



## Tasty Bite Eatables Limited

TBEL/SE/2020-21  
August 06, 2020

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

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

**Sub: 36<sup>th</sup> Annual Report – FY 2019-20**

Dear Sir,

In compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Annual Report of the Company for the financial year ended March 31, 2020.

Please note that the 36<sup>th</sup> Annual General Meeting of the Company was held on Thursday, August 6, 2020 through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) at 12.30 p.m. and the business mentioned in the Notice was transacted and passed with requisite majority.

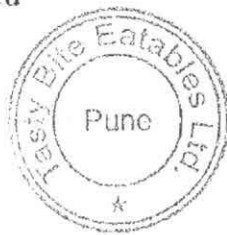
Kindly take it on your records.

Thanking you,

Yours faithfully,

For Tasty Bite Eatables Limited

  
Minal Talwar  
Company Secretary



Encl.: As above

Tasty Bite Eatables Limited  
36<sup>th</sup> Annual Report 2019-20



**DRIVING GROWTH  
THROUGH INNOVATION**

# CONTENTS

## Corporate Overview

Key Financial Highlights	02
Driving Growth	03
Chairman's Message	04
About Tasty Bite	06
Our Business	08
Our Global Footprint	10
Our Value Creation Model	12
Accelerating Innovation	14
Creating a Better Food Experience	16
Investing in Our People	18
Winning with Our People	20
Community Outreach	22
Sustainability at Our Core	25
Corporate Information	27

## Statutory Reports

Notice	28
Directors' Report	39
Corporate Governance	70
Business Responsibility Report	88

## Financial Statements

Independent Auditors' Report	97
Balance Sheet	106
Statement of Profit and Loss	107
Statement of Cash Flows	108
Statement of Changes in Equity	110
Notes to the Financial Statements	111



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



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



# CONVENIENCE WITHOUT COMPROMISE

A mantra that always ignites the desire to delve deeper to produce a perfect blend of innovative, tasty and healthy food. And at the core of our efforts lies our singular focus - enhancing customer delight.

**Our relentless and untiring efforts to improve our scope of work drives us ahead to not only establish a strong footprint across the globe but, also sustain formidable business growth as a preferred partner in the food service industry. Driven by our desire to serve goodness in every bite, we continue to strengthen the foundation for growth and innovation in every sphere of Tasty Bite.**



With an uncompromising attitude towards wellness, we remain devoted to ensure food safety with a great selection of natural and preservative free food, offering healthy choices that cater to varied tastes and preferences. Our unique and innovative range of wholesome, nutritious and superior quality products aptly delivers on its promise of convenience without compromise with the finest choice of ingredients that serve good food in minutes.

# KEY FINANCIAL HIGHLIGHTS

(INR in Million)

Statement of Profit & Loss	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Net Revenue	1,781.6	2,087.6	2,568.4	3,031.1	3,551.6	4,548.3
Gross Profit	715.4	853.0	1,086.5	1,316.5	1,493.1	1,716.7
EBIDTA	261.5	343.5	458.0	543.6	640.5	737.2
Profit Before Tax (PBT)	165.0	245.7	342.0	410.4	470.8	533.5
Profit After Tax (PAT)	107.9	161.2	219.9	264.6	300.6	408.6
Earnings Per Share of Face Value of INR 10	42.0	62.8	85.7	103.1	117.2	159.2
Dividend Per Share of Face Value of INR 10	1.0	2.0	2.0	2.0	2.0	2.0

Balance Sheet	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Cash and Cash Equivalents	61.7	72.9	62.7	57.8	78.4	77.6
Fixed Assets (Net)	609.7	614.5	651.8	763.2	821.1	897.3
Net Current Assets (Working Capital)	96.2	240.1	369.5	523.7	630.4	496.6
<b>Share Capital</b>						
Equity Shares	25.7	25.7	25.7	25.7	25.7	25.7
Redeemable Preference Shares	6.0	6.0	-	-	-	-
<b>Reserves and Surplus</b>						
Reserve for Premium of Preference Share Capital	116.1	116.1	-	-	-	-
Others	299.8	460.7	718.7	967.1	1,294.3	1,605.7
Long Term Borrowings	212.3	197.4	360.4	305.7	258.1	207.8

Key Ratios	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
EBIDTA (% of Revenue)	14.7%	16.5%	17.8%	17.9%	18.0%	16.2%
PAT / Revenue %	6.1%	7.7%	8.6%	8.7%	8.5%	9.0%
Fixed Assets Turnover Ratio	2.9	3.4	3.9	4.0	4.3	5.1
Current Ratio	1.2	1.5	1.7	2.0	2.1	1.5
Debt Equity Ratio	1.0	0.7	0.8	0.5	0.3	0.4
Return on Capital Employed	28.7%	34.1%	35.8%	33.8%	33.6%	31.1%

Cash Flows	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Net Cash provided by / (used in)						
Operating Activities	98.4	148.8	71.2	211.7	555.4	368.3
Investing Activities	(37.4)	(73.7)	(197.5)	(70.9)	(300.7)	(516.2)
Financing Activities	(44.1)	(63.9)	118.3	(118.1)	(233.9)	147.1

Others	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
TBEL Share Price on BSE (INR Per Share of Face Value of INR 10)	605.0	1,690.5	4,658.5	7,463.2	8,358.6	8,999.8
Market Capitalisation	1,552.4	4,337.8	11,953.7	19,150.6	21,448.2	23,093.5
Net Worth	447.5	608.4	744.4	992.8	1,320.0	1,631.4

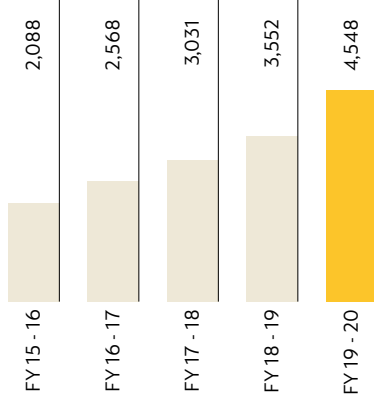
# DRIVING GROWTH

## Revenue from Operations

(INR in million)

**20.6%**

5 - year CAGR

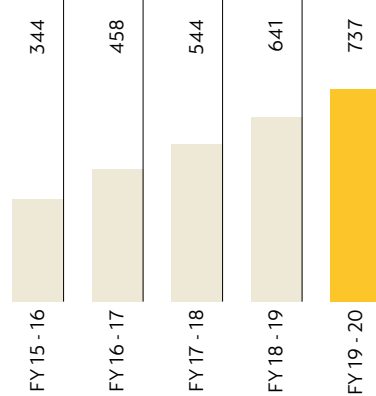


## EBITDA

(INR in million)

**23.0%**

5 - year CAGR

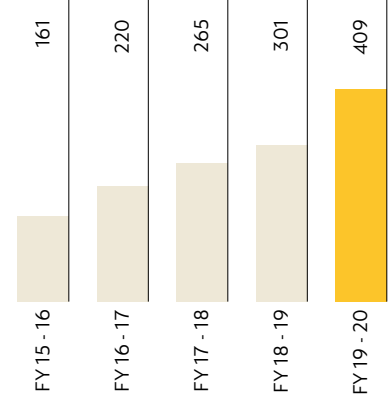


## PAT

(INR in million)

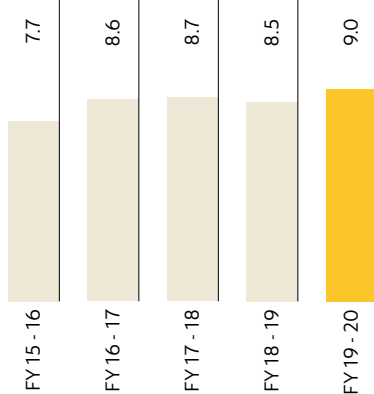
**30.5%**

5 - year CAGR



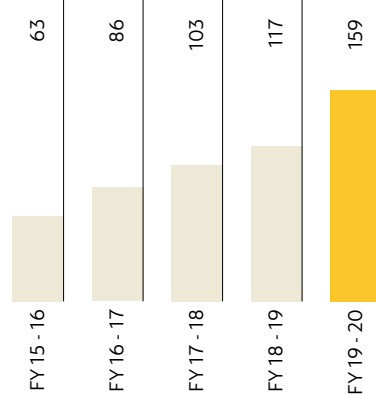
## PAT Margin

(in %)



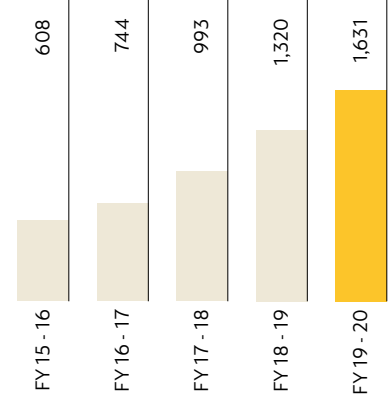
## EPS

(in INR)



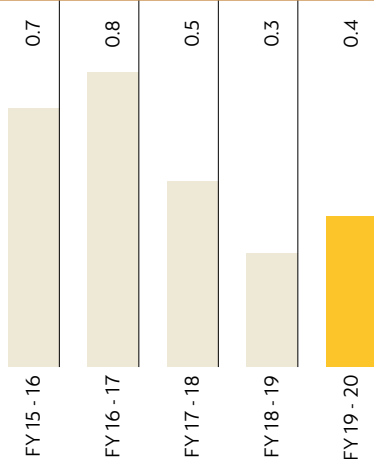
## Net worth

(INR in million)



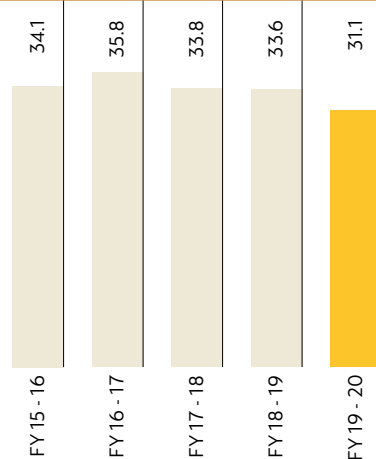
## Debt Equity Ratio

(in times)



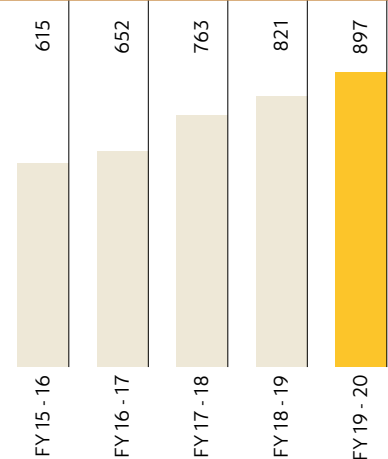
## RoCE

(in %)



## Net Block

(INR in million)



# CHAIRMAN'S MESSAGE



**Covid might succeed in doing what environmentalists and the Paris accord failed to achieve, i.e. change in human behavior.**

Dear Shareholders,

Nothing in this century has grabbed our collective attention, heightened anxiety and upended our lives like the Covid pandemic that's still raging and affected more than 10 million people as this Annual Report goes to digital print. Our consumers, employees, suppliers and other stakeholders have all been affected in ways we still don't fully appreciate. In all our major markets including the US, UK, Germany and India the virus has struck hard, taken lives, destroyed jobs, and created a challenging future for millions.

We dedicate this year's Annual Report to the memory of more than 500,000 who have lost their lives to Covid and we wish those still afflicted, a speedy recovery.

For a lot of us, the future is both uncertain and challenging. However, before I go into what the post-Covid world can look like for your company, let's briefly review our performance for the year gone by. By any reckoning, this has been a very satisfactory year.

### Here are some quick highlights:

- Your company grew 28% over last year by adding a record INR 1 billion to end the year with INR 4.55 billion in net revenues

- Profits after tax grew even faster (36%) at INR 409 million representing 9% of revenues
- The uninterrupted growth in both exports (27%) and the domestic business (26%) continued through this year as well
- In the consumer business both branded (17%) and private label (62%) saw healthy growth
- In our largest market, the US, all categories including entrees and rice saw double digit consumption growth. Velocity and points of distribution both grew in all three segments of club, grocery and natural channels. For yet another year, online sales growth outpaced all channels
- Organic Madras Lentils was introduced in club stores in the US and was received enthusiastically by our consumers
- Tasty Bite saw successful launches in new markets, UK and Germany. The product has been well received in both markets
- TFS (Tasty Bite Food Service) witnessed a robust 26% growth

during the year with sauces growing almost 44%

- Our frozen business faced headwinds and remained flat as some of our customers reduced their plant-based offerings, in a move counterintuitive to megatrends
- 'TastyBite Xclusive' our domestic HoReCa initiative was rolled out during the year in test markets Bangalore and Mumbai. These are early days and we remain hopeful
- We added INR 235 million to our fixed assets for new capacity and infrastructure.

### Preparing for new reality:

We know that some things in the post-pandemic world will change forever, but not all for the worse. Governments, industry and consumers will each recalibrate in some fundamental ways. All of these will have a profound influence on our industry and on your company. However, I believe Tasty Bite will continue to evolve, for the better, and do its part to stay mission aligned "to build a socially responsible company that will provide consumer delight".

The pandemic is teaching humans many lessons as many as the number of people who've succumbed to it. We have learnt lessons that are global, regional and extremely personal. Let's examine all three.

### The Global Environment:

Very simply, we have plundered the surface of the earth, the air above and the crust below. Every year on an average we deforest 70 million acres globally. That's about the size of Maharashtra! We emitted a record 37 billion tons of carbon dioxide last year. That's almost 20 times the weight of all the cars on the road globally. We drill relentlessly and oil production alone at 100 million barrels / day is 5 billion tons annually. That is more than double the quantity of food grains we produce every year!

The consequences of these are plentiful. Let me name just a few: pandemics by releasing viruses & bacteria that belong inside forests, extinction of thousands of species annually upsetting our ecosystem, conversion of agricultural land for animal feeds, increasing hunger & malnourishment and endangering public health.

Covid might succeed in doing what the environmentalists and the Paris accord have failed to achieve, a change in human behavior.

### Regional disparities:

*Atmanirbharata* (or self-reliance), has suddenly become an imperative for all nations, reversing decades of progress in globalization. Nowhere will this be more pronounced and more regional than in the area of food security.

Governments, industry and consumers will pull in different directions, making concerted progress challenging.

Governments will continue to dip into their coffers through short term stimulus packages, support local, small & large businesses to protect jobs and increase regulations and erect tariff & non-tariff barriers to global food and agriculture trade. Such protectionism may threaten global, regional and even bilateral trade agreements underlining the belief

that countries can *localize* their way out of this socio-economic crisis.

Industry and particularly the food sector has been affected in very different ways depending on the country and the segment they are in. Farmers, traders, processors, transporters, restaurants, wholesalers, distributors, retailers are each confronting difficult everyday choices even as they know that some changes they have made are likely to be more permanent. Companies are asking fundamental questions about their business model, many will reconfigure their supply chains, renegotiate contracts and struggle to hold on to their consumers, all the time wondering how to deal with the changing demands of their stakeholders. We will witness not just a change in strategy but a shift in corporate missions as well.

### Personal reflection:

Consumers too have faced a new reality. Maintaining a social distance that is unnatural to humankind, working from home, terrified of the virus and yet discovering a quieter, cleaner and healthier planet has given us all time to pause. We may have transformed in some fundamental ways. From profligate spenders to savers, polluters to cleansers, mere consumers to producers at home, physical to digital and magically from indifference to engagement.

All of these changes will have a profound effect on the food industry globally and on your company. While it is impossible to predict specific changes, a few megatrends that were already visible will accelerate, threatening some businesses while offering huge opportunities to others. Three of them in particular are relevant for Tasty Bite:

1. *Heightened awareness of the correlation between food and wellness.* These last few months have seen a dramatic increase in both in-home dining and cooking. These new food habits may have made us healthier even as we reel under the raging Covid epidemic. This is a major behavioral change and will result in us simultaneously competing and collaborating with our consumers.

2. *Plant based natural foods will see explosive growth.* The drivers of this change are visible all around us. Fear of processed meats, heightened sensitivity to animal cruelty, increasing knowledge of the goodness in plants and the recent growth in plant - based meat alternatives
3. *De globalization will change food habits.* Concerns for public health and climate change combined with government stimulus will drive the *local* movement which in turn will drive a change in food habits. Global logistics will yield some ground to shorter supply chains. The palate will shift to healthier, prepared but less processed foods.

It'll be a bumpy road but I am deeply confident that your company is poised to emerge stronger in the long run despite these turbulent times.

Historically, Tasty Bite's growth has been anchored in a culture of innovation. This has not been only through new product and process development but through constantly reimagining a better way to deliver on the promise of our mission statement that we will build a socially responsible organization that will provide consumer delight. This philosophy is deeply embedded in the DNA of the organization and empowers all who work here.

Our parent company Mars, Incorporated not only shares this vision but has been like a rock through these months, providing unstinting support and cheerleading us through these very stressful times. The employees at Tasty Bite across the length and breadth of the company continue to inspire with their dedication, competence and have been nothing less than spectacular.

This year's annual report explores Innovation across all functions in the company and its role in providing stability, flexibility and in designing a new future. Enjoy the ride but keep your seat belts on. Welcome to a new beginning.

**Ashok Vasudevan**  
Chairman  
DIN: 00575574



# ABOUT TASTY BITE

**TASTY BITE IS ONE OF THE LEADING COMPANIES SERVING NATURAL AND ORGANIC PREPARED FOOD AND CUSTOMIZED FOOD SERVICE PRODUCTS TO AN EVER WIDENING CUSTOMER BASE ACROSS THE GLOBE.**

Today, we are one of America's largest brand for prepared Indian organic and natural food and a trusted **Partner of Choice** for the food service industry in India, South East Asia, Middle East and Africa. With a wide variety of high quality, wholesome and nutritious food, Tasty Bite Eatables Limited (Tasty Bite) has been catering to customers across the globe, offering a versatile range of food products.

Over the past 25 years, we have evolved from a portfolio of just five all - natural, ready - to - eat Indian meals to offer range of 150+ meals. Today, our portfolio includes Indian meals, Asian meals and a line of ready - to - eat (RTE) organic rices and whole grains.

We have widened the geographic footprint of our consumer business to more than five countries including the

USA, Canada, Australia, New Zealand, Germany and UK. We have also expanded our B2B food service (frozen products, patties, sauces and gravies) business, started in 2006, through partnerships with leading Quick Service Restaurants (QSR), Hotels, Restaurants and Caterers (HoReCa) in India, South East Asia, Middle East and Africa.



## Our Mission

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



### Our Certifications

- 1 The Foundation Food Safety System Certification (FSSC) 22000
- 2 BRC Global Standard for Food Safety
- 3 ISO 14001:2015 (Environment Management System)
- 4 OHSAS 18001:2007 (Occupational Health and Safety)
- 5 Organic certification - USDA NOP, India NPOP, Canada COR and Europe - EOS
- 6 C - TPAT
- 7 HALAL
- 8 KOSHER



15+

COUNTRIES OF PRESENCE



35+

YEARS OF EXISTENCE SINCE INCORPORATION



250+

EMPLOYEES ON ROLL



AMONG TOP

500

LISTED COMPANIES IN INDIA



INR 23,093 million

MARKET CAPITALIZATION AS ON 31 MARCH 2020

# OUR BUSINESS

**OUR COMMITMENT TO BRING SUPERIOR QUALITY, HEALTHY AND TASTY FOOD DRIVES US TO REDEFINE OUR BUSINESS WITH INNOVATIVE OFFERINGS, DESIGNED TO SUIT VARIED PALATES.**

We have constantly invested in building a taste and health focused product portfolio, keeping the consumer at the core of our endeavours. Throughout our production process - from concept to packaging - we focus on food safety,

quality, innovation and nutrition. Our commitment to making lives better with nutritious and enjoyable food choices remains etched in the **'Tasty Bite Promise'** since 1995.



## Consumer Business

The Tasty Bite range of ready - to - eat and easy - to - cook, all natural products covers a gamut of Indian and Asian cuisines. We have now widened our culinary range, including a delectable

selection of entrees, ready - to - cook, and organic rice and whole grain preparations. Made from the choicest ingredients and processed at our state of art facility in Pune, the products

are free from preservatives and are designed by a team of experts and experienced chefs who are dedicated to balance delicious taste with excellent nutritive values.



### Indian Entrees



### Organic Rices and grains



### Asian Meals



### Food Service Business

Started in 2006, Tasty Bite Food Service (TFS), is a B2B business segment, offering a range of unique and innovative range of sauces, meals and frozen food. We design the food in our culinary centre and prepare them at our factory kitchens, where every product is specially curated to address our customers' unique kitchen challenges.

Our versatile portfolio of specialty products serve growing number of QSR chains, Cloud kitchens and HoReCa outlets, addressing varied needs associated with changing consumption patterns and choices. Today, we are the proud 'Partner of Choice' for leading QSR & Cloud Kitchen chains in India.

Tasty Bite Food Service now has also expanded its base to South East Asia, Middle East and Africa through the QSR channel. At Tasty Bite, our best - in - class products always prioritize food quality and safety across the value chain.



### TASTY BITE XCLUSIVE

In our endeavour to be a leader and preferred partner for major players in the food service industry, we launched 'Tasty Bite XCLUSIVE'.

Crafted and designed for the HoReCa and PBCL segments, our clean label range of starters and patties is mouth wateringly delicious. Crunchy on the outside and flavoursome on the inside, Xclusive products are a class apart.



