-
(m) Provision for Doubtful Debts	52	329
(n) Provision for Doubtful Advances	1,500	2,619
(o) Provision for Retired Assets	(1,805)	1,805
(p) Loss on fixed assets sold / written off (Net)	1,584	-
(q) Loss on Foreign Exchange (Net)	9,634	13,793
(r) Provision for Mark to Market Loss on derivatives	1,956	1,141
(s) Auditor's Remuneration	1,413	1,356
(t) Miscellaneous Expenses	16,195	11,608
(u) Prior Period Expenses	312	1,627
	247,845	213,744
(v) Prior period expenses include		
- Taxes and duties pertaining to earlier period	-	1,627
- Short / non provision for expenses	312	-
	312	1,627



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

	Year ending 31st March, 2014 Rs. '000	Year ending 31st March, 2013 Rs. '000
Note 30 : Contingent Liabilities		
(a) Sales Tax demands disputed by the Company and under appeal	930	930
(b) Service tax demand disputed by the Company and under appeal	2,716	2,716
(c) Income tax liability towards additions / disallowances under dispute	44,025	40,177

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

Note 31 : Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs.761 thousand** (Previous Year: Rs. 64,123 thousand)

Note 32 : Derivative Contracts

The derivative contracts outstanding as at March 31, 2014 are as under:

- a) Forward contracts USD-INR for the purpose of hedging its exposure to foreign currency receivables:
USD 2,120 thousand (Previous Year: USD 1,550 thousand).

Note 33 :

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

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

Note 34 : Related Party Disclosures

(a) Relationships :

(i) HOLDING COMPANY

Preferred Brands Foods (India) Private Limited

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

(ii) ULTIMATE HOLDING COMPANY

ASG OMNI L.L.C.

(iii) FELLOW SUBSIDIARY

Preferred Brands Australia Pty. Ltd.

ASG Omni India Private Limited

(iv) KEY MANAGEMENT PERSONNEL

Mr. Ravi Nigam - Managing Director

Mr. Sohel Shikari - Alternate Director

(v) RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Ruby Nigam

Mrs. Reshma Shikari

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

M/s. K. S. Shikari & Associates

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

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

Sr. No.	Particulars	Preferred Brands Foods (India) Private Limited		Preferred Brands International, Inc. USA		Preferred Brands Australia Pty. Ltd.		ASG Omni India Private Limited	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Sales	-	-	710,586	590,659	82,087	123,674	-	-
2	Expenses Charged to Other Companies	10	101	3,266	2,657	1,112	758	-	-
3	Expenses Charged by Other Companies	-	-	1,738	1,223	522	-	-	-
4	Interest on Loan Taken	-	-	3,504	4,285	-	-	-	-
5	Advance given on behalf of the Company	-	-	-	236	-	-	-	-
6	Outstanding receivables net of payables	-	-	61,319	1,32,334	2,093	1,955	(215)	(215)
7	Loan Outstanding	-	-	72,071	1,11,284	-	-	-	-

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

Sr. No.	Particulars	Ravi Nigam		Sohel Shikari		Mrs. Ruby Nigam		Mrs. Reshma Shikari		M/s. K. S. Shikari & Associates	
		2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
1	Remuneration	5,654	5,070	5,693	4,898	-	-	-	-	-	-
2	Receiving of Services	-	-	-	-	240	240	240	240	-	45



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

Note : 35 Segment Reporting

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

(a) Information about Primary Segments

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

(b) Information about Secondary Segments

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

Particulars	India		Outside India		Total	
	2013-14	2012-13	2013-14	2012-13	2013-14	2012-13
Revenue	595,876	401,129	863,353	718,075	1,459,229	1,119,204
Carrying amount of segment assets	1,008,682	773,884	79,439	160,012	1,088,121	933,896
Capital Expenditure	206,311	145,755	-	-	206,311	145,755

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

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

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

Note : 36 Consumption of materials and stores

Item	Year ended 31st March, 2014		Year ended 31st March, 2013	
	Rs. '000	%	Rs. '000	%
a) Raw Materials including Packing Material				
- Imported	221,243	24 %	143,851	22 %
- Indigenous	719,576	76 %	509,133	78 %
	940,819	100 %	652,984	100 %
b) Stores and Spare Parts				
- Imported	3,775	8 %	6,415	17 %
- Indigenous	43,803	92 %	31,165	83 %
TOTAL	47,578	100 %	37,580	100 %

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

	Year ending 31st March, 2014 Rs. '000	Year ending 31st March, 2013 Rs. '000
Note : 37 Value of imports on C.I.F. basis		
a) Raw Materials and Packing Materials	180,728	106,064
b) Plant and Machinery	68,819	59,771
c) Stores and Spares	3,775	4,964
TOTAL	253,322	170,799
Note : 38 Expenditure in foreign currency		
a) Travel	1,865	1,710
b) Interest (includes interest capitalised)	11,281	7,303
c) Professional fees	1,889	7,983
d) Expenses relating to loan processing	-	25,331
c) Others	371	835
TOTAL	15,406	43,162
Note : 39 Earnings in foreign currency		
a) F.O.B. Value of Exports	805,443	669,570
Note : 40 Amounts paid to Auditors (Excluding Service Tax)		
(A) Statutory Auditors		
a) Audit Fees	700	700
b) Audit under other statutes	150	150
c) Certificates	423	255
d) Out of Pocket Expenses	57	-
TOTAL	1,330	1,105
(B) Cost Auditors		
a) Audit Fees	50	50
b) Certificates	30	52
c) Out of Pocket Expenses	3	-
TOTAL	83	102
TOTAL	1,413	1,207