# OUR GLOBAL FOOTPRINT

Consumer  
Business

Food Services  
business

**45.43%**

REVENUE IN FY 19 - 20 FROM THE USA

**34.09%**

REVENUE IN FY 19 - 20 FROM INDIA

**20.48%**

REVENUE IN FY 19 - 20 FROM REST OF  
THE WORLD (OTHER THAN INDIA AND  
THE USA)

**64.72%**

REVENUE IN FY 19 - 20 FROM  
CONSUMER BUSINESS

**35.28%**

REVENUE IN FY 19 - 20 FROM FOOD  
SERVICE BUSINESS

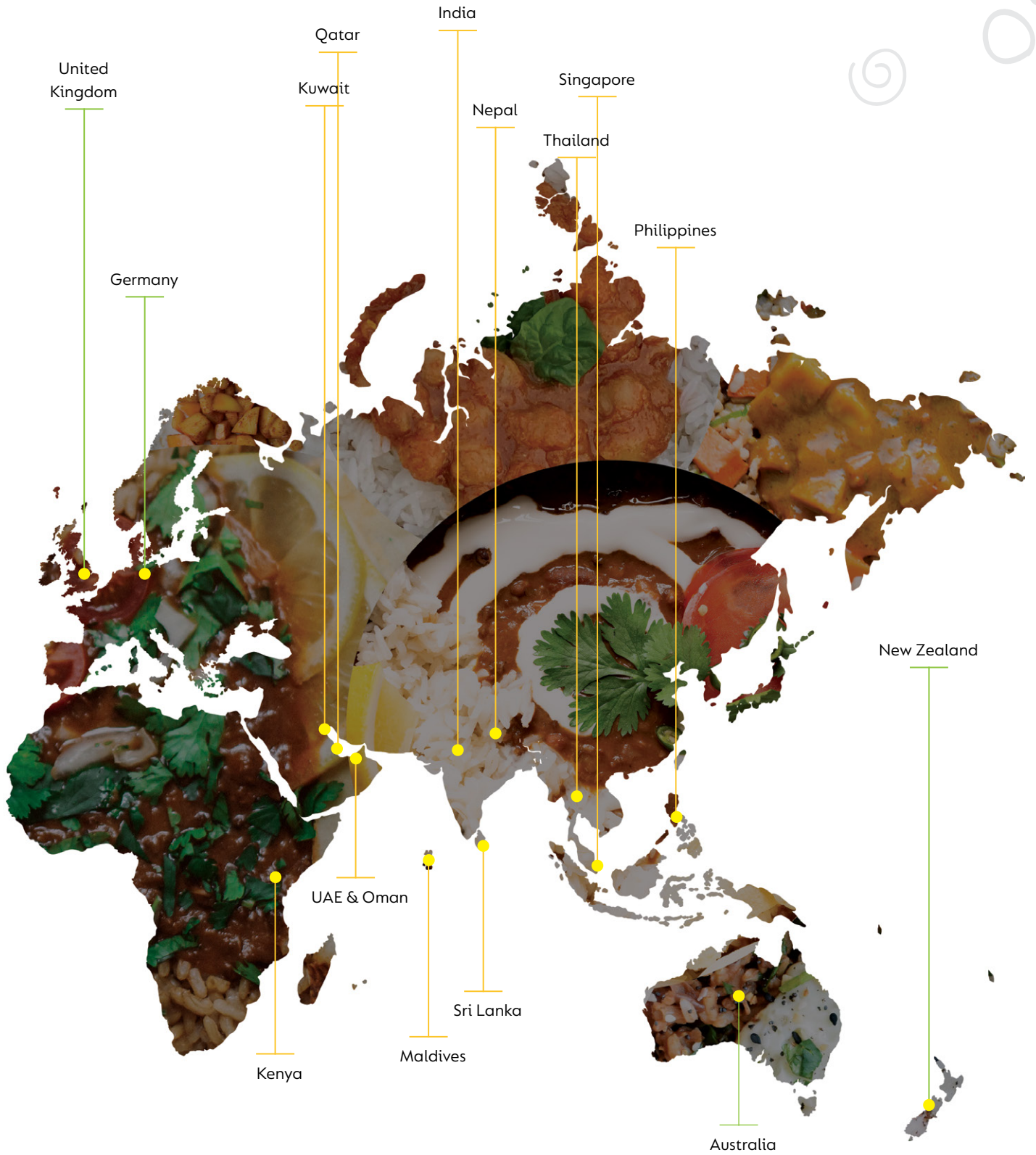
**Fastest**

GROWING INDIAN FOOD  
BRAND AND ASIAN BRAND

**Most preferred**

PARTNER FOR LEADING QSR AND HORECA BRANDS AND  
NEW AGE FOOD COMPANIES IN INDIA FOR FOOD SERVICES





# OUR VALUE CREATION MODEL

OUR BUSINESS MODEL DESCRIBES HOW WE OPERATE TO  
CREATE SUSTAINED VALUE FOR OUR STAKEHOLDERS.

## What we depend on...

## What we do...

### Relationships

#### Our people



The commitment and dedication of our employees enable us to grow, expand and ensure efficient execution of our strategies.

#### Suppliers



We rely on our suppliers to provide us materials of high quality that completes integration of our business value chain.

#### Business partners



Our relationships with customers, distributors, governments, NGOs and other organizations within our area of operations help us to increase our impact beyond what we could achieve on our own.

### Resources

#### Financial



Our financial resources in form of equity and debt funds enables us to operate and expand our operations which is in line with our strategic goals.

#### Intangible assets



The strength of our cultural and technical know how clubbed with our state of art R&D capabilities create a promising brand that resonates trust among our customers.

#### Tangible assets



Our state of art manufacturing unit in Pune and head office.

### Consumer insights



We track changing consumer sentiment with the perfect blend of digital and traditional consumer research.

### Innovation



TBRC, our accredited centre for excellence in prepared foods R&D is our engine of innovation. We leverage insights received from our customers to develop unique and innovative products that exceed their expectations.

**INR 21 million**

INVESTED IN R&D IN FY 2019 - 20

### Manufacturing



We leverage our state of art manufacturing unit with modern technologies to produce high quality and innovative products.

**17,000+ MT**

ANNUAL PRODUCTION VOLUME  
OF CONSUMER BUSINESS

**16,000+ MT**

ANNUAL PRODUCTION VOLUME  
OF FOOD SERVICE BUSINESS

### Sourcing



We source our ingredients, raw materials and packaging materials from local farmers and vendors with a focus on quality and food safety.

### Distribution and Logistics

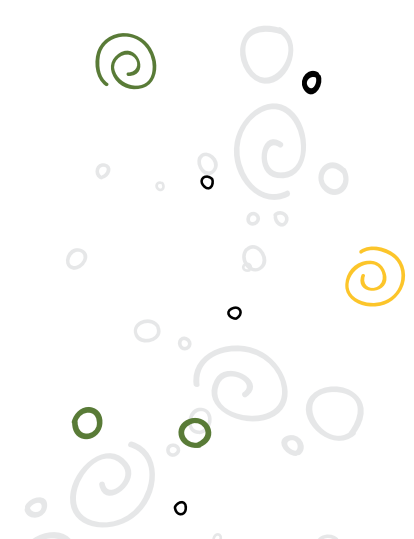


Our strong network of distributors and warehouses ensure uninterrupted and steady delivery of our products to end consumers and customers across the globe.

### Marketing and sales



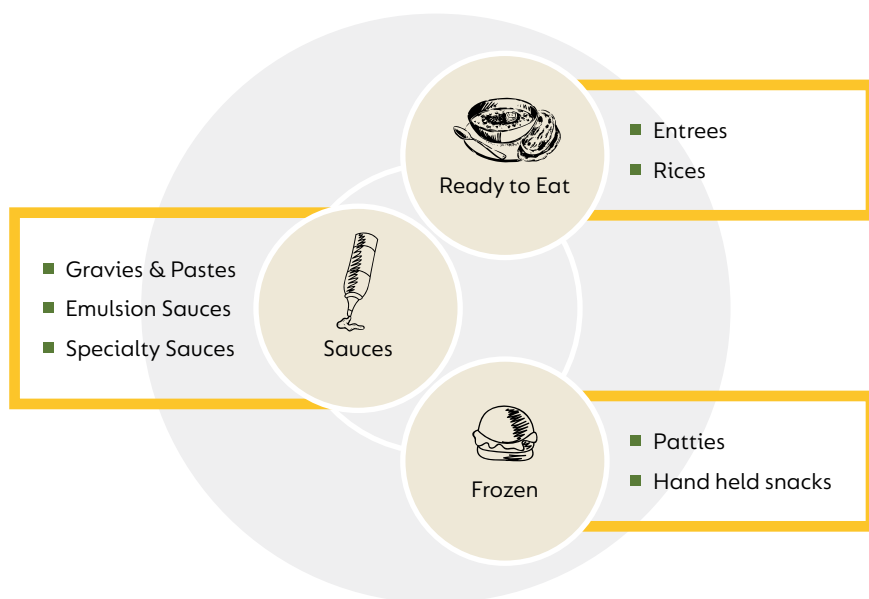
Our marketing team collaborates closely with leading brands across QSR, HoReCa and cloud kitchen segments. Living true to the moto 'brand behind the brand' our marketing team catalyses most relevant industry insights towards successful product offerings in the ever expanding food service domain.





## Output achieved..

## The value we create for...



### Consumer business customers



Delighted consumers are the key to our business sustainability. We create value for our consumers by offering them tasty, nutritious and natural products in a responsible way.

### Food service customers



We partner with leading QSR and HoReCa chains to bring our food service business products to consumers, while supporting their business growth to provide best-in-class quality and innovative products.

### Our investors



We strive to create value for our investors with our strong business model and transparent governance framework.

### Communities



We regularly interact and closely connect with the communities in which we live and operate. We strive to contribute towards the upliftment and wellbeing of the communities with our social arm The Tasty Bite Foundation.

### Environment



We heartily endorse the Paris Accord and have adopted 12 of the 17 UN sustainable development goals and are progressively working towards addressing challenges such as climate change and plastic waste, while reducing our environmental impact.

### Y-o-Y highlights

**28.04%**  
INCREASE IN REVENUE FROM OPERATIONS

**35.88%**  
INCREASE IN PAT

**14.98%**  
INCREASE IN EBITDA

**16x**  
INTEREST COVERAGE RATIO

### Value creation

(5 year CAGR leading to FY 19 - 20)

**20.6%**  
IN REVENUES

**30.5%**  
IN PAT

**23.0%**  
IN EBITDA

**30.5%**  
IN EPS

**71.6%**  
IN MARKET CAPITALISATION

### Consumers

**250+**  
NEW PRODUCTS LAUNCHED IN LAST FIVE YEARS

### Tasty Bite XCLUSIVE

A NEW SUB-BRAND LAUNCHED UNDER OUR FOOD SERVICES CATEGORY



# ACCELERATING INNOVATION

## INNOVATION CONTINUES TO BE A DRIVING FORCE ACROSS OUR VALUECHAIN, TO ADAPT AND EVOLVE PRODUCTS ACCORDING TO CONSTANTLY CHANGING CONSUMER PREFERENCES.

At Tasty Bite, innovation goes beyond products to encompass people, process and technology. Our commitment to innovation is bringing us closer to our consumers, enabling us to understand their changing consumption patterns and eventually driving business growth.

We thrive to stay ahead of the industry curve when it comes to processes, commerce, products & solutions and the supply chain. Tasty Bites Research Centre (TBRC) our inhouse centre for excellence, helps drive product, process and ingredient innovation. Our strong

TBRC team comprise Chefs & Food Technologists who progressively work towards fulfilling our company's promise of delivering Great Taste, Good Value and Real Convenience to the consumer.

### A Recognized R&D Centre

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



### What makes TBRC a business driver



Ability to develop great taste, clean label innovative products



Stringent emphasis on quality control practices, convenience and nutrient composition



Strong focus on research, development and innovation



Identifying upcoming megatrends & leveraging existing trends



Use of clean label, preferably organic ingredients to develop additive and preservative free products

### Product Innovation

At Tasty Bite, we have been investing in and developing new products to be more agile and responsive to fast changing consumer demands. We produce, launch and scale new products that deliver superior food experiences to consumers in terms of delight, taste and nutrition. During the year under review, we have been working on the following initiatives:

- A range of fully Organic products (Rices & Entrées) for the US market
- A range of tasty hand held snacks for Tasty Bite XLCUSIVE
- A range of sauce based products for food service customers

**140+**

NEW PRODUCTS LAUNCHED IN  
FY 2019 - 20

**18 months**

AVERAGE SHELF LIFE OF EACH  
PRODUCT IN CONSUMER BUSINESS

**9 months**

AVERAGE SHELF LIFE OF EACH  
PRODUCT IN FOOD SERVICE BUSINESS

### Process and Technology Innovation

While working towards gaining insight into the needs and preference of our consumers, we are also investing in new age technologies to increase the efficiency of our operations. We introduced water conservation measures in manufacturing through process innovation. We have invested in automatic wrap around cartoning machines with a capacity of packing

200 packs per minute, for our RTE products.

We are also undertaking various measures to maintain the durability and quality of the product, to sustain the products in accordance with its declared shelf life, by ensuring right processing and packaging techniques.

### Innovations In the pipeline

From creating new products that offer valuable consumer experiences, we are determined to grow our brand with innovative and unique choices.



# CREATING A BETTER FOOD EXPERIENCE

**ORGANIC AGRICULTURE IS A WAY OF FARMING SUSTAINABLY, PROVING TO BE A KEY MEASURE TOWARDS BUILDING A SUSTAINABLE WORLD. THE DEMAND FOR ORGANIC FOOD PRODUCTS AND SOLUTIONS CONTINUES TO RISE, AS MORE CONSUMERS PREFER ORGANIC AND NATURAL FOOD.**

At Tasty Bite, we have increased our organic food portfolio as consumers preference is shifting towards safer, healthier and organic food. As consumer

spends double on organic food in European and the US markets, we are scaling up production of our organic portfolio.

~1800 hectares

OF LAND USED FOR SOURCING ORGANIC RAW MATERIAL

~1900

FARMERS PARTNERED TO SUPPORT THE ORGANIC CROP PRODUCTION

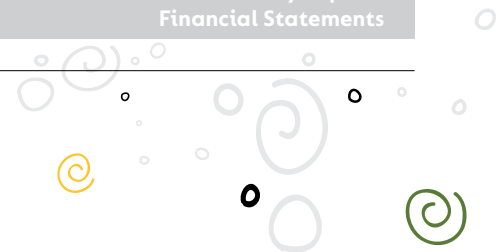
~3500 MT

ORGANIC INGREDIENTS SOURCED IN 2019 - 20

100%

INSPECTION AND DISPATCH WITH HIGH CONTROL MEASURES



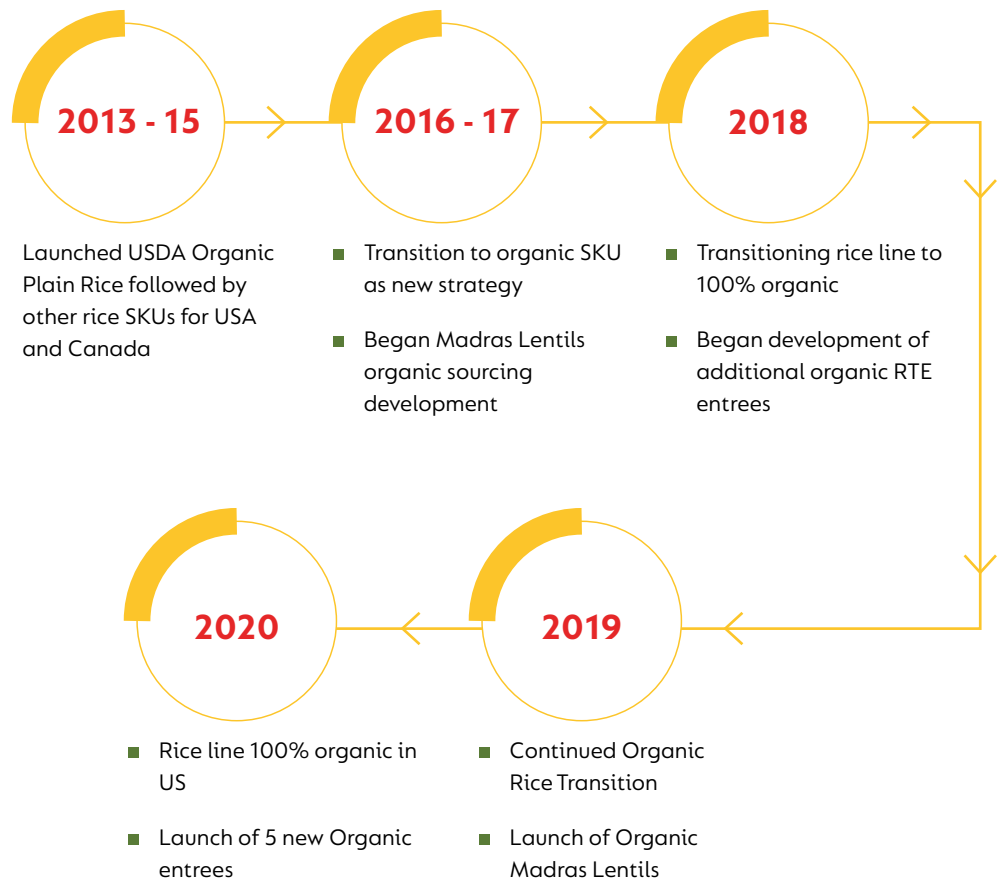


### Certification

Company farm is organic certified for NPOP.

### Our strategy

We have launched rice and Entrée products in organic category in USA. With a strong governance and regulatory framework in India, we are one of the largest value added organic processors and exporters from India. Our stringent quality control and operating measures have helped us gain a significant market share of organic portfolio.



# INVESTING IN OUR PEOPLE

**EMPLOYEES ARE THE PRIME MOVERS BEHIND THE SUCCESS OF OUR ORGANIZATION AND THEIR CONTRIBUTIONS NEEDS TO BE RECOGNIZED AND REWARDED. THIS ENABLES US IN CREATING A FUN - FILLED, HIGH - ENERGY, KNOWLEDGE - DRIVEN, VIBRANT CULTURE.**

Tasty Bite creates growth opportunities within the company to help employees develop a greater sense of pride. It also believes that a robust and continuous training and development program is vital for employees to improve their knowledge and skills and also to build a fun and knowledge driven organization. Management Leadership Program (MLP) - a platform for Managers to discover and develop their talents so that they can make better professional contribution to the company or enhance their personal growth. This program reinforces the belief that **“We are ordinary people capable of extraordinary performance”**.

Leadership program is not only confined to Management staff but also to the Workers team wherein the leadership quality of a worker is recognised and they are encouraged to come forward and lead with examples. We conducted three such leadership trainings in 2019.

Likewise the program on Campus to Corporate for freshers recruited through Campus aims at making the transition from college life to a corporate life easy.

**2.9%**

ATTRITION RATIO

**11%**

OF WOMEN IN THE TOP MANAGEMENT COMMITTEE

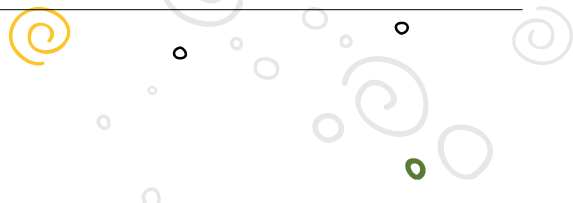
**1:1.2**

MALE: FEMALE RATIO

**275+**

EMPLOYEES AS ON 31 MARCH 2020





# WINNING WITH OUR PEOPLE





**Awards and Recognition received**

<p><b>Best in FMCG Industry</b></p> <p>CERTIFICATE RECEIVED IN 2019</p> 	<p><b>Ranked 31</b></p> <p>ON TOP 50 BEST PLACES TO WORK FOR 2019</p> 	<p><b>Great Place to Work</b></p> <p>CERTIFICATE RECEIVED IN 2019</p> 	<p><b>Top 25</b></p> <p>IN MANUFACTURING SECTOR FOR OUR HR PRACTICES</p> 	<p><b>Top 75</b></p> <p>BEST PLACE TO WORK FOR WOMEN 2019</p> 
---	---	---	---	---

**Our Response to Covid - 19**

During these critical times - health, safety and wellbeing of our employees have been a priority for us. To ensure smooth functioning of our operations and complete protection of our employees, we undertook the following initiatives:



**Social distancing**

We prioritized social distancing at all times, at our entrance gates, reception areas and during our operations.



**Remote working**

We encouraged our employees to work remotely to prevent large gatherings and abide by social distancing norms.



**Imposing travel restrictions**

We suspended all international and domestic travel during the crisis period.



**Upskilling of employees**

Even while our employees were working from home, we continued to enhance their productivity through various Webcasts and Trainings on subject matters of their concern.



# COMMUNITY OUTREACH

AT TASTY BITE, WE BELIEVE THAT COMMITMENT TO ALL OUR STAKEHOLDERS IS FULFILLED BY STRENGTHENING OUR REPUTATION AS A TRUSTED COMPANY THAT MEETS THE EVOLVING NEEDS AND ASPIRATIONS OF THE SOCIETY IN WHICH IT OPERATES. IN ORDER TO FULFIL OUR SOCIAL AMBITION, TASTY BITE FOUNDATION WAS FORMED IN DECEMBER 2018 AS OUR CORPORATE SOCIAL RESPONSIBILITY ARM.

Tasty Bite Foundation was incorporated with the aim to be a catalyst for accelerating sustainable and inclusive growth. The main focus areas include:



**Farmer's Welfare**



**Public Health**



**Water and Soil Conservation**



**Rural Education**



Tree plantation in Bhandgaon



Tree plantation in Yavat school



Bhoomi puja for toilet construction in Osmanabad school



Tree plantation in Khutbav



Oxfam walk for women empowerment



Cultural programme at Khutbav school



Inauguration of school building at Boribhadak



Students at Osmanabad school

### Our Response to Covid - 19

To win the fight against Covid - 19 at Tasty Bite, we undertook a host of initiatives to support the communities in which we operate. We extended our support to frontline warriors of Covid - 19 working at hospitals in Mumbai by supplying Meal Kits to the Government of Maharashtra. We also extended our support to migrant workers by supplying them Meal Kits as

well as kits of dry ration and vegetables. Tasty Bite Foundation also offered monetary contributions to various organizations including Oxfam India, PM Cares Fund and CII Foundation to successfully navigate through these difficult times. We remain committed to fight together and to overcome the global health challenge by supporting Central as well as State Governments.

**~30,000**

MEAL KITS SUPPLIED

**750**

KITS OF DRY RATION AND VEGETABLES PROVIDED

**INR 6 million**

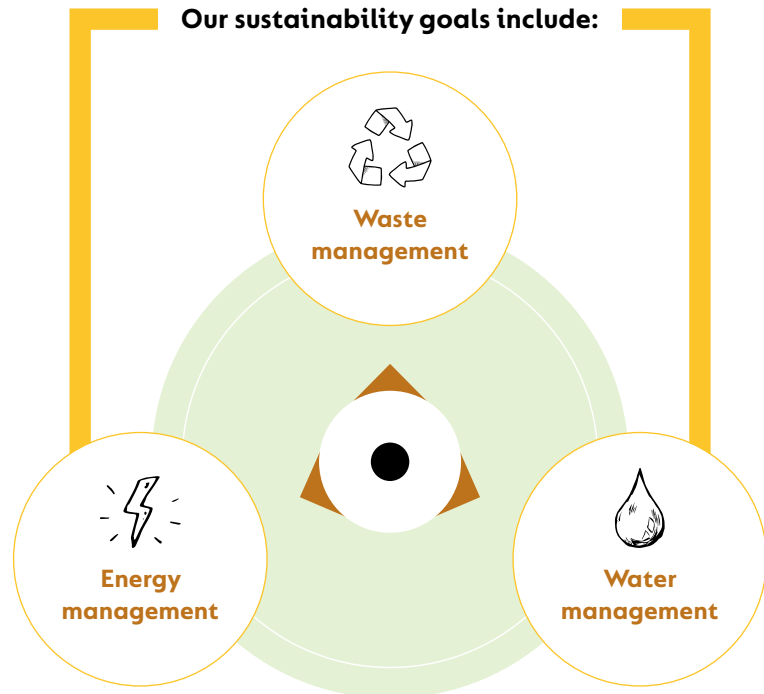
CONTRIBUTED THROUGH TASTY BITE FOUNDATION TO OVERCOME THIS CRISIS



# SUSTAINABILITY AT OUR CORE

**WE VIEW SUSTAINABILITY AS AN OPPORTUNITY TO NOT ONLY GROW OUR REVENUE AND PROFITABILITY BUT ALSO TO MAKE A POSITIVE DIFFERENCE TO THE SOCIETY AND COMMUNITIES IN WHICH WE OPERATE. WE RECOGNIZE THE RESPONSIBILITY THAT COMES WITH BEING A MARKET LEADER.**

As our actions and decisions have a direct and potential impact on the socio - economic environment and diverse stakeholders, we aim to ensure sustainability in all our operations.



## Water Management

Water scarcity is one of the major challenges faced by the world today. As a result, we at Tasty Bite continue to undertake measures to reduce consumption of water. Through our water audits and projects, we identify areas where usage of water can be minimized with the help of efficient technology and environment friendly measures. Backed by reliable information, we have established realistic goals for each department and the entire organization. We also train our staff to ensure prudent use of water, informing them about methods to facilitate optimum energy efficiency. We also encourage our employees to suggest ways to reduce water within our organization.

## Energy Management

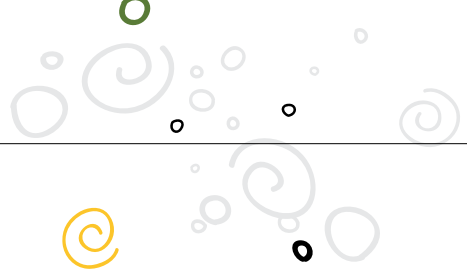
We are working towards energy optimization and increasing the share of renewable energy consumed in the total energy mix. We conduct regular energy audits, upgrading our machines and using new age technologies to reduce our energy consumption. We have also implemented an energy management system for online monitoring of electricity consumed within the plant. All lights in the factory are LED thereby reducing power usage.

**18%**

OF OUR OPERATIONS UTILIZE RENEWABLE ENERGY

## Efficient waste disposal and management

We have installed biogas plants to convert our entire bio - waste (food waste) to Biogas and Organic manure. The biogas generated within our facility is then converted to electricity for further usage within the organization and the organic manure is utilized in our fields. Further, all e - waste generated from our plant is disposed as per norms.



Effluent Treatment Plant



Biogas Plant



Roof top Solar Plant

# CORPORATE INFORMATION

## Board of Directors:

### Mr. Ashok Vasudevan

Chairman and Non - Executive Director

### Mr. Abhijit Upadhye

Managing Director

### Mr. Kavas Patel

Independent Director

### Dr. Chengappa Ganapati

Independent Director

### Ms. Rama Kannan

Independent Director

### Ms. Dawn Allen

Non - Executive Director

### Mr. PVV Srinivasa Rao

Non - Executive Director

### Mr. Gaurav Gupta

Alternate Director and CFO

## Company Secretary:

Ms. Minal Talwar

## Statutory Auditors:

B S R & Associates LLP

## Internal Auditors:

Suresh Surana & Associates LLP

## Practicing Company Secretary:

M/s Pareek V. R. & Associates

## Bankers:

Mizuho Bank Limited  
MUFG Bank Limited  
RBL Bank Limited  
Kotak Mahindra Bank Limited

## Registered Office:

### Tasty Bite Eatables Limited

201 - 202, Mayfair Towers, Wakdewadi,  
Shivajinagar, Pune - 411005

CIN: L15419PN1985PLC037347

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

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

Phone: 020 - 30216000

## Plant:

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

## Registrar and Transfer Agent:

### KFin Technologies Private Limited

Karvy Selenium, Tower B, Plot 31 - 32,  
Gachibowli, Financial District,  
Nanakramguda, Hyderabad - 500032

E - mail id: [rajkumar.kale@kfintech.com](mailto:rajkumar.kale@kfintech.com)

Phone no: +91 - 4067161736

Website: [www.karvy.com](http://www.karvy.com)

# NOTICE

Notice is hereby given that the 36<sup>th</sup> annual general meeting of the shareholders of Tasty Bite Eatables Limited will be held on Thursday, 6<sup>th</sup> day of August, 2020, at 12.30 p.m. IST through Video Conferencing (“VC”) / Other Visual Means (“OAVM”) to transact the following business:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for year ended 31 March 2020, and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of INR 2 per equity share on 2,566,000 equity shares of INR 10 each for the financial year 2019-20.
3. To appoint a director in place of Mr. Ashok Vasudevan, who retires by rotation and being eligible offers himself for re - appointment.

## SPECIAL BUSINESS:

### 4. Fixation of remuneration of Mr. Abhijit Vishwanath Upadhye as Managing Director till 31 March 2021:

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

“**RESOLVED THAT** pursuant to Sections 196, 197, 203 and such other provisions as may be applicable, if any, of the Companies Act, 2013 (“Act”), which shall include any statutory modification(s) or re - enactment(s) thereof read with Schedule V of the Act, the consent of the Company be and is hereby accorded for remuneration of Mr. Abhijit Upadhye as Managing Director from 1 April 2020 till 31 March 2021 upon such terms and conditions as are set out

in the agreement entered into between the Company and Mr. Abhijit Upadhye, the terms of which are mentioned in the statement setting out material facts annexed herewith, be and is hereby specifically approved with an authority to the Board of Directors (hereinafter referred to as the “Board”, which term shall be deemed to include the Nomination and Remuneration Committee of the Board of Directors) to add, alter and vary the terms and conditions of the said appointment and / or Agreement subject to the relevant provisions of the Act.

**RESOLVED FURTHER THAT** subject to other applicable provisions, the aforesaid remuneration be considered as the minimum remuneration, notwithstanding that the Company may make losses or inadequate profits during the tenure of the Agreement for financial year from 1 April 2020 till 31 March 2021.

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

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

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

Date: 15 May 2020  
Place: Pune

# NOTICE (Contd.)

## NOTES:

1. In view of the continuing Covid - 19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meeting issued by the Institute of Company Secretaries of India, in respect of Director seeking re - appointment at this AGM is annexed.
3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Corporate Members (i.e. other than individual / HUF, NRI etc.) are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend the AGM through VC / OAVM and to vote through remote e - voting. The said resolutions / authorization shall be sent to the Scrutinizer by email through its registered email address to [vineet@curiousmindsolutions.com](mailto:vineet@curiousmindsolutions.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com).
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e - voting facility by first holder.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 18 July 2020 to Thursday, 6 August 2020 (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 5 September 2020, 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, 17 July 2020. 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, 17 July 2020. The Company has as per SEBI guidelines, issued letters and e - mails to all shareholders for updation of PAN, bank details and e - mail id's.
8. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1 April 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agent ("RTA"), KFIN Technologies Pvt. Ltd. for assistance in this regard.
9. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Company Secretary so as to reach the Company at least seven days before the date of the meeting so that the required information may be made available at the meeting. The Auditors have issued audit report with unmodified opinion (without any qualification).
10. Shareholders / investors may contact the Company on designated e - mail id: [secretarial@tastybite.com](mailto:secretarial@tastybite.com) for speedy action from Company's end.
11. All the documents referred to in the Notice, if any, and Statutory Registers will be available for electronic inspection by the Members from the date of circulation of this Notice upto the date of AGM i.e. 6 August 2020. Members seeking to inspect such documents can send an e - mail to [secretarial@tastybite.com](mailto:secretarial@tastybite.com).
12. The Company has paid the annual listing fee to BSE Ltd (BSE), National Stock Exchange of India Limited (NSE), National Securities Depositories Ltd (NSDL) and Central Depositories Securities Ltd (CDSL) for financial year 2020-21.
13. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's Registrar and Transfer Agent (RTA) - M/s. KFIN Technologies Pvt. Ltd. at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032. (Unit - TastyBite) [earlier known as Karvy Fintech Pvt. Ltd.]
14. Members who have neither received nor encashed their dividend warrant(s) for the financial years 2012-13 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.



# NOTICE (Contd.)

15. The amount of the dividend remaining unpaid or unclaimed for a period of seven years from the date of transfer to unpaid dividend account of the Company shall be transferred to the Investor Education and Protection Fund (the "Fund") set up by the Government of India.

It may be noted that the dividend for the financial year ended 31 March 2012 (declared on 6 September 2012) which remained unpaid or unclaimed over a period of seven years, was transferred to the Investor Education and Protection Fund as required under Section 124(5) of the Companies Act, 2013 during the year.

Any person / Member who has not claimed the dividend in respect of the financial year ended 31 March 2013, or any year thereafter, is requested to approach the Company / Registrar and Transfer Agent of the Company for claiming the same.

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

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended 31 March 2020, on the website of the Company: [www.tastybite.co.in](http://www.tastybite.co.in).

16. In support of the "Green Initiative", announced by the Government of India, electronic copies of the Annual Report and this Notice inter alia indicating the process and manner of e - voting are being sent by e - mail to those members whose e - mail addresses have been made available to the Depository Participants / Company / RTA.

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

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

17. In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12 May 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.tastybite.co.in](http://www.tastybite.co.in), website of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of KFin Technologies Pvt Ltd at <https://evoting.karvy.com>.

18. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

19. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. 1 April 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / KFin (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration to the Company in Form No. 15G / 15H, to avail the benefit of non - deduction of tax at source by 11:59 p.m. IST on 30 July 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non - resident shareholders can avail beneficial rates under tax treaty between Indian and their country if residence, subject to providing necessary documents i.e. Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to the Company. The aforesaid declarations and documents need to be submitted by the shareholders by 11:59 p.m. IST on 30 July 2020.

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

## 21. Voting through electronic means:

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

# NOTICE (Contd.)

- iii. The notice calling meeting is placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)) and on the website of the 'KFin' (<https://evoting.karvy.com>) agency appointed for conducting the voting by electronic means.
- iv. The members who opt to cast their votes by remote e - voting prior to the meeting, may attend the meeting through VC / OAVM however, shall not be entitled to cast their vote again.
- v. The Board of Directors has appointed M/s Pareek V. R. & Associates, Practicing Company Secretaries, Pune as the Scrutinizer for conducting e - voting process in fair and transparent manner.
- vi. Members are requested to carefully read the instructions for e - voting before casting their vote.
- vii. The e - voting module shall be disabled for voting on Wednesday, 5 August 2020, at 5.00 pm. Once the vote on the resolution is cast, the Member shall not be allowed to change it subsequently. **The voting right of the shareholders shall be in proportion to their share in the paid up capital of the Company as on the cut - off date i.e. 30 July 2020 (end of day).**
- viii. The remote e - voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e - voting:

Commencement of e - voting	1 August 2020 - from 9.00 am (IST)
End of e - voting	5 August 2020 - upto 5.00 pm (IST)

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

- ix. **Contact details for issues relating to e - voting:** M/s. KFin Technologies Pvt Ltd at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032; Toll free no. 1800-345-4001; e - mail - [evoting@kfintech.com](mailto:evoting@kfintech.com)/[raj कुमार.kale@kfintech.com](mailto:raj कुमार.kale@kfintech.com). Or visit FAQ's section available at KFin's website <https://evoting.karvy.com>.
- x. **Details of Scrutinizer:** M/s Pareek V. R. & Associates, Practicing Company Secretaries has been appointed as Scrutinizer to scrutinize the e - voting process in fair and transparent manner. The Scrutinizer shall within a period of not exceeding three working days from conclusion of e - voting period unblock the votes in presence of at least two witnesses not in employment of the Company and present his report of votes cast in

favour and against the resolutions to Chairman of the Company or any other person as authorized by him.

- xi. The procedure and instructions for remote e - voting are as under:
  - A. In case a Member receives an email from KFin [for Members whose email IDs are registered with the Company / Depository Participants (s)]:
    - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
    - ii. Enter the login credentials (i.e. User ID and password as mentioned in email). In case of physical folio, User ID will be EVEN (E - Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for e - voting, you can use your existing User ID and password for casting your vote.
    - iii. After entering these details appropriately, click on "LOGIN".
    - iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
    - v. You need to login again with the new credentials.
    - vi. On successful login, the system will prompt you to select the "EVENT" i.e., "Name of the Company".
    - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option "ABSTAIN". If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

# NOTICE (Contd.)

- viii. Members holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).
- xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at [vineet@curiousmindsolutions.com](mailto:vineet@curiousmindsolutions.com) with a copy marked to [evoting@kfintech.com](mailto:evoting@kfintech.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_Event No".

## Other Instructions

- I. In case of any query and / or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and e - voting user manual available at the download section of <https://evoting.karvy.com> (KFin Website) or contact Mr. Rajkumar Kale, (Unit: Tasty Bite Eatables Ltd.) of KFin Technologies Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 or at [evoting@kfintech.com](mailto:evoting@kfintech.com) or phone no. 040 - 6716 1500 or call KFin's toll free No. 1800-3454-001 for any further clarifications.
- II. You can also update your mobile number and e - mail id in the user profile details of the folio which may be used for sending future communication(s).
- III. In case any person becomes member of the Company after electronic dispatch of Notice of AGM and Annual Report (cut - off date of BenPo for sending Annual Report is 3 July 2020), and holds shares as on the cut - off

date for e - voting i.e., 30 July 2020, he / she may obtain the User ID and Password in the manner as mentioned below:

- i. If the mobile number of the member is registered against shares held in demat form, the member may send SMS: MYEPWD <space> DP ID Client ID to 9212993399

Example for NSDL:

MYEPWD <SPACE> IN12345612345678

Example for CDSL:

MYEPWD <SPACE> 1402345612345678

Example for physical:

MYEPWD <SPACE> XXXX1234567890

- ii. If e - mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
- iii. Member may call KFin's toll free number 1800-3454-001.
- iv. Member may send an e - mail request to [evoting@kfintech.com](mailto:evoting@kfintech.com). However, KFin shall endeavor to send User ID and Password to those new Members whose mail ids are available.
- IV. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify it subsequently.
- V. The Members who have casted their vote by remote e - voting prior to the meeting through VC / OAVM may also attend the meeting through VC / OAVM but shall not be entitled to cast their vote again.
- VI. The voting rights of the Members shall be in proportion to the paid - up value of their shares in the equity capital of the Company as on the cut - off date (i.e. the record date), being 30 July 2020. A person who is not a member as on the cut - off date should treat this notice for information purpose only.
- VII. The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)).

# NOTICE (Contd.)

- VIII. Any person, who acquires the shares of the Company and becomes a members after sending of Notice of AGM (cut - off date of BenPo for sending Annual Report is 3 July 2020, end of business hours) and is holding shares as on the cut - off date i.e. 30 July 2020, may obtain the user id and password by sending a request at KFin's e - mail id [evoting@kfintech.com](mailto:evoting@kfintech.com) / [rajkumar.kale@kfintech.com](mailto:rajkumar.kale@kfintech.com) or at Company's e - mail id [secretarial@tastybite.com](mailto:secretarial@tastybite.com) or by writing to the Company or KFin.
- IX. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e - voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- X. The Scrutinizers decision on the validity of the vote shall be final and binding.
- XI. The Chairman or person authorised by Chairman shall immediately / forthwith declare the result of the voting.
- XII. The result on the Resolutions shall be declared on or after the meeting of the Company and the Resolutions shall be deemed to be passed on the meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.
- XIII. The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company ([www.tastybite.co.in](http://www.tastybite.co.in)) and on website of the KFin (<https://evoting.karvy.com>) immediately after result is declared by the Chairman and forwarded to Stock Exchanges where the shares of the Company are listed.

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

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

Shareholders who have not registered their mail address and in consequence the Annual Report, Notice of e - AGM and e - voting notice could not be serviced, may temporarily get their e - mail address and mobile number provided with the Company's Registrar and Share Transfer Agent, KFin Technologies Private Limited, by clicking the link: <https://karisma.karvy.com/emailreg> for sending the same. Shareholders are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e - voting instructions along with the User ID and Password. In case of any queries, shareholder may write to [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com).

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

Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by KFin at <https://evoting.karvy.com> by using their remote e - voting login credentials and selecting the EVEN for Company's AGM.

Members who do not have the User ID and Password for e - voting or have forgotten the User ID and Password may retrieve the same by following the remote e - voting instructions mentioned in the Notice. Further Members can also use the OTP based login for logging into the e - voting system of KFin.

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

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

# NOTICE (Contd.)

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

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

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at [secretarial@tastybite.com](mailto:secretarial@tastybite.com) from 29 July 2020 (9:00 a.m. IST) to 31 July 2020 (6:00 p.m. IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

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

Mr. Ashok Vasudevan:

Mr. Ashok Vasudevan, Chairman of the Company, has been a Non - Executive Director since 31 March 1999. He is proposed to be re - appointed as a Director.

A brief profile of Mr. Ashok Vasudevan is as follows:

Date of Birth & Age	9 March 1955 - 65 years
Date of Appointment	31 March 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. Vasudeven has wide experience of 37 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, Sale & Marketing and International Business. He is cofounder of Preferred Brands International, Inc., USA.
Directorship in other Companies as on 31 March 2020, (including Private limited companies and excluding foreign companies)	NIL
Chairmanship / Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

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

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

Date: 15 May 2020  
Place: Pune

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

# NOTICE (Contd.)

## ANNEXURE TO NOTICE

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

#### Item No 4:

Mr. Abhijit Upadhye was appointed as Executive Director and designated as Managing Director of the Company w.e.f. 3 November 2018, for a period of 3 years. The Board of Directors and shareholders had given their approval to pay remuneration to Mr. Abhijit Upadhye w.e.f. 1 April 2019 till 31 March 2020.

The Remuneration & Nominations Committee at their meeting held on 15 May 2020, recommended payment of remuneration for period of

one financial year i.e. from 1 April 2020 till 31 March 2021 irrespective of adequacy of the profits of the Company. The recommendation was approved by the Board of Directors at their meeting held on 15 May 2020. The remuneration is subject to the approval of members by way of special resolution at the General Meeting.

In consideration of the duties and obligations undertaken by the Managing Director herein above, the Company shall pay him the remuneration as per the terms and conditions detailed w.e.f. 1 April 2020 till 31 March 2021 subject to the approval of shareholders.

The proposed remuneration from 1 April 2020 is as follows:

No	Remuneration	Slab (amount in INR) per annum
1	Annual gross salary	INR 20,103,800 (Rupees Two Crore One Lakh Three Thousand Eight Hundred only)
2	Perquisites Yearly	<ul style="list-style-type: none"> <li>• Leave Travel allowance for self, spouse and children for travel to any place in India upto INR 27,600</li> <li>• Books &amp; periodicals upto INR 50,000</li> <li>• Petrol INR 120,000</li> <li>• Car allowance &amp; chauffeur reimbursement INR 997,428</li> <li>• Leave encashment as per Company Policy</li> </ul>
3	Other Benefits	<ul style="list-style-type: none"> <li>• Contribution to Provident Fund as per applicable rules &amp; Company Policy</li> <li>• Gratuity as per Company Policy</li> <li>• Medical insurance &amp; Group Accident as per Company policy shall not be considered as perquisite.</li> </ul>
4	Performance bonus	INR 7,000,000 (Rupees Seventy Lakhs only) per annum is assured.
5	Cash based long term incentives	Maximum amount of INR 25,000,000 (Rupees Two Crore Fifty Lakh only) as long term incentive amount payable in January 2022 subject to achievement of company's performance targets for 3 year (CY 2019 - CY 2021) operating plan and post approval by Board.

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

The other information required is given as follows:

#### I. GENERAL INFORMATION:

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

# NOTICE (Contd.)

## I. GENERAL INFORMATION: (Contd.)

4. Financial performance of the Company in previous 2 financial years: (INR in Million)

Particulars	FY 2019-20	FY 2018-19
Total revenue	4,548.30	3,551.58
Profit before tax	533.54	470.76
Profit after tax	408.62	300.63

5. Export performance and net foreign collaborations:

Particulars	FY 2019-20	FY 2018-19
F.O.B value of exports	2,818.03	2,220.38

6. Foreign investments or collaborators, if any:

There is no direct foreign equity participation. The shareholding of Non - Resident Investors as on 31 March 2020 is 5,232 shares (0.20%), Foreign Promoter holds 300 shares (0.01%) and Foreign Portfolio Investors hold 91,443 shares (3.56%).

## II. INFORMATION ABOUT MR. ABHIJIT UPADHYE:

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

Date of Birth & Age	13 April 1971 - 49 years
Date of Appointment	3 November 2018 as Managing Director
Qualifications	Mr Abhijit Upadhye is a B.E. (Mech) from VJTI, Mumbai and holds a Master in Management Studies Degree in Marketing from Narsee Monjee Institute of Management Studies.
Expertise in specific functional areas	Mr. Upadhye has 23 plus years of experience spanning e - Commerce, Food Service, Consulting and FMCG with a mix of International as well as within country leadership roles. He has worked with McDonald's Corporation, Flipkart, Infosys, etc to name a few.  He has expertise in sales and marketing, business strategy, supply chain management, business development, business process improvement, strategic planning, governance, etc.
Directorship in other listed companies	Mr. Upadhye is not a director in any other listed company. However, he is a director in Preferred Brands Foods (India) Private Limited.
Chairmanship / Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL
Comparative remuneration profile	Having regard to the type of industry, the trend in the industry, the size of the Company, the growth of the Company, the profile of the Managing Director, his contribution and merits, his responsibilities, the remuneration proposed is at par with the remuneration being paid to the senior executives in both domestic as well as multinational corporate sector in the food processing industry. Various regulations have placed enormous responsibilities on the management. In order to compensate with increased responsibility, it is proposed to remunerate the managing director with appropriate remuneration.
Pecuniary relationship with the Company and Managerial Personal	Mr. Abhijit Upadhye is not related to any director or Key Managerial Personnel of the Company. He receives remuneration only as Managing Director of the Company.

# NOTICE (Contd.)

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

Past Remuneration	Mr. Upadhye has been serving the Company as Managing Director since 3 November 2018. Remuneration mentioned and proposed in table above is the remuneration received by him during the financial year 2019-20.
Recognitions or awards	Mr. Upadhye has over 23 years of well - rounded experience across various industries including food service, e - commerce, Consulting and FMCG. He joined us in July 2018 as Chief Operating officer (COO) from Flipkart India, where he served as Chief Executive Officer of Jeeves Consumer Services and F1 Info Solutions (Flipkart group companies). During his tenure, he was responsible for a turn - around of the Company. Jeeves saw a multifold jump in revenue and profitability whilst improving other metrics like employee and customer satisfaction. He was also responsible for the acquisition of F1 Info Solutions which helped bring new service and category capabilities for Flipkart. While working for McDonald's Corporation, Abhijit was awarded the prestigious "Global Circle of Excellence Award" two times in a row. During his consulting role in Infosys, he received the "Chairman's Award of Excellence" twice for contributing towards development of the multi million dollar Master Data Management Solution. He has also co - authored a case study for Stanford Graduate School of Business on the development of MacFry in India.
Job Profile and Suitability	<p>Mr. Upadhye is a Food Industry veteran having extensive experience at McDonald's Corporation. He worked for 13 years with McDonald's both within India and in Hong Kong for regional as well as global roles. While in India, he was the country head for Supply Chain, QA &amp; Menu Management and held P &amp; L responsibility brand extensions like McDelivery and Desert Kiosks. Successful products like Chicken McNuggets, McSpicy Paneer &amp; Chicken, EVM's and platforms like Breakfast were launched during his tenure. He led some transformational supply chain initiatives and changed several supply models in the farm - to - fork value chain (e.g. lettuce, fries) to provide an edge to McDonald's over its competitors. While in Hong Kong, he led menu strategy and regional product innovation launching platforms like "Dinner" and "Create your Taste". He led the 'Go To Market' project for McDonald's APMEA and helped improve returns for new store openings in emerging markets like China, India and Indonesia. He was part of the core new country opening team that helped open McDonald's Vietnam and was the supply chain relationship partner for McDonald's Japan. As a global category lead for Sauces, Dairy, Beverages and Toys he was responsible for strategic sourcing of a few billion \$ and capability / capacity planning. He has also worked in the Domain Competency Group of Infosys as a Principal Consultant and Group Lead for Retail and CPG Industry.</p> <p>Mr. Upadhye has a proven record of merit as narrated above and has strong knowledge of the food industry within and outside of India. His diversified experience and high performance is an indicator of his capabilities. He has been in turn around situations, has managed multi billion \$ portfolios and has also worked in high growth environments like Flipkart. His experience will be beneficial for overall management of the Company contributing to continuous growth, increased productivity and enhanced quality.</p>





# NOTICE (Contd.)

## OTHER INFORMATION:

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

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

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

Date: 15 May 2020  
Place: Pune

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

# DIRECTORS' REPORT

To  
The Members,

Your Directors are pleased to present the 36<sup>th</sup> Annual Report together with Audited Statement of Accounts for the year ended 31 March 2020.