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

	Year ending 31st March, 2014 Rs. '000	Year ending 31st March, 2013 Rs. '000
Note : 41 Leases		
The Company has operating leases for office space which will expire over next 1-3 years. The total of future minimum lease payments under non-cancelable operating leases:		
a) Not later than one year	-	-
b) Later than one year and not later than five years	-	-
c) Later than five years	-	-

Note : 42 Earnings per Share

Net Profit after extraordinary items	43,288	63,256
Add: Extraordinary items	-	837
Net Profit before extraordinary items	43,288	64,093
Less: Preference share dividend (including dividend distribution tax)	70	70
Amount available for Equity shareholders after extraordinary items	43,218	63,186
Amount available for Equity shareholders before extraordinary items	43,218	64,023
Weighted Average No. of Equity shares outstanding	2,566,000	2,566,000
Earning per share - Basic and Diluted (Rs.)		
- After extraordinary items	16.84	24.62
- Before extraordinary items	16.84	24.95
Face Value per Equity share (Rs.)	10	10

Note : 43 Research and Development Expenditure

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

The revenue expenditure amounting to Rs.13,689 thousand (Previous Year: Rs.13,389 thousand) on research and development is charged to the Statement of Profit and Loss. Further, the Company has incurred capital expenditure of Rs.282 thousand (Previous Year: Rs.46 thousand) for research and development facility and is included in company's assets.

Note : 44 Managerial Remuneration

The remuneration paid to the Managing Director for the year ended March 31, 2014 is in excess of the remuneration approved by the Central Government vide letter dated May 1, 2012 as prescribed under section 198 read with Schedule XIII to the Companies Act, 1956 by Rs.869,600. The Company is in the process of making further application for the necessary approval from the Central Government for the excess remuneration.

Note : 45 Previous Year Figures

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



PROXY FORM

TASTY BITE EATABLES LIMITED

CIN: L15419PN1985PLC037347

Regd. Off: 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005 Website: www.tastybite.co.in,

Email : secretarial@tastybite.com Ph : 020 3021 6000 Fax : 020 3021 6035

I/We..... of..... in the State of
..... being a Member/Members of the above named Company hereby appoint Mr./Ms.
..... of in the State ofor failing him/
her ofas my/our proxy to vote for me/us on my/our behalf at the 30th Annual
General Meeting of the Company, to be held on September 10th, 2014 at 11.00 a.m. at the Registered Office of
the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 and at any adjournment thereof.

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

Affix One
Rupee
Revenue
Stamp
here

* Applicable if shares are held in electronic form

Signature of Registered Holder

Signature of Proxy holder

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



ATTENDANCE SLIP

TASTY BITE EATABLES LIMITED

CIN: L15419PN1985PLC037347

Regd. Off: 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005 Website: www.tastybite.co.in,

Email : secretarial@tastybite.com Ph : 020 3021 6000 Fax : 020 3021 6035

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

* Applicable if shares are held in electronic form

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the 30th Annual General Meeting on September 10th, 2014 at 11.00 a.m. at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005.

..... Member's/ Proxy's Signature

Note: Please fill this attendance slip and hand it over at the entrance of the office.





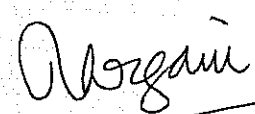

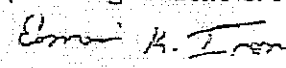
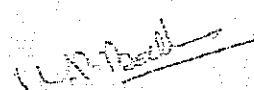
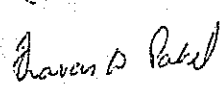


Tasty Bite Eatables Limited

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

FORM A

Format of Covering Letter of the Annual Audit Report to be filed with the Stock Exchanges

1.	Name of the Company	Tasty Bite Eatables Limited
2.	Annual Financial Statement for the year ended	March 31, 2014
3.	Type of Audit observation	Unqualified / Matter of Emphasis
4.	Frequency of observation	<p>The Company is in the process of making an application to the Central Government for the approval of the excess remuneration paid to the Managing Director for the financial year ended March 31, 2014.</p> <p>Similar comment has been given in the Auditor's report for the year ended March 31, 2011 and the Company had received the approval for the same.</p>
5.	<p>Signed by</p> <ul style="list-style-type: none"> - Managing Director- Mr. Ravi Nigam  - CFO- Mr. Sohel Shikari  - Auditor of the Company- For M/s Kalyaniwalla & Mistry Chartered Accountants (Firm Registration No. 104607W)  Ermin K. Irani Partner (Membership No. 35646) - Audit Committee Chairman- Mr. K. P. Balasubramaniam  - Audit Committee Chairman for May 8, 2014 Meeting – Mr. Kavas Patel  	

May 8, 2014