## 1. KEY FINANCIAL HIGHLIGHTS:

(INR in Million)

Highlights	FY 2019-20	FY 2018-19
Revenue from operations	4,257.74	3,369.30
Other Income	290.56	182.28
<b>Total Income</b>	<b>4,548.30</b>	<b>3,551.58</b>
Profit before Depreciation, Interest and Tax	737.22	640.53
<b>Profit after tax</b>	<b>408.62</b>	<b>300.63</b>
Earnings per share (INR / share - Basic and diluted)	159.24	117.16
Net Fixed Assets including intangible assets	897.28	821.07
Long term borrowings (excluding current portion)	207.84	258.12
<b>Profit / (Loss) transferred to Balance Sheet</b>	<b>408.62</b>	<b>300.63</b>
<b>Other Comprehensive income / (loss) transferred to Balance Sheet</b>	<b>(91.05)</b>	<b>21.86</b>

## 2. FINANCIAL PERFORMANCE & OPERATIONS:

Your Company grew at a healthy Y-o-Y rate of 28% to achieve revenues of INR 4,548.3 million during the year against INR 3,551.6 million in the previous financial year. The Exports Led Consumer Business grew by 27% Y-o-Y with sales of INR 2,755.6 million against INR 2,174.2 million in the previous year while the Tasty Bite Food Service (TFS) business registered a strong growth of 26% with sales of INR 1,502.1 million against INR 1,195.1 million in the previous year. Tasty Bite continues to retain the position of market leadership in its key markets including the United States, Canada, Australia and New Zealand, while new geographies such as UK, Germany also expanded. Profit after Tax for the financial year ended 2020 at INR 408.6 million against INR 300.6 million in previous financial year 2019, a growth of 36%.

## 3. DIVIDEND:

The Board of Directors at their meeting held on 15 May 2020, recommended a final dividend of INR 2.0 per equity share, subject to the approval of shareholders at the ensuing Annual General Meeting.

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

Upon declaration by the members at the ensuing Annual General Meeting, dividend shall be paid to those members, whose names appear on the Register of Members of the Company after effecting all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents on or before 18 July 2020. In respect of shares held in dematerialized form, dividend will be paid on the basis of particulars of beneficial ownership furnished by Depositories as on the closing hours of business on 17 July 2020.

## 4. RESEARCH AND DEVELOPMENT:

Tasty Bite Research Centre (TBRC), located within the factory campus continued to build on its mission to be a centre of excellence in product, process and ingredient innovation. During the course of the year, several new innovative products were developed by TBRC keeping in mind the evolving needs of our consumers. The Department of Science & Industrial Research (DSIR) of the Union Ministry of Science & Technology renewed its accreditation to TBRC till March 2022. New products developed at TBRC in the last 2 years contributed 48% of the company's revenues.

## 5. FIXED DEPOSITS:

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

## 6. DIRECTORS:

During the year under review, there has been no change in the composition of Board of Directors of the Company.

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

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

# DIRECTORS' REPORT (Contd.)

Companies Act, 2013 ("Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR").

In accordance with the provisions of the Companies Act, 2013 and Memorandum and Articles of Association of the Company, Mr. Ashok Vasudevan, retire by rotation at the ensuing Annual General Meeting, and being eligible has offered himself for reappointment.

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

## ■ Board evaluation:

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

## ■ Remuneration & Evaluation Policy:

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

## ■ Meetings:

During the year under review, 7 (seven) board meetings were held for which proper notices were given to the Board of Directors. These were held on 16 May 2019, 23 May 2019, 12 July 2019, 7 August 2019, 7 November 2019, 12 February 2020 and 24 March 2020. The maximum interval between any two meetings was not more than 120 days. Details of these meetings are stated in Corporate Governance Report.

## 7. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return as provided under Section 92(3) in Form MGT - 9 is in "Annexure A" to this Report and is also available for inspection on the website of the company [www.tastybite.co.in](http://www.tastybite.co.in)

## 8. DIRECTORS' RESPONSIBILITY STATEMENT:

Directors confirm that:

- (a). in the preparation of the annual accounts for the year ended 31 March 2020, applicable accounting

standards have been followed along with proper explanation relating to material departures, if any;

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

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the management and the relevant board committees, including audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the financial year 2019-20.

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

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

## 10. CORPORATE GOVERNANCE:

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

# DIRECTORS' REPORT (Contd.)

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

## 11. AUDITORS:

### ■ Statutory Auditors:

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

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

### ■ Internal Auditors:

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

### ■ Secretarial Auditor:

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

Practicing Company Secretaries, Pune as Secretarial Auditor for financial year 2020-21.

## 12. WHISTLE BLOWER & VIGIL MECHANISM POLICY:

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

## 13. AUDIT COMMITTEE:

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

## 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

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

## 15. SHARE CAPITAL:

During the year under review, the Company has neither issued any shares with differential voting rights nor issued sweat equity shares. Further, the Company did not grant any stock options during the year under review. As on 31 March 2020, details of the shares held by Directors in the Company are as under.

Name of Director	No. of Equity Shares held	No. of Convertibles held
Mr. Ashok Vasudevan	---- NIL ----	---- NIL ----
Mr. Abhijit Upadhye	---- NIL ----	---- NIL ----
Mr. Kavay Patel	---- NIL ----	---- NIL ----
Mrs. Rama Kannan	---- NIL ----	---- NIL ----
Dr. Chengappa Ganapati	---- NIL ----	---- NIL ----
Ms. Dawn Allen	---- NIL ----	---- NIL ----
Mr. Srinivasa Rao Pydisetty	---- NIL ----	---- NIL ----
Mr. Gaurav Gupta (Alternate Director)	---- NIL ----	---- NIL ----

*There are no convertible instruments issued by the Company.*

Shareholder approval obtained on 8 August 2019, for allotment of 15,500 equity shares to Preferred Brands Foods India Private Limited (“PBFIP”) the holding company expired and the in - principle listing approval from stock exchanges was not obtained.

# DIRECTORS' REPORT (Contd.)

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

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

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

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

## 18. RISK MANAGEMENT POLICY:

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

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

## 19. CORPORATE SOCIAL RESPONSIBILITY:

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

As per the provisions of Section 135 of the Companies Act, 2013, every Company falling under the applicability of Corporate Social Responsibility is required to spend 2% of its net profits on the activities given under Schedule VII of the Companies Act, 2013, and CSR policy adopted by the Board of Directors. The Company has also contributed an amount of INR 8.37 MN to Tasty Bite Foundation in financial year 2019-20.

The Company has spent INR 8.37 MN during the financial year 2019-20 on CSR activities as per the policy of the Company. Company was required to spend INR 8.37 MN during the financial year 2019-20. The cumulative unspent amount as at 31 March 2020 was Nil.

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

Particulars	Amount in INR Million
a) Gross amount required to be spent by the Company during the year	8.37
b) Amount spent during the year:	
(i) Others	8.37
<b>Total</b>	<b>8.37</b>
c) Unspent amount	Nil

During the year under review "Tasty Bite Foundation", a not for profit company limited by guarantee registered under the Companies Act, 2013 (the "Foundation") has been actively involved in CSR activities. The Foundation has carried out CSR activities in various fields such as tree plantation, school building work, etc.

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

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

## 21. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

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

# DIRECTORS' REPORT (Contd.)

## 23. APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2019-20:

(INR in Million)

Name of Director	Remuneration of Director (1)	Median remuneration of employees (2)	Ratio (3) = (1) / (2)
Mr. Ashok Vasudevan	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Abhijit Upadhye	40.02	0.55	72.76
Ms. Dawn Allen	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Kavas Patel	---- NIL ----	---- NIL ----	---- NIL ----
Ms. Rama Kannan	---- NIL ----	---- NIL ----	---- NIL ----
Dr. Chengappa Ganapati	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Srinivasa Rao Pydisetty	---- NIL ----	---- NIL ----	---- NIL ----
Mr. Gaurav Gupta**	---- NIL ----	---- NIL ----	---- NIL ----

\*\*Mr. Gupta receives remuneration as CFO not as alternate director.

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

(INR in Million)

Name	Designation	Remuneration in FY 2018-19	Remuneration in FY 2019-20	Increase (in %)
Mr. Abhijit Upadhye	Managing Director	12.56 (w.e.f. 3 Nov 2018)	40.02 (full financial year 2019-20)	% increase cannot be computed as the KMP appointed to the respective roles in mid of FY. 2018-19
Mr. Gaurav Gupta	Chief Financial Officer	2.64 (w.e.f. 3 Nov 2018)	7.44 (full financial year 2019-20)	
Ms. Minal Talwar	Company Secretary	1.14	1.36	19.30%

3. Number of permanent employees are 277 on the roll of company as on 31 March 2020.
4. The remuneration paid to the employees is in affirmation with Remuneration & Evaluation Policy of the Company.
5. During the year increment was also made in salary of Key Managerial Personnel and Senior Management on basis of annual appraisal by the management on proportionate basis and as per the remuneration policy.
6. Average percentile increases in salaries of employees other than the managerial personnel in the last financial year 2020 was 20%. Percentile increase in the managerial remuneration in 2020 was 42%.
7. The Company has a variable pay compensation structure only for Managing Director basis achievement of targets (as mentioned in Notice convening Annual General Meeting). No other employee has variable pay component structure. The Company further confirms that remuneration paid to employees is in line with its Remuneration Policy.
8. Statement of employees receiving remuneration under Section 197(12) of Companies Act, 2013, and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as "Annexure G".

# DIRECTORS' REPORT (Contd.)

## 24. MARKET CAPITALIZATION:

Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over / decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies:

Particulars	Issued capital	Closing Market price per share	Earnings per share	Price Earnings Ratio	Market capitalization (INR in Million)
As on 31 March 2019	2,566,000	8,358.60	117.16	71.34	21,448.17
As on 31 March 2020	2,566,000	8,999.80	159.24	56.52	23,093.49
Increase / Decrease	NIL	641.20	42.08	(14.82)	1,645.32
% Increase / Decrease	NIL	7.67%	35.91%	(20.77)	7.67%

The Company made Public Offering in February, 1987 of 750,000 equity shares at INR 10.00 each. The market quotation of the Equity shares of the Company as on 31 March 2020, was INR 8,999.80 for shares of face value of INR 10.00 each, representing an increase of 89,898% over the period.

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

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

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

During the year under review, there was no pecuniary relationship or pecuniary transactions between the Company and its Non - Executive Directors.

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

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

mandate is to bring awareness about ensuring safe workplace for women; receive and take appropriate decision on complaints, if any.

The Committee as appointed by the Management consists:

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

No complaints have been received during the year.

## 28. DISCLOSURE REQUIREMENTS:

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

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

For and on behalf of the Board of Directors

**Ashok Vasudevan**

Chairman

DIN: 00575574

Date: 15 May 2020

Place: Pune

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

Tasty Bite is the leading brand of Ready - to - Eat products. Your company is the number one Indian food brand in North America and its recent launch in UK, Germany, Australia and Canada has been well received by the consumers. The consumer business has a range of Ready - to - Eat Indian and Asian entrées, Ready - to - cook sauces and Ready - to - Eat organic Rices and Grains. The consumer business is export driven with sales and marketing being done by PBI (for North America) and Mars (for all other geographies).

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

## ECONOMIC OUTLOOK

While the global economy grew by 2.9% in 2019, COVID - 19 has delivered an enormous global shock, leading to steep recession in many countries. Amid the [Coronavirus Pandemic](#), several countries across the world resorted to lockdowns to “flatten the curve” of the infection. These lockdowns meant confining millions of citizens to their homes, shutting down businesses and ceasing almost all economic activity. According to the International Monetary Fund (IMF), the global economy is expected to shrink by over 3 per cent in 2020 - the steepest slowdown since the Great Depression of the 1930s. In North America, our largest market for the consumer business, Covid - 19 related disruptions have led to millions filing for unemployment benefits. As per a Reuters report, since 21 March, more than 36 million have filed for unemployment benefits, which is almost

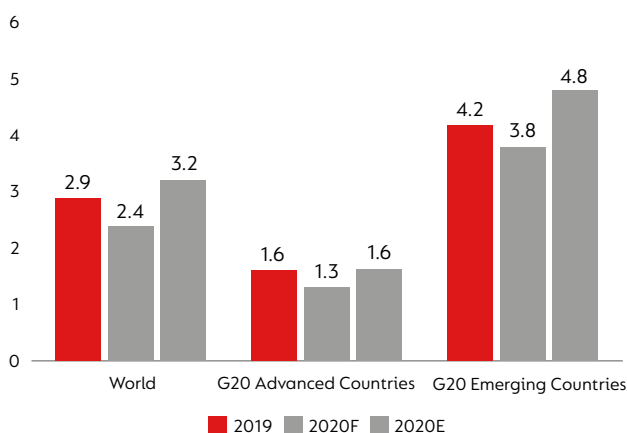
a quarter of the working - age population. Per capita incomes in most emerging and developing economies will shrink in 2020. The pandemic has changed people behavior forever and highlighted an urgent need for policy action to cushion the consequences, protect vulnerable populations, and improve countries' capacity to cope with similar future events.

Indian economy is in a similar turmoil registering a 4.2 per cent growth in 2019 - 20, the slowest in 11 years. The economic impact of the 2020 coronavirus pandemic in India has been largely disruptive. The World Bank and rating agencies had initially revised India's growth for FY 2021 @ 3.2%, the lowest figures India has seen in three decades since India's economic liberalization in the 1990s. However after the announcement of the economic package in mid - May, India's GDP estimates were downgraded even more, signaling a deep recession perhaps the worst since independence.

In Q1 FY 2021, the GDP is forecast to contract over 40%. India could lose the tag of the fastest growing large economy to China for two years. China is projected to grow at 1 per cent in CY 2020, and 6.9 per cent for CY 2021.

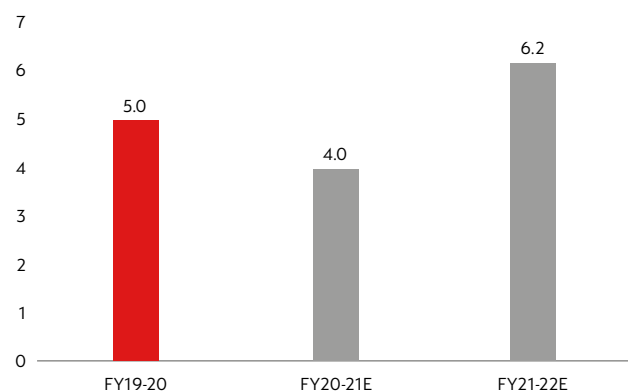
Within a month, unemployment rose from 6.7% on 15 March to 26% on 19 April. During the lockdown, an estimated 140 million people lost employment while salaries were cut for many others. More than 45% of households across the nation have reported an income drop as compared to the previous year. Under complete lockdown, less than a quarter of India's \$ 2.8 trillion economic movement was functional. Up to 53% of businesses in the country were projected to be significantly affected. Covid - 19 is expected to have a significant impact on several industries including food and food consumption.

**Global GDP Growth rate (%)**



(Source: OECD Economic Outlook Database - March 2020)

**India GDP Growth rate (%)**



(Source: Asian Development Bank Outlook 2020)



# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

## INDUSTRY OVERVIEW

### Global RTE Industry

Globally, the demand for Ready - to - Eat (RTE) food has grown significantly and is expected to reach US \$172 billion by the end of 2023<sup>1</sup>.

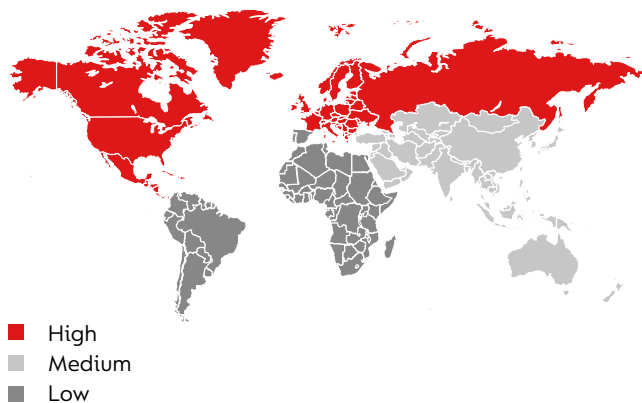
Changing food habits, lack of time and easy accessibility to various food groups has generated a huge demand for these products. Driven by high disposable incomes, ease of use, busy lifestyle and better nutritive content, consumers globally are relying more on Ready - to - Eat food.

### American RTE Industry

North America is the biggest market for ready - to - eat meals accounting for 42% of the global RTE market share. The RTE segment in the United States is estimated to reach US \$679 million by 2020 and it is expected to grow at a CAGR of 9.7% from 2017-2023<sup>2</sup>.

Frozen or chilled segment accounts for the largest share in the Ready - to - Eat market. Growth in North America is attributed to various factors such as improved standard of living, growing working population and increasing per capita income. Moreover, rapid urbanization and increased employment levels have contributed to busy schedules which is anticipated to intensify the demand for Ready - to - Eat food. Covid - 19, has forced people to cook and eat at home.... this has further accelerated the adoption of Ready - to - Eat and Ready - to - Cook products. Covid - 19 has also made many non - believers into life long users.

### Ready - to - Eat food market (Region wise Penetration)



(Source: Mordor Intelligence)

<sup>1</sup>Research nester report on Ready - to - Eat food market

<sup>2</sup>Statista.com - Ready meals in the United States

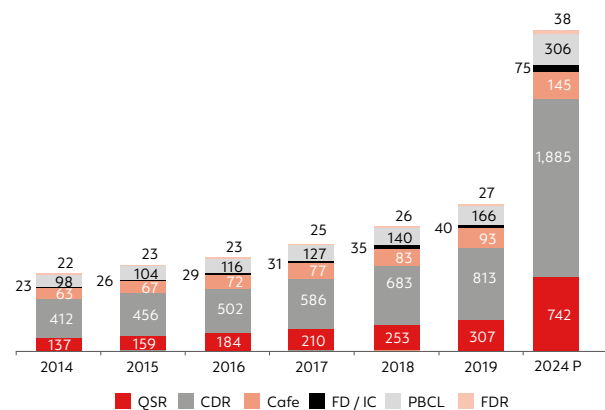
### Food Service Industry in India

The INR 38,000 million Food Service market in India is mostly dominated by the unorganized sector, contributing to around 62% of the overall market size. Within the organized sector, QSRs (Quick Service Restaurants) and CDRs (Casual Dining Restaurants) constitute about 80% of the market. The organized food service segment is expected to grow at a CAGR of 13% between 2019-2024. The growth is largely influenced by an increasing number of international brands, emergence of food technology disruptors, strengthening of backend infrastructure, acceptance of new cuisines and changing lifestyles.

The sector has been evolving as the country has the highest millennial population (people aged 18 to 35), whose food habits and tastes are very different from those of previous generations. Millennials today, happen to be tech savvy, independent, career driven individuals with global exposure possessing a higher spending capacity and with little time to cook indoors. Eating outside food on weekdays has become a common phenomenon, as opposed to it being a weekend activity. Other factors such as rapid urbanization and government initiatives such as to keep malls and restaurants open 24\*7 in metro cities is also likely to contribute to the growth of the sector, providing food service players with an opportunity to expand.

Further, the concept of cloud kitchen, a delivery only outlet with no dine in facility has been gaining traction recently on the back of rising order through delivery apps like Swiggy and Zomato. The concept has been growing at a faster rate worldwide as compared to other segments of the restaurant industry. The same is witnessed in India in the past 2 years.

### Indian Organized Food Service Market (INR In billion)



(Source: Technopak BoK, NRAI India Food service Report)

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

## MEGA TRENDS

The vision of the Company, consistent for more than a decade, is to be a *socially responsible* company that will *delight consumers* by offering *great taste, good value* and *real convenience* achieved through manufacturing and marketing of *natural, convenient* and *specialty* foods. This vision is like a North Star guiding our strategy, operating plans and decision making. Covid - 19 has created some fundamental shifts in consumer behavior especially in the area of food and food consumption.

Let's have a look at some of the emerging trends and how they impact your company:-

### ■ Focus on Health, but Taste most important

The trend towards healthy, natural, organic and better - for - you food isn't slowing down: in fact, Covid - 19 increased its acceptance. However, consumers are not ready to compromise on taste! During these testing times, taste has become more important than ever. Consumers are embracing comfort food that they are familiar with. This trend has been serving us well in our consumer business which has been necessarily natural and preferably organic. During the year our hero SKU, Madras Lentil was converted into organic and introduced across all the channels. This was accepted quite well by the consumers. We added a few more organic rice SKU's and entrees increasing our organic portfolio in North America. During Covid - 19, many consumers stock piled Tasty Bite RTE rice and entrees driving increased consumption and widening the consumer base. This 'better - for - you' trend is also on the rise in the food service industry with many global and local brands pledging to launch new products with cleaner labels. Your company is partnering with these customers to help create clean label products.

### ■ Home cooking on the rise but consumers don't have time

While consumers are leading busy lives, Covid - 19 has made them to stay at home. They are expected to juggle between home responsibilities and office duties. With restaurants closed, they are also forced to cook at home. However, this has added pressure on their already busy lives and they are looking for food options that are easy to prepare without sacrificing taste. Tasty Bite range of Ready - to - Eat and Ready - to - Cook products are a great help in preparing a tasty meal in less amount of time. While this new trend seems to have a short term impact on restaurants and hence our food service business, in the long run this presents numerous opportunities. Many QSR's and Cloud kitchens have started converting their products into DIY kits and meal kits enabling customers to prepare their favorite branded meals at home. Tasty Bite has an opportunity to partner with our food service customers as they look for innovative options to grow their business.

### ■ Social Distancing, the new normal

Post lockdown, consumers will be quite wary of eating out and whenever they venture out, they will look for safer and trusted avenues. Brands that give them confidence around safety & hygiene practices including Social distancing will win. Restaurants will have to redesign their kitchen and seating area, simplify their processes, standardize their food supply chain and leverage technology in all aspects of their business. None of this is going to be easy but it is a necessity to win consumer confidence. We can already see several innovations in the delivery side of the business with contactless delivery becoming a norm. Online reservations, QR - code Menu, Naked Kitchens, no - sharing meals, Reduced waiting time & minimum human contact are some possible innovations that we will start seeing on the Eat - In side of the business as well. As brands start simplifying their menu and processes they need to standardize their supply chain and move from inhouse preparation to outsourcing of intermediate and / or finished prepared foods. Tasty Bite is well positioned to take advantage of this trend through its superior innovation ability and strong customer relationship.

### ■ Food, the new immunity booster

We are what we eat... the stress of the corona virus has hit our immune systems hard. Consumers have started realizing the immense benefits of going back to their roots to discover ancient wisdom and understand benefits offered by traditional ingredients. Whether its Matcha, the famed Japanese powdered green tea known for its high anti - oxidants or turmeric known for its anti - inflammatory and antioxidant properties many such traditional ingredients are becoming global and finding their way into the food plate. New ingredients are earning the title of superfoods or master ingredients because of their seemingly 'good for you' nutritional properties. While this trend was always on the rise, Covid - 19 has accelerated the adoption of such ingredients. There's also an increased move towards vegetarian and vegan. In our Food Service business as well as Consumer business we have been at the fore - front of leveraging such ingredients to create products with bolder flavors offering great taste. Our recently launched RTE Organic Ghee Turmeric Rice or range of ancient grain products for food service customers are some examples of how we have leveraged this trend on the back of our strong culinary and food science capabilities.

### ■ Technology

Technology is changing the way people eat, cook and shop for food. During the lockdown period, while consumers were finding it difficult to step out of their homes, products were being delivered to their door step by e - commerce

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

companies and food delivery aggregators. Cloud kitchen operators also managed to survive the lockdown leveraging their technological prowess and offered contactless delivery to consumers. In line with this shifting trend, Tasty Bite is also seeing an increased demand from e-commerce companies like Amazon. Your company is also partnering with leading food tech companies in standardizing their food supply chain and fast scaling of their cloud kitchens.

## RESULT OF OPERATIONS

In terms of market share, Tasty Bite is a leading brand for shelf stable Indian foods in North America. Your company has also launched the brand in UK, Germany and Australia.

### Productwise Performance

Business	Revenue*	Product	Key market areas	Customers
Consumer business	INR 2,755.6 million (64.72% of the total revenue)	Ready - to - Eat food (natural, convenient, ethnic or specialty food segment)	USA, Canada, UK Germany, Australia, and New Zealand	Marketed through affiliates to retail customers like Costco, Target, Krogers, Wholefoods, Amazon and others
Food Service business	INR 1,502.1 million (35.28% of the total revenue)	Formed Frozen Product and Specialty Sauces	QSR chains and HoReCa (Hotels, Restaurants and Caterers) in India and abroad	

\*Excludes other income

Your Company had a good year with revenues growing 28%. The export business grew 27% on account of market expansion, increased distribution points, new product launches and increased acceptance by consumers. The consumer business touched a revenue of INR 2,755.6 million.

The Tasty Bite Food Service (TFS) business has grown 26% on the back of resurgence of same store sales growth for QSR's, new store / kitchen expansion, new customer addition and product innovation. Your company continues to invest in R&D to develop new and unique products that help to grow the market for our customers. Our Food Service Business (TFS) touched revenue of INR 1,502.1 million.

Overall revenue from both businesses touched INR 4,548.3 million including other income.

Material cost in the year increased by 430 bps over previous year to 62.3% of revenue mainly on account of relatively high inflation in key input raw materials. We also took some strategic decision to forward buy key organic commodities like urad, lentils, onions, rice and tomato paste.

EBITDA at 16.2% of revenue grew by 15.0% over the previous year.

During FY'20 Profit before tax (PBT) increased to INR 533.5 million from INR 470.8 million in FY'19. Profit after tax increased by 36% to INR 408.6 million from INR 300.6 million in FY'19.

Other comprehensive income records the remeasurement gains / losses on our defined benefit plan (gratuity) and the mark to market gain / loss on the effective portion of cash flow hedges taken by the Company to hedge its forex exposure, net of taxes. There was an actuarial loss, net of taxes of

INR 6.4 million as compared to INR 3.3 million in FY'19 and mark to market loss, net of taxes on effective portion of cashflow hedges of INR 84.6 million as compared to gain of INR 25.2 million in FY'19.

## SOURCES & USES OF FUNDS

As at 31 March 2020, the Company had three long - term foreign currency loans from two Japanese banks, namely Mizuho Bank and MUFG Bank with a total outstanding balance of \$ 3.7 million (INR 280.8 million). These loans have maturity of five to eight years with an interest cost of 3 months Libor + 0.90% on two loans and 3 months Libor + 0.75% on the third loan. The Company has entered into an interest rate swap (IRS) agreement with the banks to convert the floating rate liability of these loans into a fixed rate liability. As at 31 March 2020, the IRS has a mark - to - market loss of INR 5.3 million. The Company has taken no new long - term loans during the course of the year.

The company had working capital loan from affiliates of INR 60 MN outstanding as on 31 March 2019, the said loan has been repaid in full during the year.

During the year the company has availed short term working capital borrowing in the form of packing credit in foreign currency from Mizuho Bank for meeting its working capital requirements, as at 31 March 2020 an amount of \$ 4.5 million (INR 339.1 million) is outstanding.

Total net property, plant & equipment (including capital work - in - progress and Intangible assets) stood at INR 1,162.3 million vs INR 924.3 million in the previous year. Assets that were capitalized during the year (net of disposals) totaled INR 187.9 million.

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Net working capital in the business reduced from INR 630.4 million in FY'19 to INR 496.6 million, a decrease of 21.2%. Current ratio reduced from 2.1 in FY'19 to 1.5 in FY'20.

Ratios are as follows:

Ratios	FY. 2019-20
(i) Debtors Turnover	2.2
(ii) Inventory Turnover	2.0
(iii) Interest Coverage Ratio	16.2
(iv) Current Ratio	1.5
(v) Adjusted Debt Equity Ratio	0.3
(vi) EBITDA Margin (%)	16.2%
(vii) Net Profit Margin (%)	9.0%
(viii) Details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof	25.0%

## OPPORTUNITIES & THREATS

The business is built on the foundation of strong values, a coherent and consistent strategy and competitive advantages built over several years of operation. This places it in a good position competitively and provides significant opportunities to grow.

### Strategy

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

We continue to focus on the following strategic goals:

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

### Strengths

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

our Research and Development center equipped with latest technology & state of art equipment.

- **Trusted Partner for B2B customers:** Your company partners with leading QSR brands to provide customized product solutions in Formed Frozen Product (FFP) and Specialty Sauces category.
- **Strong distribution and marketing:** Your company is supported by Preferred Brands International Inc. in North America and by Mars Food Corporation for all markets outside of North America. Both these companies have a well established marketing and distribution network in their respective markets.
- **Strong supply chain:** Your company is one of the largest organic processors in the country and is backed by a very strong, agile and efficient supply chain.
- **Product quality:** Your Company manufactures high quality products for its food service as well as consumer business. The manufacturing facility is audited by several customers and meets stringent quality standards of several countries including US, UK, Australia, Japan and Canada.

### Competition

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

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

Likewise, in our food service business, there are international and domestic players that have the technology and capability to manufacture similar products. Many of them have international relationships, well recognized consumer brands in India and extensive distribution networks. This is also a highly price sensitive market and industry and the Company needs to continuously innovate, enhance its procurement strategies and make its manufacturing more efficient in order to remain ahead of its competition.

## OUTLOOK, RISKS AND CONCERNS

Your company intends to continue focusing on both the consumer as well as the food service business. Both businesses are enjoying a strong growth over the past few years.

For the consumer business, following is our growth strategy:

- **Improve Reach** - this would entail increasing points of distribution, adding new channels as well as expand to newer geographies

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- **Lead Innovation** - we would continue to be leaders in category innovation through transition to organic, new line extensions and new formats
- **Increase conversion** - product sampling and demonstrations, use of focused digital media will increase the consumer base of Tasty Bite brand lovers.

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

- **Value Leadership and Innovation**
- **New Customers and Channels**
- **Superior Customer Service**

The food service industry is driven by innovation, value consciousness and service. Covid - 19 has increased the emphasis on these levers even more. As brands work hard to gain consumer trust, they will look towards supply partners who can offer them innovative solutions both in terms of new products as well as standardized supply chain products. Partnering with the QSR and Cloud Kitchen customers to solve their challenges has become the need of the hour. Your company has been a preferred partner for many customers and will strive harder to earn their trust. During the year under review, your company expanded its presence in many South East Asia and Middle East markets. In the coming years, the plan would be to leverage this newly formed customer relationships and grow the business in these new geographies. Tasty Bite has also recently launched "TastyBite Xclusive" a branded offering for HoReCa customers in select cities. Over the next few years, the company plans to strengthen the branded food service portfolio.

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

- There is intense competition for shelf space in supermarkets and there is always uncertainty whether the Company would be able to get its products listed in grocery stores. As new product reviews take place only once or twice a year any delay in getting listing could impact growth.
- The success of any product or category depends finally on consumer acceptance of the same and new launches may or may not be successful.
- Food Service customers have had a major dent in their revenue and profitability since the advent of Covid - 19. This has resulted in contraction of the entire industry and recovery would be long and painful. It is estimated that 25% - 40% of restaurants could close down and it could take anywhere from 12 - 24 months to return to normalcy.
- In the short to medium term, there would be immense pricing pressure from our food service customers as they seek lower cost options or discounts on existing products.
- We do not have any long - term contracts with our customers and they could stop purchasing from the Company with little or no notice period. This could negatively impact our revenues and profits.

- Cost increases of inputs and services in India are rising while retail prices of our products remain relatively stable and we may not be able to pass on cost increases to our customers.

- We are exposed to risk of fluctuations in foreign currency on our export sales. While we have a robust forex risk management policy in place, this allows us to hedge movements in foreign currency exchange rates for a period of twelve months. As we are a net exporter, any long term strengthening of the Indian rupee would have an adverse impact on our profitability.

- All our raw materials are agricultural commodities that sometimes see significant price volatility depending on weather and market conditions. While we do strategic purchases to hedge risk of key commodities, it would not cover all the raw materials that we purchase.

- We have one manufacturing facility that manufactures all our products for our consumer and food service business. Any untoward incident beyond our control can impact our ability to fulfill customer orders and our reputation.

- Our products are shipped globally and ocean freight forms a material portion of our total costs. All our exports are shipped from Nhava Sheva port in Mumbai. Increase in oil prices, changes in supply demand of vessels and port disruptions could increase this cost or cause delays in reaching our products to our markets.

- A few of our raw and packing materials are imported that have longer procurement lead times. Changes in exchange rates and any delays on import can impact production schedules and our ability to fulfill orders.

- Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material adverse effect on our business.

- We are eligible for various incentives from the Government on the export of value added agricultural products. Any change on these policies that reduces these incentives could adversely impact our net income.

- Any shortcoming in the quality of our products could have a financial impact aside from impacting the reputation of the brand.

- We could be the subject of litigation, which if adversely determined, could harm our business and operating results.

- Any changes to import policies and taxes in the countries where we export our products could increase the cost of our products for our consumers which could impact demand.

- We need to invest in manufacturing facilities and physical infrastructure ahead of market demand given the long lead times in creating new capacity. Our profitability could be reduced if our business does not grow proportionately.

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- With Covid - 19 pandemic across the globe, there's a potential short to mid term impact on the business due to labor availability, destabilized supply chains and demand shrinkage especially on the food service side of the business.

## SUPPLY CHAIN

Our constant endeavor is to create a value added and low cost supply chain that will provide assured availability of high quality ingredients and packaging material. Over the years we have built strong and long term partnership with our suppliers. We purchase over 400 different kinds of raw materials and a similar number of packing materials. Our strength comes from our ability to understand market dynamics of each of these input materials and make timely strategic decisions on buying them.

Our purchasing strategy ranges from spot purchases, forward contracts, seasonal buying and for few commodities, pre - processing into intermediate forms that can be easily stored and utilized over the course of the year. This creates ability to manufacture a better and consistent product leading to consumer delight. Covid - 19 impacted the entire country's supply chain including Tasty Bite. From effective management of working capital to supporting our MSME supplier partners, renegotiating our future contracts, online clearance of organic transactions by certification agencies to launching incentive schemes for our container drivers we innovated across the entire value chain to meet our production plans.

The Company has embarked on a program to increase its sourcing of ingredients that are organic and to that extent needs to build a robust supply chain to ensure farm level traceability of these ingredients.

## HUMAN RESOURCES

During the year under review, industrial relations of the Company continued to be cordial and peaceful. Total personnel employed by the Company are 277 as on 31 March 2020.

Each year your Company participates in the Great Place to Work survey - a survey jointly conducted by the Economic Times of India and Great Places to Work Institute, India. We are very pleased to report that once again your Company made it in the Top 50 (ranked 31) list of India's Great Mid - Size Workplaces in 2019 and also was awarded Top 25 Best Companies to work for in the Manufacturing Sector 2019. In addition, it received several other certifications like Great Place for Women to Work and One of Best F & B companies in FMCG.

In FY 2020, the company increased its focus on training and development. More than 200 mandays were spent in offsite training for staff and permanent workers. In addition, activities like TB Cricket League, All - Hands Day, OxFam 100 km walk, international women's day and several others helped

improve employee engagement. Several programs, including, "Quarterly Townhall", "Coffee with MD", "Power up Fridays" helped improve the quality of communication across various levels of the company.

The management records its sincere appreciation of the efforts of all its employees who have all worked towards building a unique culture within Tasty Bite and an environment that is knowledge - driven, energetic and fun.

## FINANCE, ACCOUNTS AND INTERNAL FINANCIAL CONTROLS

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

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

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

Some significant aspects covered in the internal control framework includes:

- Standard Operating Procedures and Risk Control Matrix for all business processes to ensure effective internal financial controls;
- Oversight by an Audit Committee carried out by an experienced and qualified firm of Chartered Accountants;
- End to end integration of ERP system across supply chain, manufacturing and sales processes;
- Review and approval of annual operative and capital expenditure budget and monthly monitoring of actual spends;
- Regular review of key business risks such as new product development, foreign exchange management, commodity risk management, financial reporting;
- Legal framework w.r.t. compliances applicable to the Company. Company has implemented compliance tool in factory and head office;

# MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

- For overall supervision of controls, your Company has a Management Committee (MCom) to take key business decisions.

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

## QUALITY

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

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

- ISO - 14001:2015 (Environmental Management Systems)
- OHSAS 18001:2007 (Occupational Health and Safety)
- BRC v6 (Global Standard for Food Safety)
- Organic
- Kosher
- Halal
- The Foundation Food Safety System Certification 22000

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

## SUSTAINABILITY

The Company focuses on being a sustainable food manufacturer through conserving water (through installation of 'in - ground rainwater harvesting' system) and reducing its carbon footprint (through use of renewable energy). All of its steam generation is done using compacted agricultural waste (briquettes). The company continues to focus on using renewable sources of electricity - in FY' 20, 12% of its energy requirement came from Wind, 5% from solar and 1% from biogas. The biogas facility converts its organic waste into electricity and powers the effluent treatment plant, the water treatment plant and TBRC. The Company completed installing rooftop solar panels with a total capacity of 504 KWP in FY 2019-20. Monitoring and conservation of power and water is inbuilt into company processes. It also uses simple techniques such as crop rotation, use of natural fertilizers and pest control methods and green composting in its organic farm. Moreover, several initiatives have been undertaken by the Company towards improvement of air, soil and water quality in its eco system.

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

## CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of the average profits for the immediately three preceding financial years on Corporate Social Responsibility (CSR) activities. For fiscal year FY'20, the Company was required to spend INR 8.37 million on CSR.

The Company has contributed INR 8.37 million to Tasty Bite Foundation for CSR activities.

## CAUTIONARY STATEMENT

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

## APPRECIATION

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

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

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

For and on behalf of the Board of Directors

**Ashok Vasudevan**  
Chairman  
DIN: 00575574

Date: 15 May 2020  
Place: Pune

## ANNEXURE A

## FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN  
(As on financial year ended on 31.03.2020)

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

## I. REGISTRATION AND OTHER DETAILS:

1	Corporate Identity Number	L15419PN1985PLC037347
2	Registration Date	2 September 1985
3	Name of the Company	Tasty Bite Eatables Limited
4	Category / Sub - category of the Company	Company Limited by Shares / Indian Non - Government Company
5	Address of the registered office & contact details	201 - 202, Mayfair Towers, Wakdevwadi, Shivajinagar, Pune - 411 005. Phone no: +91 020 30216000
6	Whether listed company	Yes / No
7	Name, Address and contact details of Registrar & Transfer Agent, if any.	KFin Technologies Private Limited <b>Address:</b> Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 <b>Phone No.:</b> +91 040 - 67162222; 1800 - 345 - 4001 <b>Email:</b> <a href="mailto:rajkumar.kale@kfintech.com">rajkumar.kale@kfintech.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sr. No.	Name and description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Ready - to - Eat food products	107	64.72%
2	Frozen Food products and Sauces	107	35.28%

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

Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
Preferred Brands Foods (India) Private Limited Regd. off.: Office No. 1401, 1402, 14 <sup>th</sup> Floor, F Wing, Lotus Corporate Park, Graham Firth Steel Compound, Goregaon (E), Mumbai - 400 063	U15400MH1998PTC113768	Holding	74.22	2 (46)
Effem Holdings Ltd. Regd. Off.: 3D Dundee Road, Slough, SL1 4LG, United Kingdom	-	Holding	0.01	2 (46)



## ANNEXURE A (Contd.)

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

#### i) Category - wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	1,904,510	-	1,904,510	74.22	1,904,510	-	1,904,510	74.22	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (1):</b>	<b>1,904,510</b>	<b>-</b>	<b>1,904,510</b>	<b>74.22</b>	<b>1,904,510</b>	<b>-</b>	<b>1,904,510</b>	<b>74.22</b>	<b>-</b>
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	300	-	300	0.01	300	-	300	0.01	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub - total (A) (2):</b>	<b>300</b>	<b>-</b>	<b>300</b>	<b>0.01</b>	<b>300</b>	<b>-</b>	<b>300</b>	<b>0.01</b>	<b>-</b>
<b>Total shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>1,904,810</b>	<b>-</b>	<b>1,904,810</b>	<b>74.23</b>	<b>1,904,810</b>	<b>-</b>	<b>1,904,810</b>	<b>74.23</b>	<b>-</b>
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	900	-	900	0.04	54	-	54	-	(0.03)
b) Banks / FI	854	-	854	0.03	1,194	-	1,194	0.04	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	70,874	-	70,874	2.76	-	-	-	-	(2.76)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (FPI)	-	-	-	-	91,443	-	91,443	3.56	3.56
<b>Sub - total (B)(1): -</b>	<b>72,628</b>	<b>-</b>	<b>72,628</b>	<b>2.83</b>	<b>92,691</b>	<b>-</b>	<b>92,691</b>	<b>3.60</b>	<b>0.78</b>
2. Non - Institutions									
a) Bodies Corp.									
i) Indian	20,568	300	20,868	0.81	27,521	300	27,821	1.08	0.27
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto INR 0.1 million	272,610	56,674	329,284	12.83	278,469	44,774	323,243	12.60	(0.24)
ii) Individual shareholders holding nominal share capital in excess of INR 0.1 million	182,858	-	182,858	7.13	135,225	-	135,225	5.27	(1.86)
c) Others	-	-	-	-	-	-	-	-	-
Directors and relatives									
Non - Resident Indians	9,483	-	9,483	0.37	5,232	-	5,232	0.20	(0.17)
IEPF	40,541	-	40,541	1.58	43,041	-	43,041	1.68	0.10
Clearing members	454	-	454	0.02	1,333	-	1,333	0.05	0.03

## ANNEXURE A (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Trust	100	-	100	-	100	-	100	-	-
NRI Non - Repatriation	4,974	-	4,974	0.19	4,536	-	4,536	0.18	(0.02)
Alternative Investment Fund	-	-	-	-	27,968	-	27,968	1.09	1.09
<b>Sub - total (B)(2): -</b>	<b>531,588</b>	<b>56,974</b>	<b>588,562</b>	<b>22.94</b>	<b>523,425</b>	<b>45,074</b>	<b>568,499</b>	<b>22.16</b>	<b>(0.78)</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>604,216</b>	<b>56,974</b>	<b>661,190</b>	<b>25.77</b>	<b>616,116</b>	<b>45,074</b>	<b>661,190</b>	<b>25.77</b>	<b>(0.01)</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>2,509,026</b>	<b>56,974</b>	<b>2,566,000</b>	<b>100</b>	<b>2,520,926</b>	<b>45,074</b>	<b>2,566,000</b>	<b>100</b>	<b>-</b>

## ii) Shareholding of Promoter-

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during year
	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Preferred Brands Foods (India) Private Limited	1,904,510	74.22	-	1,904,510	74.22	-	-
Effem Holdings Ltd.	300	0.01	-	300	0.01	-	-
<b>Total</b>	<b>1,904,810</b>	<b>74.23</b>	<b>-</b>	<b>1,904,810</b>	<b>74.23</b>	<b>-</b>	<b>-</b>

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

Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Preferred Brands Foods (India) Pvt Ltd:</b>				
At the beginning of the year	1,904,510	74.22	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	No change		-	-
At the end of the year	-	-	1,904,510	74.22
<b>Effem Holdings Ltd:</b>				
At the beginning of the year	300	0.01	-	-
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	No change		-	-
At the end of the year	-	-	300	0.01

## ANNEXURE A (Contd.)

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

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Preferred Brands Foods (India) Private Limited</b>				
At the beginning of the year	1,904,510	74.22	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	-	-	-	-
At the end of the year	-	-	1,904,510	74.22
<b>Rahul Kayan</b>				
At the beginning of the year	65,082	2.54	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	(19,992)	(0.78)	-	-
At the end of the year	-	-	45,090	1.76
<b>National Westminster Bank Plc as Trustee of the JU</b>				
At the beginning of the year	55,559	2.17	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	19,003	0.74	-	-
At the end of the year	-	-	74,562	2.91
<b>Investor Education and Protection Fund Authority</b>				
At the beginning of the year	40,541	1.58	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	2,500	0.10	-	-
At the end of the year	-	-	43,041	1.68
<b>Tanvi Jignesh Mehta</b>				
At the beginning of the year	31,906	1.24	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	(1901)	(0.07)	-	-
At the end of the year	-	-	30,005	1.17
<b>Mukul Mahavir Prasad Agrawal</b>				
At the beginning of the year	30,130	1.17	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	3,000	0.12	-	-
At the end of the year	-	-	33,130	1.29
<b>Sundaram India Premier Fund</b>				
At the beginning of the year	-	-	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	27,968	1.09	-	-
At the end of the year	-	-	27,968	1.09
<b>Prasoon Bhatt</b>				
At the beginning of the year	22,140	0.86	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	4,860	0.19	-	-
At the end of the year	-	-	27,000	1.05
<b>K. Swapna</b>				
At the beginning of the year	21,000	0.82	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	(3,000)	(0.12)	-	-
At the end of the year	-	-	18,000	0.70

## ANNEXURE A (Contd.)

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>Parul Prasoon Bhatt</b>				
At the beginning of the year	19,800	0.77	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	-	-	-	-
At the end of the year	-	-	19,800	0.77
<b>Jupiter South Asia Investment Company Limited</b>				
At the beginning of the year	12,353	0.48	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	2,163	0.08	-	-
At the end of the year	-	-	14,516	0.57
<b>Orbis Financial Corporation Limited</b>				
At the beginning of the year	-	-	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	6,860	0.27	-	-
At the end of the year	-	-	6,860	0.27
<b>C Mackertich Private Limited</b>				
At the beginning of the year	468	0.02	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	6,282	0.24	-	-
At the end of the year	-	-	6,750	0.26
<b>Devika Anand</b>				
At the beginning of the year	5,700	0.22	-	-
Net Transactions (purchase / sale) during the year (1 April 2019 - 31 March 2020)	(130)	-	-	-
At the end of the year	-	-	5,570	0.22

## v) Shareholding of Directors and Key Managerial Personnel - Not Applicable

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

## ANNEXURE A (Contd.)

### vi) INDEBTEDNESS - Indebtedness of Company including interest outstanding / accrued but not due for payment

(Amount in INR)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	385,183,000	-	385,183,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,120,711	-	1,120,711
<b>Total (i + ii + iii)</b>	-	<b>386,303,711</b>	-	<b>386,303,711</b>
Change in Indebtedness during the financial year				
Addition	-	506,125,434	-	506,125,434
Reduction	-	272,530,348	-	272,530,348
Net Change	-	233,595,087	-	233,595,087
Indebtedness at the end of the financial year				
i) Principal Amount	-	619,898,797	-	619,898,797
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	924,597	-	924,597
<b>Total (i + ii + iii)</b>	-	<b>620,823,394</b>	-	<b>620,823,394</b>

Note: Statement includes re-instatement gain / loss also.

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

#### A. Remuneration to Managing Director, Whole-time Directors and / or Manager:

Sr. No.	Particulars of Remuneration	Mr. Abhijit Vishwanath Upadhye- Managing Director
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	20,103,800
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1,195,028
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	
	- as % of profit	-
	- others, specify	-
5	Others, please specify	
	- Performance linked incentive	17,016,666
	- Provident Fund	1,214,400
	- Leave encashment	-
	- Petrol reimbursement	-
	Gratuity	486,772
	<b>Total (A)</b>	<b>40,016,666</b>
	Ceiling as per the Companies Act, 2013	NA as special resolution approval taken from Shareholders

## ANNEXURE A (Contd.)

### B. Remuneration to other directors

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

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Minal Talwar (Company Secretary)	Mr. Gaurav Gupta (Chief Financial Officer)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	1,179,996	5,810,796	6,990,792
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	63,204	1,325,004	1,388,208
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961 (provident Fund, Leave encashment, driver's salary)	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others	-	-	-
5	Others, please specify			
	- Provident Fund	64,800	302,400	367,200
	- Leave encashment	53,753	-	53,753
	<b>Total</b>	<b>1,361,753</b>	<b>7,438,200</b>	<b>8,799,953</b>

**VI. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:** NIL under Companies Act, 2013 and SEBI LODR.

# ANNEXURE B

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

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

### Independent Auditor's Certificate on Corporate Governance

1. This certificate is issued in accordance with the terms of our engagement letter dated 1 May 2018.
2. This report contains details of compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited ('the Company'), for the year ended 31 March 2020, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges.

### Management's Responsibility

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

### Auditor's responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations for the year ended 31 March 2020.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing

specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

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

### Opinion

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

### Restrictions on Use

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

**For B S R & Associates LLP**  
**Chartered Accountants**

Firm registration number: 116231W / W - 100024

**Raajnish Desai**  
**Partner**

Place: Pune  
Date: 15 May 2020

Membership number: 101190  
UDIN: 20101190AAAAAR7843

# ANNEXURE C

## SECRETARIAL AUDIT REPORT

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

CIN L15419PN1985PLC037347  
201 - 202, Mayfair Towers,  
Wakdewadi, Shivajinagar,  
Pune - 411005

Our Secretarial Audit Report, for the financial year 2019-20 is to be read along with this letter.

### Management's Responsibility

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

### Auditor's Responsibility

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

### Disclaimer

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

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

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

Date: 15 May 2020  
Place: Pune



# ANNEXURE C

# SECRETARIAL AUDIT REPORT (Contd.)

Form No. MR - 3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 March 2020

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

To,  
The Members,  
Tasty Bite Eatables Limited,

CIN L15419PN1985PLC037347  
201 - 202, Mayfair Towers,  
Wakdewadi, Shivajinagar,  
Pune - 411005

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

Based on my verification of the Company's books, papers, minute books, and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the Financial Year ended on **31 March 2020**, complied with the statutory provisions listed hereunder and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute book, and returns filed and other records maintained by the Company for the Financial Year ended on 31 March 2020, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996, and the Regulations and Bye - laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999, and the rules and regulations made thereunder to the extent of External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities And Exchange board of India Act 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities (Issue of Capital and Disclosure Requirements) Regulations, 2009 **[Not Applicable as the Company has not issued any further shares capital during the period under review]**. However, the Company had made an application to the Stock Exchanges (NSE and BSE) for obtaining in - principle approval for allotment of 15,500 equity shares to Preferred Brands Foods India Private Limited and shareholder's approval was also obtained in the Annual General Meeting held on 8 August 2019. But, the application has expired and the in - principle listing approval from Stock Exchanges was not obtained.
- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **[Not Applicable as the Company has not issued employee stock option scheme and employee stock purchase scheme during the period under review]**;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the period under review]**;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agent) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the period under review]**;

# ANNEXURE C

## SECRETARIAL AUDIT REPORT (Contd.)

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

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

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

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

### I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non - Executive Directors, Independent Directors and a Women Director. The changes in the composition of Board of Directors that took place during the period under review were carried

out in compliance with the provisions of the Act. However, during the period under review, there was no change in the composition of Board of Directors apart from appointment and resignation of Alternate Director.

- Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Wherever, prescribed advance notice is not served, permission for shorter consent for conducting the meeting was taken as prescribed under the Companies Act, 2013 and other regulations.
- All the decisions of the Board and Committees thereof were carried out with requisite majority.

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

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

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

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

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

**M. NO. - A49730**  
**C.P. NO. - 18556**

Date: 15 May 2020  
Place: Pune

## ANNEXURE D

# ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO

### A. CONSERVATION OF ENERGY:

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

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

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

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

### B. TECHNOLOGY ABSORPTION:

I	Efforts made towards technology absorption	Company has an accredited R&D center (TBRC) that is continuously engaged in research on new and innovative products, both for export and domestic market. TBRC's research and expertise ensures that Company can provide "Great taste, Good value and Real Convenience" to its customers worldwide. Innovation coupled with expertise, and quality enables to serve natural, convenient and specialty foods to its customers.
II	Benefits derived like product improvement, cost reduction, product development or import substitution;	Successful development of innovative products in domestic and export market accomplished through expertise and research in specific areas. Technology adoption helped import substitution thereby reducing cost and also product development.
iii	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	No imported technology
iv	Expenditure incurred on Research and Development:	
	Capital (in INR '000)	1,537
	Recurring (in INR '000)	19,487
	Total (in INR '000)	21,024
	Total R&D expenditure as % of total turnover	0.46%

### C. FOREIGN EXCHANGE ACTUAL INFLOW AND OUTFLOWS

(INR in Million)

Particulars	FY 2019-20	FY 2018-19
Inflows	2,818.03	2,220.38
Outflows	871.40	600.23

Date: 15 May 2020

Place: Pune

**Ashok Vasudevan**

Chairman

DIN: 00575574

## ANNEXURE E

## ANNUAL REPORT ON CSR ACTIVITIES

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

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

Company has duly adopted CSR Policy which is available on website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in). CSR Policy concentrates on 4 major areas - Sustainable Agriculture, Disaster Relief, Education and Health. During the financial year 2019-20, the Company continued to work on project in the field of education. Company would focus on major areas highlighted in its policy or any other area as mentioned under the Companies Act, 2013.

2. The Composition of the CSR Committee:

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

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

\*NA as both members were appointed in last meeting of the year.

3. Average net profit of the Company for last 3 financial year in accordance with Section 198 of Companies Act, 2013:

INR 418.66 million

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

Total amount to be spent was INR 8.37 million.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: INR 8.37 million

(b) Amount unspent, if any: NIL

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

(INR in Million)

Sr. No.	CSR Project or activity identified	Sector in which activity is covered	Projects or programs 1) Local area or 2) Specify the State and district where projects or programs were undertaken	Amount outlay program wise	Amount spent on the programs Sub - heads: (1) Direct on projects or programs- (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent directly or through implementing agency

6. In case the Company fails to spend the 2% of the average net profit (INR) of the last three financial years, the reasons for not spending the amount shall be stated in the Board Report: The Company spent INR 8.37 million by contributing to Tasty Bite Foundation and nothing remained unspent during the year.

7. Responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company, duly signed by Director and Chairperson of the CSR Committee: The CSR Committee confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

## ANNEXURE F

# RELATED PARTY TRANSACTIONS AS PER THE INDIAN ACCOUNTING STANDARD (IND AS) 24

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

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

### A. Parent, Ultimate controlling party and Fellow Subsidiary

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

### B. Entities controlled by Key Management Personnel

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

### C. Transactions with Key Management Personnel

Sr. No.	Name	Relationship
1.	Mr. Ashok Vasudevan	Non - Executive Chairman
2.	Mr. Abhijit Upadhye (From 3 November 2018)	Managing Director
3.	Mr. Gaurav Gupta (From 3 November 2018)	Chief Financial Officer and Alternate Director
4.	Ms. Minal Talwar	Company Secretary
5.	Mr. Ravi Nigam (upto 2 November 2018)	Managing Director
6.	Mr. Sohel Shikari (upto 2 November 2018)	Chief Financial Officer and Non Whole Time Director
7.	Ms. Rama Kannan	Non - Executive Independent Director
8.	Mr. Chengappa Ganapati	Non - Executive Independent Director
9.	Mr. Kavas Patel	Non - Executive Independent Director
10.	Ms. Dawn Amanda Allen	Non - Executive Director
11.	Mr. P VV Srinivas Rao (From 6 February 2019)	Non - Executive Director

**ANNEXURE F** (Contd.)

(INR in Million)

Key Management Personnel compensations	Mr. Abhijit Upadhye		Mr. Gaurav Gupta		Ms. Minal Talwar		Mr. Ravi Nigam	Mr. Sohel Shikari
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2019	31 March 2019
Short term employee benefits	30.00	12.56	7.44	2.64	1.36	1.14	9.88	9.78
Long Term benefits	10.02	-	-	-	-	-	-	-
Post - employment defined benefit plan	0.94	0.20	0.68	0.15	0.20	0.16	1.08	-
Post - employment Compensated absences	3.73	0.97	1.02	0.32	0.21	0.16	-	-
<b>Total</b>	<b>44.69</b>	<b>13.73</b>	<b>9.14</b>	<b>3.11</b>	<b>1.77</b>	<b>1.46</b>	<b>10.96</b>	<b>9.78</b>

Remuneration to Non - Executive Independent Directors	31 March 2020	31 March 2019
Ms. Rama Kannan	0.30	0.23
Mr. Chengappa Ganapati	0.30	0.30
Mr. Kavas Patel	0.30	0.30
<b>Total</b>	<b>0.90</b>	<b>0.83</b>

**D. Related party transactions other than those with Key Management Personnel**

Transaction / Balance	Enterprise	31 March 2020	31 March 2019
<b>Sales</b>	Preferred Brands International, Inc. USA	2,104.76	2,027.01
	Preferred Brands Australia Pty. Ltd.	-	16.75
	Preferred Brands UK Ltd.	-	8.12
	Mars Australia Pty. Ltd.	32.03	14.91
	Mars Food UK Limited	86.11	9.70
	Mars GmbH	150.39	-
	Mars Canada, Inc.	48.52	-
	Mars LLC	1.10	-
<b>Sale of MEIS Scripts</b>	Royal Canin India Private Limited	65.14	-
<b>Dividend paid on equity shares</b>	Preferred Brands Foods (India) Private Limited	3.81	3.81
<b>Dividend paid on preference shares</b>	Preferred Brands Foods (India) Private Limited	-	0.06
<b>Buyback of Preference Shares</b>	Preferred Brands Foods (India) Private Limited	-	122.04
<b>Working Capital loan taken</b>	Royal Canin India Private Limited	-	120.00
<b>Repayment of Working Capital loan</b>	Royal Canin India Private Limited	60.00	60.00
<b>Interest on loan taken</b>	Royal Canin India Private Limited	3.15	4.14
<b>Contributions made</b>	Tasty Bite Employees Gratuity Trust	7.00	5.50
	Tasty Bite Foundation	8.37	-

## ANNEXURE F (Contd.)

(INR in Million)

Transaction / Balance	Enterprise	31 March 2020	31 March 2019
<b>Balance outstanding</b>			
<b>A. Trade receivables</b>	Preferred Brands International, Inc. USA	<b>269.57</b>	143.67
	Mars Food UK Limited	<b>6.18</b>	2.83
	Mars Australia Pty. Ltd.	<b>1.82</b>	8.96
	Mars GmbH	<b>9.74</b>	-
	Mars Canada, Inc.	<b>14.60</b>	-
	Mars LLC	<b>1.12</b>	-
<b>B. Other Receivables</b>	Preferred Brands International, Inc. USA	<b>0.50</b>	0.20
<b>C. Other Payables</b>	Mars International India Pvt. Ltd.	-	0.33
<b>D. Loans Payables</b>	Royal Canin India Private Limited	-	60.00
<b>Expense charged to related parties in nature of:</b>			
<b>A. Courier and postage</b>	Preferred Brands International, Inc. USA	<b>1.01</b>	1.18
	Preferred Brands Australia Pty. Ltd.	-	0.65
<b>B. Travelling and conveyance</b>	Preferred Brands International, Inc. USA	-	1.03
<b>C. Reimbursements</b>	Preferred Brands International, Inc. USA	<b>4.04</b>	4.19
	Preferred Brands Foods (India) Private Limited	<b>1.64</b>	0.40
	Mars GmbH	<b>0.82</b>	-
	Mars Food UK Limited	<b>5.22</b>	-
	Mars Australia Pty. Ltd.	<b>1.98</b>	-
<b>Expense charged by related parties in nature of:</b>			
<b>A. Reimbursements</b>	Preferred Brands International, Inc. USA	<b>4.18</b>	1.41
	Preferred Brands Australia Pty. Ltd.	-	0.27
	Mars International India Pvt. Ltd.	<b>1.71</b>	1.03
<b>B. Project maintenance charges</b>	Mars International India Pvt. Ltd.	<b>2.80</b>	-
	Wrigley India Private Limited	<b>2.42</b>	-

## ANNEXURE G

Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended 31 March 2020.

(INR in Million)

Name	Remuneration*	Nature of employment	Qualification	Experience	Date of commencement of employment	Age	Last employment	% of equity shares held	Whether relative of any director
Mr. Abhijit Upadhye	30.00	Permanent	Engineer from VJTI, Mumbai and MBA from NMIMS, Mumbai	23	12-07-2018	49	Flipkart India	Nil	No
Mr. Gaurav Gupta	7.44	Permanent	Chartered Accountant, CPA, CFE, CISA, B. Com (hons) CCSA, CISM	17	09-07-2015	38	Kesoram Industries Ltd	Nil	No
Mr. Vinay Hastak	6.60	Permanent	BSC Chemistry, BSC Tech - Food Technology & LLB	31	27-11-2017	56	Hard Café Restaurants Pvt Ltd	Nil	No
Mr. Rajendra A. Jadhav	6.98	Permanent	BSC Tech - Food Technology and Post graduation in Foods, Drugs and Cosmetics	32	15-11-1991	56	Kwality Candies and Sweets Limited	Nil	No
Mr. Ankit Singhal	4.63	Permanent	B Tech, Post Graduate Diploma in Rural management from Institute of Rural Management	16	31-08-2009	40	Multi commodity Exchange of India Ltd	Nil	No
Mr. Ujjawal Jain	5.02	Permanent	B. Com (hons) and Post Graduate Programme in Management	13	02-05-2011	35	CITI Financial Consumer Finance India Ltd	Nil	No
Mr. Shashish Hodlur	4.70	Permanent	Bachelor in Hotel Management & Catering Technology	23	16-07-2007	44	Taj Sats India Catering Ltd	Nil	No
Mr. Terence D' cruz	4.21	Permanent	BE from Bharathiar University, Coimbatore	26	01-03-2012	51	Innovative Foods Ltd	Nil	No
Mr. Ashutosh Parmar	4.03	Permanent	BSC Food Tech	16	14-09-2010	37	ITC Limited	Nil	No
Mr. Shailendra Saxena	3.54	Permanent	Msc Food Tech, BSC Agri	13	09-06-2017	51	Capricon Ltd	Nil	No
Mr. Prit Thaker	3.60	Permanent	B Tech (Computer Engineering) from Nirma Univeristy and MBA from SCMHRD, Pune	8	24-07-2019	32	Avalon Consulting	Nil	No

\*Basis cost to company excluding variable pay.



# CORPORATE GOVERNANCE

## Governance Philosophy

Your Company is committed to best business practices coupled with excellence in Corporate Governance. The principles of transparency, accountability, integrity and innovation constitute the foundation on which the edifice of the organization is built. Your Company firmly believes in the right of all its stakeholders to information regarding Company's business and financial performance. Your Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

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

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

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

No.	Name	Designation	Skills / expertise / competence
1.	Mr. Ashok Vasudevan	Chairman (Non - Executive)	Mr. Vasudevan has wide experience of 37 plus years as an entrepreneur and a corporate executive for large multinationals. He has spent 10 years with the Unilever group in India in various functions that included Management Development, Sales & Marketing and International Business. He is cofounder of Preferred Brands International Inc, USA. He has expertise in integrated marketing, customer insight, brand management, product marketing, business analysis, public relations negotiation, team building etc.
2.	Mr. Abhijit Upadhye	Managing Director (Executive)	Mr. Upadhye has 23 plus years of experience spanning e - commerce, Food Service, Consulting and FMCG with a mix of International as well as within country leadership roles. He has worked with McDonald's Corporation, Flipkart, Infosys, etc. to name a few.  He has expertise in sales and marketing, business strategies, supply chain management, strategic planning, business process improvement, vendor management, governance, business development, etc.
3.	Ms. Dawn Allen	Director (Non - Executive)	Ms. Allen has worked at Mars, Incorporated group of companies for 22 years and during this time has held a number of local, regional and global CFO position.  She is currently VP Global Finance Transformation for Mars, Inc. Her expertise lies in all aspects of finance from business planning and strategic insights; acquisitions and divestments; financial operations as well as governance and control.

## Board of Directors

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

### a) Composition of Board:

As on 31 March 2020, the Company has eight Directors including one Alternate Director. Amongst seven Directors, six are Non - Executive Directors out of which three are Independent Directors. The composition of the Board is in conformity with Regulation 17 of the SEBI Regulations, 2015 read with Section 149 of the Companies Act, 2013.

The Board has an optimum combination of Executive and Non - Executive Directors. The Company is managed by the Board with a Non - Executive and a Non - Independent Promoter Chairman, an Executive Director, two Non - Executive Directors, three eminently qualified Independent Directors and an Alternate Director to the Non - Executive Promoter Chairman. There are 2 woman Directors on Board of the Company out of which one in an Independent Director.

# CORPORATE GOVERNANCE (Contd.)

No.	Name	Designation	Skills / expertise / competence
4.	Mr. Kavas Patel	Independent Director (Non - Executive)	Mr. Patel is a Chartered Accountant from Wales & England and started his career with Franklin Wild and Co., Chartered Accountants, London as Clerk. He then joined Polaroid Corporation in 1974 and worked with them in various international assignments in Europe, Far East, USA and India. His last assignments with Polaroid was Director of Finance, Asia Pacific Region and Country Director India.  His expertise lies in Audit, corporate finance, strategic financial planning, budgeting, mergers and acquisitions, governance, business strategies, Investment, Wealth Management, etc.
5.	Ms. Rama Kannan	Independent Director (Non - Executive)	Ms. Kannan works as a coach / mentor / advisor for various senior executives in corporate and social enterprises in India and abroad. She also has a wide experience in field of marketing and strategic roles with various companies such as British Petroleum, PepsiCo, etc.  She has expertise in leadership and executive coaching, business planning and social entrepreneurship, general management and leadership, etc.
6.	Dr. Chengappa Ganapati	Independent Director (Non - Executive)	Dr. Chengappa is one of the leading Agricultural Economist of India. He has over three decades of experience in teaching, research, extension and academic administration.  He has expertise in teaching, research, academic administration, economics, agri - business and trade, etc.
7.	Mr. Pydisetty Veera Venkata Srinivasa Rao	Director (Non - Executive)	Mr. Rao holds Post Graduate Diploma in Business Management from IIM (Calcutta). He has also completed Bachelor in Technology - Chemical Engineering from IIT (Chennai).  Mr. Rao has 25 plus years of experience spanning Automobile Industry, telecom industry, FMCG with mix of international stints and domestic exposure, etc.  He has expertise in science and technology, manufacturing and supply chain management, business development and strategy, etc.
8.	Mr. Gaurav Gupta	Alternate Director (Non - Executive)	Mr. Gupta is a Chartered Accountant by profession and also is a CPA, CFE, CISA, CCSA and B.Com (Hons) degree holder. He has 17 plus years of experience spanning IT industry, telecom industry, tyres and FMCG with mix of international stints and domestic exposure.  He has expertise in finance, business, supply chain, governance and control, etc.

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

Mr. Gaurav Gupta was appointed as Alternate Director to Mr. Ashok Vasudevan during the year due to his absence from India. None among the Directors of the Company are related to each other in any manner and hence disclosure of relationships between Directors is not applicable.

Ms. Rama Kannan, Mr. Kavas Patel and Dr. Chengappa Ganapati continue to act as the Independent Directors on the Board of the Company. In terms of Regulation 25(8) of the SEBI Regulations and amendments thereto, they have confirmed

that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Company confirms that the Independent Directors fulfill conditions specified in SEBI Regulations and they are independent of the senior management.

None among the Independent Directors of the Company have resigned during the financial year ended 31 March 2020 and thus confirmation w.r.t. no other material reason is not provided.

Schedule V of the SEBI Regulations has mandated all the companies to publish in its annual report the *skills / expertise / competence* required by the Company and also to present the *skills / expertise / competence* of its Directors against the said requirement. The Board has identified the skill matrix in the below mentioned areas:

# CORPORATE GOVERNANCE (Contd.)

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

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

Director	Global Economics	Corp. Governance	General Mngt. & Leadership	Science & Technology	Finance & Accounts	Manufacturing, QA, SCM	Sales, Marketing, Commercial	Business Development
Mr. Ashok Vasudevan	✓	✓	✓	✓	-	✓	✓	✓
Mr. Abhijit Upadhye	✓	✓	✓	✓	-	✓	✓	✓
Ms. Dawn Allen	✓	✓	✓	-	✓	-	-	✓
Mr. Kavas Patel	✓	✓	✓	-	✓	-	-	✓
Mr. Chengappa Ganapati	✓	✓	✓	✓	-	-	-	✓
Ms. Rama Kannan	✓	✓	✓	-	-	-	✓	✓
Mr. PVV Srinivasa Rao	✓	✓	✓	-	-	✓	✓	✓
Mr. Gaurav Gupta	✓	✓	✓	-	✓	-	-	✓

The names and categories of the Directors on the Board, their attendance at board meetings held during the year under review and at the last Annual General Meeting ("AGM"), name of other listed entities in which the Director is a director and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on 31 March 2020 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies registered under Section 8 of the Act. Further, none of them is a member of more than ten committees or chairman of more than five committees across all the public companies in which he / she is a Director. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Regulations.

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

There were seven (07) Board meetings held during the financial year ended 31 March 2020. These were held on 16 May 2019, 23 May 2019, 12 July 2019, 7 August 2019, 7 November 2019, 12 February 2020 and 24 March 2020. The maximum interval between any two meetings was not more than 120 days.

All the Board meetings were scheduled well in advance and the notices of the Board Meetings were sent well in advance to all the Directors. Wherever, prescribed advance notice is not served, permission for shorter consent for conducting the meeting was taken as prescribed under the Companies Act, 2013 and other regulations. The agenda was accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial / business plans, financial results, detailed

# CORPORATE GOVERNANCE (Contd.)

presentations were made. The agenda and the relevant notes were also sent in advance separately to each Director. The Board members are free to recommend inclusion of any important matter for discussion in consultation with the Chairman of the meeting.

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

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

## Availability of information to the Board:

During the financial year 2019-20, information as mentioned in Part A of Schedule II of the SEBI Regulations, has been placed before the Board for its consideration. The Board has unrestricted access to the following information:

- Annual operating plans and budgets, including any updates
- Capital budgets and any updates
- Quarterly results for the Company and its operating divisions or business segments
- Details of any joint venture or collaboration agreement
- Minutes of meetings of Audit Committee and other Committees of the Board
- Information on recruitment and remuneration of Senior Officers just below board level including the appointment and removal of CFO and Company Secretary
- Show cause, demand, prosecution notices and penalty notices which are materially important

- Fatal or serious accidents, dangerous occurrences any material effluent or pollution problems
- Material default in financial obligations to and by the Company or substantial non - payment for goods sold by the Company
- Any issue which involves public or product liability, claims of substantial nature or any judgment or adverse view regarding another enterprise that can have negative implications on the Company
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Significant development in Human Resources / Industrial relations front like signing of wage agreement, implementation of VRS, etc.
- Non - compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non - payment of dividend, delay in share transfer, etc.
- Sale of material nature of investments, subsidiaries, assets, which is not in normal course of business
- Material Financial / Commercial transactions, with Senior Management personnel, in which they are personally interested and which potentially conflicts with the interest of the Company
- Details of foreign exchange exposures and the steps taken by the management to limit the risk of adverse exchange rate movement
- Quarterly compliance report and investor grievance reports
- Dividend data

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

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

The Company has adopted "Code of Conduct for Board Members and Managerial Personnel" ("**Code**"). A copy of code is posted on the website of the Company [www.tastybite.co.in](http://www.tastybite.co.in). All Board Members and Managerial Personnel have affirmed compliance with the Code of Conduct. The confirmation from the Managing Director regarding the compliance with the Code by all the Directors and Senior Management is annexed to the Report.

# CORPORATE GOVERNANCE (Contd.)

## d) Directors attendance record & directorships in other companies as on 31 March 2020:

Sr. No.	Name of the Director	Category of Director - ship	Attendance in Board Meetings during 2019-20	Attendance at last AGM held on 08.08.2019	No. of other Directorships# as on 31.03.20	No. of Other Committee <sup>5</sup> position held as on 31.03.20 (Other Companies)	No. of Shares / convertible instruments held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. Ashok Vasudevan	N.E.D.	4	Yes	0	Nil	Nil
2.	Mr. Abhijit Vishwanath Upadhye	E.D.	7	Yes	1	Nil	Nil
3.	Ms. Dawn Allen	N.E.D.	5	Yes	1	Nil	Nil
4.	Mr. Kavas Patel	I.D.	6	Yes	7	1	Nil
5.	Ms. Rama Kannan	I.D.	6	Yes	1	Nil	Nil
6.	Dr. Chengappa Ganapati	I.D.	5	Yes	4	Nil	Nil
7.	Mr. Pydisetty Veera Venkata Srinivasa Rao	N.E.D.	3	Yes	0	Nil	Nil
8.	*Mr. Gaurav Gupta	A.D.	2	Yes	1	Nil	Nil

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

# including Private limited companies and excluding foreign companies

\$ Chairmanship / Membership in Audit and Stakeholders' Grievance Committee, of Public Limited Companies are considered

\*Attended as Alternate Director to Mr. Ashok Vasudevan

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

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

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

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

## g) Training of directors:

All Directors of the Company (Independent and Non - Independent) are provided opportunity to familiarize themselves with the Company, its Management and its operations. The Directors interact with Executive Directors, Senior Management Personnel / Key Managerial Personnel, as and when required, and are provided all

the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part. The weblink with details of familiarization of independent directors is [www.tastybite.co.in](http://www.tastybite.co.in) - investor - corporate governance section. Directors also visit the manufacturing plant of the Company for further understanding of the business and processes.

# CORPORATE GOVERNANCE (Contd.)

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

- i. The duties and responsibilities of Independent Directors have been incorporated in the Code of Conduct as required by the Companies Act, 2013
  - ii. The amendments / updates in statutory provisions are informed from time to time
  - iii. The information w.r.t. the nature of industry in which the Company operates and business model of the Company, etc. is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board
  - iv. Directors visit the manufacturing plant of the Company and directly deal with senior management personnel / key management personnel and auditors to resolve the queries
  - v. Two exclusive session on changes in corporate governance, duties & responsibilities of directors under SEBI, Companies Act and other regulations and requirement on 7 August 2019 and 7 November 2019 by external consultants were organized.
- h) The Board on a quarterly basis reviews the compliance reports of all laws applicable to the Company.
- i) None of the Directors of the Company holds any shares in the Company.

## Committees of the Board

There are four Board Committees as on 31 March 2020, details of which are as follows:

Name of the Committee	Extract of terms of reference	Category and composition	Other details									
Audit Committee	<b>Statutory Committees</b>											
	<p>Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of SEBI Regulations. The broad term of reference are as under:</p> <ul style="list-style-type: none"> <li>■ Oversight of financial reporting process</li> <li>■ Recommend appointment, remuneration and terms of appointment of Auditors of the Company</li> <li>■ Approval or any subsequent modification of transactions of the Company related parties</li> <li>■ Review the quarterly, half yearly and annual financial statements before submission to the Board or to the Members</li> <li>■ Review the adequacy and quality of internal control systems.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Mr. Kavas Patel (Chairman)</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Ms. Rama Kannan</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Dr. Chengappa Ganapati</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Mr. Abhijit Upadhye</td> <td>Executive</td> </tr> </tbody> </table> <p><i>No change in the composition of the Audit Committee of the Company during the year under review.</i></p>	Name	Category	Mr. Kavas Patel (Chairman)	Independent, Non - Executive	Ms. Rama Kannan	Independent, Non - Executive	Dr. Chengappa Ganapati	Independent, Non - Executive	Mr. Abhijit Upadhye	Executive
Name	Category											
Mr. Kavas Patel (Chairman)	Independent, Non - Executive											
Ms. Rama Kannan	Independent, Non - Executive											
Dr. Chengappa Ganapati	Independent, Non - Executive											
Mr. Abhijit Upadhye	Executive											

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

# CORPORATE GOVERNANCE (Contd.)

Name of the Committee	Extract of terms of reference	Category and composition	Other details															
Stakeholders' Relationship Committee	<b>Statutory Committees</b>																	
	<p>Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 20 of SEBI Regulations.</p> <p>The broad terms of reference are as under:</p> <ul style="list-style-type: none"> <li>Consider and resolve the grievances of security holders</li> <li>Consider and approve issue of share certificates, transfer and transmission of securities, etc</li> <li>Committee of executives which includes the MD, CFO and CS of the Company deals with the transfer, transmission, removal, deletion of name, issue of duplicate share certificate, etc.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Mr. Kavas Patel (Chairman)</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Ms. Rama Kannan</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Dr. Chengappa Ganapati</td> <td>Independent, Non - Executive</td> </tr> </tbody> </table> <p><i>No change in the composition of the Stakeholders' Relationship Committee of the Company during the year under review.</i></p>	Name	Category	Mr. Kavas Patel (Chairman)	Independent, Non - Executive	Ms. Rama Kannan	Independent, Non - Executive	Dr. Chengappa Ganapati	Independent, Non - Executive	<ul style="list-style-type: none"> <li>Four meetings of the Stakeholders' Relationship Committee were held during the year under review</li> <li>Details of Investor complaints and Compliance Officer - <b>Ms. Minal Talwar</b> Tasty Bite Eatables Limited 201-202, Mayfair Towers, Wakdevadi, Shivajinagar, Pune - 411 005 Telephone: +91 - 2030216026 e - mail: <a href="mailto:secretarial@tastybite.com">secretarial@tastybite.com</a></li> <li>The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee</li> <li>The previous AGM of the Company was held on 8 August 2019 and was attended by Mr. Kavas Patel, the Chairman of the Stakeholders' Relationship Committee</li> <li>Details of investor complaints received and redressed during FY 2020 are as follows:</li> </ul> <table border="1"> <thead> <tr> <th>Opening balance</th> <th>Received during the year</th> <th>Resolved during the year</th> <th>Closing balance</th> </tr> </thead> <tbody> <tr> <td>-</td> <td>43</td> <td>43</td> <td>-</td> </tr> </tbody> </table>	Opening balance	Received during the year	Resolved during the year	Closing balance	-	43	43
Name	Category																	
Mr. Kavas Patel (Chairman)	Independent, Non - Executive																	
Ms. Rama Kannan	Independent, Non - Executive																	
Dr. Chengappa Ganapati	Independent, Non - Executive																	
Opening balance	Received during the year	Resolved during the year	Closing balance															
-	43	43	-															

Name of the Committee	Extract of terms of reference	Category and composition	Other details											
Corporate Social Responsibility Committee	<b>Statutory Committees</b>													
	<p>Committee is constituted in line with the provisions of Section 135 of the Companies Act, 2013.</p> <ul style="list-style-type: none"> <li>Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013.</li> <li>Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy</li> <li>Monitor the CSR Policy.</li> </ul>	<table border="1"> <thead> <tr> <th>Name</th> <th>Category</th> </tr> </thead> <tbody> <tr> <td>Mr. Kavas Patel (Chairman)</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Mr. Abhijit Upadhye</td> <td>Executive</td> </tr> <tr> <td>Mr. Ashok Vasudevan</td> <td>Non - Independent, Non - Executive</td> </tr> <tr> <td>Ms. Rama Kannan*</td> <td>Independent, Non - Executive</td> </tr> <tr> <td>Dr. Chengappa Ganapati*</td> <td>Independent, Non - Executive</td> </tr> </tbody> </table> <p><i>*Appointed as a member of this Committee w.e.f. 12 February 2020.</i></p>	Name	Category	Mr. Kavas Patel (Chairman)	Independent, Non - Executive	Mr. Abhijit Upadhye	Executive	Mr. Ashok Vasudevan	Non - Independent, Non - Executive	Ms. Rama Kannan*	Independent, Non - Executive	Dr. Chengappa Ganapati*	Independent, Non - Executive
Name	Category													
Mr. Kavas Patel (Chairman)	Independent, Non - Executive													
Mr. Abhijit Upadhye	Executive													
Mr. Ashok Vasudevan	Non - Independent, Non - Executive													
Ms. Rama Kannan*	Independent, Non - Executive													
Dr. Chengappa Ganapati*	Independent, Non - Executive													

# CORPORATE GOVERNANCE (Contd.)

Name of the Committee	Extract of terms of reference	Category and composition		Other details
Nomination and Remuneration Committee	<p>Committee is duly constituted as per the provisions of Section 178 of the Companies Act, 2013 and the provisions of Regulation 19 of SEBI Regulations.</p> <ul style="list-style-type: none"> <li>■ Recommend to the Board the composition of the Board and its committees</li> <li>■ Recommend to the Board the appointment / re - appointment of Directors and Key Managerial Personnel</li> <li>■ Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors</li> <li>■ Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as Senior Managerial Personnel</li> <li>■ Oversee familiarisation programs for Directors.</li> </ul>	<b>Name</b>	<b>Category</b>	<ul style="list-style-type: none"> <li>■ Two Nomination and Remuneration Committee meetings were held during the year under review</li> <li>■ The Company does not have any Employee Stock Option Scheme</li> <li>■ Details of Performance Evaluation Criteria and Remuneration Policy are provided below</li> <li>■ The previous AGM of the Company was held on 8 August 2019 and was attended by Mr. Kavas Patel, the Chairman of the Nomination and Remuneration Committee.</li> </ul>
		Mr. Kavas Patel (Chairman)	Independent, Non - Executive	
		Ms. Rama Kannan	Independent, Non - Executive	
		Dr. Chengappa Ganapati	Independent, Non - Executive	
		<p><i>No change in the composition of the Nominations and Remuneration Committee of the Company during the year under review.</i></p>		

## Details of remuneration of the Board of Directors

All decisions related to the remuneration of the Directors, both Executive and Non - Executive, are decided by the Board of Directors of the Company in accordance with the shareholders' approval wherever necessary and in compliance with the provisions of applicable laws. Details of remuneration paid to the Executive and Non - Executive Directors for the year 2019-20 are as follows:

(Amount in INR)

Name of Director	Basic Salary	Allowance & Perquisites	Performance linked incentive / commission / bonus	Company Contribution to Provident Fund & Pension	Sitting fees	Total
Mr. Ashok Vasudevan	-	-	-	-	-	-
Mr. Kavas Patel	-	-	-	-	3,00,000	3,00,000
Mr. Abhijit Upadhye	10,120,000	11,178,828	17,016,666	1,701,172	-	40,016,666
Mr. Chengappa Padinjaranda Ganapati	-	-	-	-	3,00,000	3,00,000
Ms. Dawn Amanda Allen	-	-	-	-	-	-
Ms. Rama Kannan	-	-	-	-	3,00,000	3,00,000
Mr. P V V Srinivas Rao	-	-	-	-	-	-

Notes:

1. Remuneration of Mr. Abhijit Upadhye as Managing Director is fixed for a period of three years from 3 November 2018 till 31 March 2021, by the shareholders. Revised remuneration is approved by the Board and Nomination Committee in its meeting held on 15 May 2020
2. Agreement with the Managing Director can be terminated by giving three months notice in writing by either party. Performance bonus as per the terms of appointment and approval of shareholders will be paid to him
3. No stock option scheme has been framed by the Company for directors and other executives
4. There is only fixed component criteria in the Company for directors and employees apart from variable component (bonus) paid to Managing Directors as mentioned in the above table
5. No other director including any non - executive director receives any remuneration, commission or any other incentive from the Company
6. Mr. Gaurav Gupta receives remuneration as Chief Financial Officer of the Company.



# CORPORATE GOVERNANCE (Contd.)

## Remuneration Policy:

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

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

1. The directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.
2. The Board and Nomination and Remuneration Committee to satisfy themselves before recommending any person for directorship that he or she is not disqualified being appointed as director under Companies Act, 2013.
3. In case of appointment of independent director, the Committee to also satisfy itself that person satisfies all criteria of being appointed as Independent director.
4. The Committee shall evaluate the performance of Directors basis their engagement with the management, contribution and participation level. Also, the Committee shall consider the time and energy devoted by individual director for performing the duties and responsibilities.
5. The remuneration of the Managing Director or any other Director of the Company shall be reviewed and recommended by the Nomination and Remuneration Committee, based on criteria such as industry benchmarks, the Company's performance vis - à - vis the industry, responsibilities shouldered, performance / track record, macro economic review on remuneration packages of heads of other organizations and decided by the Board of Directors.
6. Sitting fee paid to Independent Directors was INR 75,000 per quarter during the financial year 2019-2020 as revised w.e.f. 7 May 2016 by Board of Directors in their meeting. Sitting fee paid is within statutory limits.
7. The remuneration of Key Managerial Personnel and Senior Managerial Personnel is reviewed by the Committee. The remuneration of employees largely consists basic remuneration, perquisites and allowances. The components of the total remuneration may vary for different employee grades and are governed by industry patterns,

qualifications and experience of the employee, responsibilities handled by them, individual performances, short & long term performance objectives appropriate to the working of the Company, etc. As per SEBI Regulations, even the remuneration of the Senior Managerial Personnel shall be recommended by the Committee.

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

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

## Performance evaluation:

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

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

## Separate Meeting of Independent Directors

As per the provisions of the Companies Act, 2013 and SEBI Regulations, a separate meeting of independent directors was held on 12 February 2020 for evaluation of performance of entire Board and Chairman of the Company. All Independent Directors attended the meeting. They also assessed the quality, contents and timeline of flow of information between the management and the Board.

# CORPORATE GOVERNANCE (Contd.)

## General Body Meetings

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

Financial year ended	Date & Time	Venue	Special Resolution
2018-19	8 August 2019, at 11.00 a.m.	Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001	<ol style="list-style-type: none"> <li>1. Fixation of remuneration of Mr. Abhijit Vishwanath Upadhye as Managing Director till 31 March 2020</li> <li>2. Re - appointment of Mr. Kavas Patel as an Independent Director</li> <li>3. Issue of equity shares on preferential basis</li> </ol>
2017-18	9 August 2018, at 11.00 a.m.	Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001	<ol style="list-style-type: none"> <li>1. Approval for declassification of Promoter</li> <li>2. Revision in overall borrowing powers</li> <li>3. Creation of charge on assets of the Company</li> <li>4. Material Related Party transaction approval</li> <li>5. Approval for buyback of 59,530 1% Non - Cumulative, Non - Convertible Redeemable Preference shares</li> <li>6. Fixation of remuneration of Mr. Ravi Nigam as Managing Director for 3 years.</li> </ol>
2016-17	20 September 2017, at 11.00 a.m.	Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001	<ol style="list-style-type: none"> <li>1. Approval for related party transactions</li> </ol>

- The Registered Office of the Company is situated at 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411005.
- All resolutions moved in the last three Annual General Meetings were passed through e - voting facility and Poll by way of Ballot Papers at meeting made available to the shareholders.
- There was no Extra Ordinary General Meeting of members held in financial year 2019-20.
- None of the businesses proposed to be transacted at the ensuing AGM requires passing of a special resolution through postal ballot.

## Disclosures

1. The transactions with related parties do not have potential conflict with the interests of the Company at large. A comprehensive list of related party transactions as required by the Indian Accounting Standards (Ind AS) issued by Institute of Chartered Accountants of India, forms part of note no. 45 of the accounts in the annual report.
2. The Company has complied with the formalities as laid down by National Stock Exchange of India Ltd, BSE Ltd, SEBI and other statutory authorities on matter related to capital market. There were no penalties, structures laid down on the Company relating to capital market during last three years.
3. The Company is committed to high standard of Corporate Governance and stakeholder's responsibility. The Company has framed Whistle Blower and Vigilance Mechanism Policy to enable reporting of unethical or improper activity to the Management / Board. The Whistle Blower Policy and the Vigilance Mechanism are available at Company's website [www.tastybite.co.in](http://www.tastybite.co.in). Every employee / whistle blower has access to the Chairman of the Audit Committee. Details of Chairman of Audit Committee are as under -  
  
Name - Mr. Kavas Patel  
Address - C - 33, Rivernest, 311 North Main Road, Koregoan Park, Pune 411011  
Phone: +91 - 020 26154921; E - mail: [kavasp@hotmail.com](mailto:kavasp@hotmail.com)  
  
During the year, no event or protected disclosure from any employee or person was received by the Chairman of the Committee or management.
4. The Company has formed a policy on Related Party Transaction. It is also available on website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in). Company does not have any material subsidiary and therefore policy with respect to material subsidiaries is not applicable to the Company.
5. The Company has laid down procedures to inform Board members about the risk assessment and mitigation process. The Company has identified major and minor risks like market risk, fluctuation in foreign exchange, interest rate, commodity (raw materials etc.) price risks and packaging material prices and other business risks and these risks are analyzed from time to time by the executive management team and reviewed by the Audit Committee and the Board.
6. There has been no public, rights or preferential issues of shares or debentures during the year. Shareholder approval obtained on 8 August 2019 for allotment of 15,500 equity shares to Preferred Brands Foods (India) Private Limited ("PBFIL") the holding company expired and the in - principle listing approval from stock exchanges was not obtained.
7. As required by Schedule V (E) of the SEBI Regulations, the Company has obtained a certificate from Statutory Auditor regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure B to the Directors' Report.
8. The Company has also adopted Policy on material disclosures, Policy on preservation of documents and archival policy. The policies are available on website of the company ([www.tastybite.co.in](http://www.tastybite.co.in))

# CORPORATE GOVERNANCE (Contd.)

9. A Certificate has been received from M/s. Pareek V. R. & Associates, Practicing Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority. A Certificate to this effect, duly signed is annexed to this Report.
10. Following fees paid (including provisions for the financial year 2019-20 and 2018-19) to Statutory Auditors and its member firm / network firm:

Name of Firm	(INR in million)	
	FY 2019-20	FY 2018-19
B S R & Associates LLP (Statutory Auditors)	2.94	2.49
B S R and Co. LLP (Tax Consultants - Transfer Pricing & Corporate Tax)	2.16	2.38
KPMG	0.45	-
<b>Total</b>	<b>5.54</b>	<b>4.88</b>

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

## Non - mandatory Requirements:

- The quarterly un - audited results of the Company after being subjected to Limited Review by the Statutory Auditors are published in newspapers. These results are not sent to shareholders individually.
- The Auditors have issued an unqualified report on the statutory financial statements of the Company.
- Internal auditors of the Company make half yearly presentation to the audit committee on their reports.
- All the Non - Executive Directors have requisite qualification, rich experience and expertise in their respective functional areas. They attend various programmes in the personal capacities which keep them abreast of relevant developments. Company had also organized 2 sessions for the Directors on duties & responsibilities of directors. Also, liabilities and penalties under the Companies Act and various requirements under the Corporate Governance were informed in second session. There is a formal system of evaluating them.
- In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has adopted following codes as prescribed therein.
  1. "Code of Fair Disclosure of Unpublished Price Sensitive Information" for employees and other connected persons.
  2. "Code of Conduct to Regulate Monitor and Report Trading" for its employees and Connected Persons to Directors.
- The Company has adopted a Policy on Determination of Materiality for Disclosure as per Regulation 30 of the SEBI Regulations.
- The Company has adopted a Policy on Archival and Preservation of Documents as per Regulation 9 of the SEBI Regulations.
- Terms and conditions of appointment / re - appointment of Independent Directors in terms of Regulation 46 of the SEBI Regulations and Section 149 read with Schedule IV of the Companies Act, 2013 are available on the website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in).
- Details of familiarization programme imparted to Independent Directors in terms of Regulation 25(7) of the SEBI Regulations are available on the website of the Company at [www.tastybite.co.in](http://www.tastybite.co.in).
- Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 forms part of the Annual Report. Further, no complaints were received under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2018 and no complaints were pending as on the end of the financial year ended 31 March 2020.

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

## Means of Communication

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

# CORPORATE GOVERNANCE (Contd.)

## General Shareholder Information

<b>a) Annual General Meeting</b> - Date, Time and Venue	: 6 August 2020, at 12:30 p.m. IST The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated 5 May 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.
<b>b) Financial Calendar</b> Tentative financial reporting for	
- the quarter ending 30 June 2020	: Second week of August 2020
- the half year ending 30 September 2020	: Second week of November 2020
- the quarter ending 31 December 2020	: Second week of February 2021
- year ending 31 March 2021	: Second Week of May 2021
Annual General Meeting for the year ending 31 March 2021	: August 2021
<b>c) Financial Year</b>	: 1 April to 31 March
<b>d) Dates of Book Closure</b>	: 20 July 2020 to 6 August 2020 (both days inclusive)
<b>e) Dividend Payment</b>	: INR 2.00 on each equity share of INR 10 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting.
<b>f) Listing on Stock Exchange, Address and Stock Code</b>	: BSE Limited (BSE) Code : 519091 Address: 1st Floor, New Trading Ring, Rotunda Bldg., P.J. Towers, Dalal Street, Mumbai 400 001  National Stock Exchange (NSE) of India Limited Symbol: TASTYBITE Address: Corporate Services, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
<b>g) Corporate Identity Number (CIN) of the Company</b>	: L15419PN1985PLC037347
<b>h) ISIN Number for NSDL &amp; CDSL</b>	: INE 488B01017
<b>i) Registrar &amp; Shares Transfer Agent</b>	: M/s KFin Technologies Private Limited. Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Ph: 040 - 67161528 Fax: 040 - 23001153 e - mail: <a href="mailto:rajkumar.kale@kfintech.com">rajkumar.kale@kfintech.com</a> ;
<b>j) Share Transfer System</b>	: In respect of transfer of shares, shareholders are advised to contact M/s. KFin Technologies Private Limited 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.
<b>k) Plant location</b>	: At Post 490, Village Bhandgaon, Taluka - Daund, Dist - Pune - 412214, Maharashtra
<b>l) Registered Office and Correspondence address:</b>	: 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005
<b>m) Credit Rating:</b>	The Company has retained its Rating provided by ICRA Limited <ul style="list-style-type: none"> <li>■ Long term outstanding rating at [ICRA] A (pronounced as ICRA A) and</li> <li>■ Short term outstanding rating at [ICRA] A1 (pronounced as ICRA A one)</li> </ul>

Listing Fees as applicable have been paid.

As required under Regulation 36(3) of the SEBI Regulations and Secretarial Standard 2, particulars of Directors seeking re - appointment at this AGM are given in the Annexure to the Notice of this AGM.

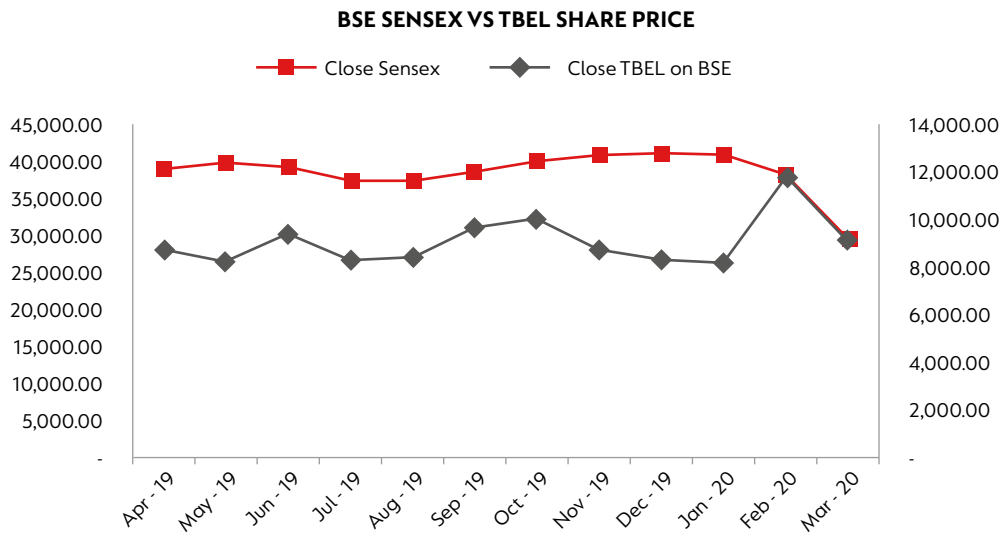
# CORPORATE GOVERNANCE (Contd.)

## n) Stock Market data

The market price and volume of the Company's Equity Shares traded on the BSE Limited; Mumbai during the year 2019-20 is as follows;

Period	TBEL share prices on BSE		BSE Sensex	
	High (Rupees)	Low (Rupees)	High	Low
April 2019	8,883.30	8,326.40	39,487.45	38,460.25
May 2019	8,870.00	7,930.00	40,124.96	36,956.10
June 2019	9,600.00	8,027.75	40,312.07	38,870.96
July 2019	10,164.95	8,209.20	40,032.41	37,128.26
August 2019	8,920.00	8,119.25	37,807.55	36,102.35
September 2019	10,000.00	8,205.05	39,441.12	35,987.80
October 2019	10,260.55	9,575.00	40,392.22	37,415.83
November 2019	10,700.00	8,450.00	41,163.79	40,014.23
December 2019	8,700.00	8,100.00	41,809.96	40,135.37
January 2020	9,110.00	7,913.00	42,273.87	40,476.55
February 2020	13,297.00	7,951.25	41,709.30	38,219.97
March 2020	12,354.00	7,442.55	39,083.17	25,638.90

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



## Stock performance vs NSE Nifty:

The market price and volume of the Company's Equity Shares traded on the NSE during the year 2019-20 is as follows;

Period	TBEL share prices on NSE		NSE Nifty	
	High (Rupees)	Low (Rupees)	High	Low
April 2019	8,888.90	8,380.00	11,856.15	11,549.10
May 2019	8,824.95	7,489.00	12,041.15	11,108.30
June 2019	9,600.00	7,865.50	12,103.05	11,625.10
July 2019	10,280.00	8,135.00	11,981.75	10,999.40
August 2019	8,940.00	8,156.00	11,181.45	10,637.15
September 2019	10,045.00	8,032.00	11,694.85	10,670.25
October 2019	10,250.00	9,500.05	11,945.00	11,090.15
November 2019	10,699.00	8,475.00	12,158.80	11,802.65
December 2019	8,789.95	8,011.00	12,293.90	11,832.30
January 2020	9,162.20	8,005.00	12,430.50	11,929.60
February 2020	13,300.00	7,715.15	12,246.70	11,175.05
March 2020	12,600.00	7,456.95	11,433.00	7,511.10

# CORPORATE GOVERNANCE (Contd.)

## o) Reconciliation of Share Capital Audit Report

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

## p) Distribution of Shareholding as on 31 March 2020

As of 31 March 2020, the distribution of the Company's shareholding was as follows:

Category (Amount)	No. of Cases	% of Cases	Amount (INR)	% of Amount
1-5000	5,766	98.04	17,88,310.00	6.97
5001-10000	59	1.00	4,30,590.00	1.68
10001-20000	30	0.51	4,17,320.00	1.63
20001-30000	6	0.10	1,53,240.00	0.60
30001-40000	3	0.05	97,310.00	0.38
40001-50000	2	0.03	98,640.00	0.38
50001-100000	3	0.05	1,90,370.00	0.74
100001 & Above	12	0.20	2,24,84,220.00	87.62
<b>Total</b>	<b>5,881</b>	<b>100.00</b>	<b>2,56,60,000.00</b>	<b>100.00</b>

## q) Shareholding Pattern as on 31 March 2020

Category	No. of Holders	Total Shares	% to Equity
TRUSTS	2	100	0.00
RESIDENT INDIVIDUALS	5,316	4,41,144	17.19
NON RESIDENT INDIANS	120	5,232	0.20
CLEARING MEMBERS	53	1,333	0.05
INDIAN FINANCIAL INSTITUTIONS	1	1,194	0.05
FOREIGN PORTFOLIO CORP.	10	91,443	3.56
MUTUAL FUNDS	1	54	0.00
PROMOTER COMPANIES	1	19,04,510	74.22
NON RESIDENT INDIAN NON REPATRIABLE	69	4,536	0.18
BODIES CORPORATES	117	27,821	1.08
I E P F	1	43,041	1.68
H U F	188	17,324	0.68
FOREIGN CORPORATE BODIES (foreign promoter)	1	300	0.01
ALTERNATIVE INVESTMENT FUND	1	27,968	1.09
<b>Total</b>	<b>5,881</b>	<b>25,66,000</b>	<b>100.00</b>

## r) Dematerialization of shares and liquidity as on 31 March 2020

Description	No. of cases	Total Shares	% to equity
Physical	231	45,074	1.76
NSDL	3,303	23,90,169	93.15
CDSL	2,509	1,30,757	5.10
<b>Total</b>	<b>6,043</b>	<b>25,66,000</b>	<b>100.00</b>

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

No securities were suspended from trading during the year.

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

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

# CORPORATE GOVERNANCE (Contd.)

## v) Share Transfer System:

In terms of Regulation 40(1) of SEBI Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. 1 April 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Directors and certain Company officials (including Chief Financial Officer and Company Secretary) are authorised by the Board severally to approve transfers, which are noted at subsequent Board Meetings.

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

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

Year	Dividend per share in INR	Date of declaration*	Due date of transfer to IEPF**	Amount outstanding as on 31 March 2020 (INR)
2012-13	1.00	10-09-2013	16-10-2020	91,822
2013-14	1.00	10-09-2014	16-10-2021	95,276
2014-15	1.00	14-09-2015	20-10-2022	88,702
2015-16	2.00	19-09-2016	25-10-2023	1,67,426
2016-17	2.00	20-09-2017	27-09-2024	1,70,264
2017-18	2.00	09-08-2018	14-09-2025	1,12,218
2018-19	2.00	08-08-2019	13-09-2026	78,870

\*Date of declaration is date of AGM

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

The Company transferred 3,500 shares in December 2019 to Investor Education and Protection Fund account. Shareholders are requested to follow the prescribed procedure for claiming the shares from the government.

The Company will transfer amount for the year 2012-13 that remained unpaid at the end of 7 years from the date of declaration of dividend after 16 October 2020 to the Investor Education and Protection Fund (IEPF) account as required under Section 124 of the Companies Act, 2013.

Dividend Distribution Policy has been adopted by the Company in its board meeting held on 15 May 2020. Policy is available on website of the Company [www.tastybite.co.in](http://www.tastybite.co.in) and also forms a part of this report.

## CEO / CFO Certification:

A declaration by Mr. Abhijit Upadhye, CEO / Managing Director in terms of Schedule V (D) of SEBI Regulations was placed before the Board at its meeting held on 15 May 2020.

Declaration stating compliance with Code of Conduct

I, declare that all Directors and members of the Senior Management have affirmed compliance with the code of conduct for the year ended 31 March 2020.

Place: Pune  
Date: 15 May 2020

**Abhijit Upadhye**  
Managing Director  
DIN: 02076451

# CERTIFICATE OF NON - DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

**TASTY BITE EATABLES LIMITED**

201-202, MAYFAIR TOWERS,  
WAKDEWADI, SHIVAJINAGAR,  
PUNE - 411005

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID - 19 pandemic, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31 March 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other statutory authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company*
1.	Mr. Kavas Patel	00002634	29/05/2009
2.	Mr. Ashok Vasudevan	00575574	31/03/1999
3.	Mr. Abhijit Upadhye	02076451	03/11/2018
4.	Dr. Padinjaranda Chengappa	06771287	17/01/2018
5.	Mr. PVV Srinivasa Rao	06805347	06/02/2019
6.	Ms. Dawn Allen	07983206	14/11/2017
7.	Ms. Rama Kannan	08005849	22/12/2017
8.	Mr. Gaurav Gupta	07529010	16/02/2020

\*The date of appointment is as per the MCA Portal.

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

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

Practicing Company Secretaries

Firm Unique Code: S2017MH498500

**VINEET RAMOO PAREEK**

**PROPRIETOR**

**M. NO. - A49730**

**C.P. NO. - 18556**

**UDIN: A049730B000304611**

Date: 15 May 2020

Place: Pune



# DIVIDEND DISTRIBUTION POLICY

## Statutory Requirements

This policy is being adopted and published in compliance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016. SEBI vide its notification dated 8 July 2016 introduced a new regulation 43A which prescribed that the top five hundred listed entities based on market capitalization (calculated as on 31 March of every financial year) shall formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites.

The regulation further prescribed that the dividend distribution policy shall include the following parameters:

- a the circumstances under which the shareholders of the listed entities may or may not expect dividend;
- b the financial parameters that shall be considered while declaring dividend;
- c internal and external factors that shall be considered for declaration of dividend;
- d policy as to how the retained earnings shall be utilized; and
- e parameters that shall be adopted with regard to various classes of shares

Provided that if the listed entity proposes to declare dividend on the basis of parameters in addition to clauses (a) to (e) or proposes to change such additional parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in its annual report and on its website.

## Parameters to be considered while recommending/ declaring dividend

The Board while declaring or recommending dividend to the shareholders, will consider following financial / internal and external factors though these will be only considered as guiding principles for the Board:

### Financial / Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves
- Past dividend trends - rate of dividend, EPS and payout ratio, etc.

- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, debt reduction, capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

### External Factors:

- Economic environment, both domestic and global.
- Unfavourable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing
- Any unexpected change in the economy like any pandemic / epidemic, etc

## Policy

- The financial strategy of the Company, which encompasses the dividend policy, is primarily aimed at enhancement of long-term shareholder value and sustainable growth, in a way that the shareholders can participate equitably in the Company's growth, while maintaining a strong financial foundation for the Company.
- The dividend distribution will be subject to internal and external factors, as mentioned above, which in the opinion of the Board, require retention of profits.
- The Board shall endeavour though not obliged to ensure that the dividend amount in every financial year will be stable and steady. Subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout of around 10% of profit after tax on standalone financials, to the extent possible.

# DIVIDEND DISTRIBUTION POLICY (Contd.)

- Final dividend will be recommended by the Board for approval of the shareholders in a general meeting, while interim dividend, if any, may be declared by the Board. The Company currently have only one class of shares, i.e. equity shares.

## Disclosures

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at [www.tastybite.co.in](http://www.tastybite.co.in).

## Policy review and amendments

The Policy will be reviewed periodically by the Board. This policy has been adopted by the Board of Directors of the Company at its meeting held on 15 May 2020 being the effective date of this Policy.

## Disclaimer

- a The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.
- b Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward - looking statements in the Policy.

# BUSINESS RESPONSIBILITY REPORT

TBEL's Business Responsibility Report 2019-20 follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, as notified by the Ministry of Corporate Affairs (MCA), Government of India.

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

## Business Responsibility Report

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

### SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company	L15419PN1985PLC037347
2	Name of the Company	Tasty Bite Eatables Limited
3	Registered address	201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411005 Maharashtra, India
4	Website	<a href="http://www.tastybite.co.in">www.tastybite.co.in</a>
5	E - mail id	<a href="mailto:secretarial@tastybite.com">secretarial@tastybite.com</a>
6	Financial Year reported	1 April 2019 to 31 March 2020
7	Sector(s) that the Company is engaged in (industrial activity code - wise)	Name and description of main product / services: Prepared foods NIC code of the product / service: 107
8	List three key products / services that the Company manufactures / provides (as in balance sheet)	- Ready - to - Eat - Formed Frozen Products - Sauces
9	Total number of locations where business activity is undertaken by the Company	
	a Number of International Locations (Provide details of major 5)	Nil
	b Number of National Locations	1 manufacturing plant and 1 head office
10	Markets served by the Company - Local / State / National / International	1. Across India 2. United States of America and Canada 3. Europe - Germany and United Kingdom 4. Russia 5. Australia 6. Middle East 7. Indian Subcontinent - Srilanka, Maldives and Bangladesh

### SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR)	25.66 Million
2	Total Turnover (INR)	4,548.30 Million
3	Total profit after taxes (INR)	408.62 Million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.05% of financial year 2019-20 PAT
5	List of activities in which expenditure in 4 above has been incurred:-	The Company was required to spend INR 8.37 million towards Corporate Social Responsibility. During the year, the Company has contributed INR 8.37 million to Tasty Bite Foundation. Activities undertaken by foundation includes tree plantation and upgradation of rural schools.

# BUSINESS RESPONSIBILITY REPORT (Contd.)

## SECTION C: OTHER DETAILS

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

## SECTION D: BR INFORMATION

### 1 Details of Director / Directors responsible for BR

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

1	DIN Number	02076451
2	Name	Abhijit Upadhye
3	Designation	Managing Director

b Details of the BR head

1	DIN Number (if applicable)	02076451
2	Name	Abhijit Upadhye
3	Designation	Managing Director
4	Telephone number	(020) 3021 6000
5	E - mail id	abhijit@tastybite.com

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

a Details of compliance (Reply in Y / N)

No. Questions	Whistleblow, Ethics, Anti corruption / Anti bribery	Product Responsibility	HR Policies	CSR Policy, Stakeholder Engagement	Human Right Statements	HSE Policy	Public, Regulatory Policy	CSR Policy	Customer Relation
	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy / policies for...	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y

# BUSINESS RESPONSIBILITY REPORT (Contd.)

No. Questions	Whistleblow, Ethics, Anti corruption / Anti bribery	Product Responsibility	HR Policies	CSR Policy, Stakeholder Engagement	Human Right Statements	HSE Policy	Public, Regulatory Policy	CSR Policy	Customer Relation
	P1	P2	P3	P4	P5	P6	P7	P8	P9
3 Does the policy conform to any national / international standards? If yes, specify? (50 words)  These policies have been devised in confirmation to respective regulations / national standards that come into effect from time to time. These policies are revisited on regular basis and are updated as and when there is any change in the norms.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4 Has the policy being approved by the Board? Is yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5 Does the company have a specified committee of the Board / Director / Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6 Indicate the link for the policy to be viewed online?	<a href="http://www.tastybite.co.in">www.tastybite.co.in</a>	Available internally		<a href="http://www.tastybite.co.in">www.tastybite.co.in</a>		Available internally			
7 Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8 Does the company have inhouse structure to implement the policy / policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9 Does the Company have a grievance redressal mechanism related to the policy / policies to address stakeholders' grievances related to the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10 Has the company carried out independent audit / evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

# BUSINESS RESPONSIBILITY REPORT (Contd.)

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

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

### 3 Governance related to BR

a Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	The Board of Directors and the Committees of the Board assesses the BR performance of the Company periodically. Managing Director reviews the performance of Business Responsibility every 6 months by way of evaluating the performance of departments and entire organization.
b Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, this being the first year wherein the BR is applicable to the Company, the Report will be published on Annual basis or as an when there exists any change in it. The same can be viewed at <a href="http://www.tastybite.co.in-Investors-Corporate-Governance">www.tastybite.co.in-Investors-Corporate Governance</a>

### SECTION E: PRINCIPLE - WISE PERFORMANCE

Principle No.	Description	Response
<b>P1 - Business should conduct and govern themselves with ethics, transparency and accountability</b>		
1.1	Does the policy relating to ethics, bribery and corruption cover only the company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	Our corporate governance practices apply across TBEL, contractual labours and 3rd parties dealing with the Company. TBEL also follows the Mars, Incorporated (ultimate holding company) Business Principles
1.2	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	<b>Shareholder complaints:</b> During the year, 43 (Forty three) complaints were received from shareholders and resolved (100% complaints are closed). <b>Code of Conduct:</b> The Company's Code of Conduct outlines and creates a set of values for all concerned people to behave in an ethical manner while working for and on behalf of the Company. It takes into account factors like regulatory compliance, equal employment opportunity, non-harassment & prevention of sexual harassment, prevention of use of alcohol, illegal drug or medication, use of the Company's or Customers' or Suppliers' resources and competition. It is applicable to all Directors and employees. No complaint received under the same during the year. <b>Prevention of Sexual Harassment ("POSH") policy:</b> The policy framework aims at educating employees on any sort of harassment (including sexual harassment) and report about it appropriately when seen or experienced at the workplace. All the cases are acted upon immediately and corrective actions are taken. No complaint received in this regard as well.

# BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Description	Response
<b>P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.</b>		
2.1	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	<p>The Company is committed to be socially responsible.</p> <ol style="list-style-type: none"> <li>1. We have developed Organic supply chain which is helping farmers to have sustainable farming practices as well as helping TBEL to launch more healthy SKU's for its customers. 6 SKU's of Entrées and all Rice SKU's are organic.</li> <li>2. Development of processes to utilizing less water during production.</li> <li>3. Adopting sustainable energy policies and practices like Solar Energy, Waste Management, Environment Awareness, Occupational Health &amp; Safety, Wind energy utilization, Use of briquettes as alternate source of energy, biogas plant generating energy and also resolving our waste management issues.</li> </ol>
2.2	<p>For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):</p> <ol style="list-style-type: none"> <li>a Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?</li> <li>b Reduction during usage by consumers (energy, water) has been achieved since the previous year?</li> </ol>	<p>The Company has installed roof top Solar Panel which is helping to generate close to 5% of total energy requirements of the company. Usage of wind energy provides 12% and biogas provides 1% of total requirement.</p> <p>We are developing processes which use less water in the manufacturing.</p> <p>Capex investments are being done to adopt the latest technology which promotes sustainable way of manufacturing.</p>
2.3	<p>Does the company have procedures in place for sustainable sourcing (including transportation)?</p> <ol style="list-style-type: none"> <li>a If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.</li> </ol>	<p>The Company endeavors to integrate sustainability in sourcing of its materials. Example:</p> <ul style="list-style-type: none"> <li>■ TBEL sources fresh vegetables directly from local farmers, small groups and collection centers</li> <li>■ Helping conventional Suppliers follow sustainability practices like traceability, soil conservation etc.</li> <li>■ Entire principle of organic certified operations is based on sustainability</li> </ul> <p>The company helps improve capability of local farmers by providing best farm practices, etc. We also have training facilities for the farmers.</p>
2.4	<p>Has the company taken any steps to procure goods and services from local &amp; small producers, including communities surrounding their place of work?</p> <ol style="list-style-type: none"> <li>a If yes, what steps have been taken to improve their capacity and capability of local and small vendors?</li> </ol>	<ul style="list-style-type: none"> <li>■ The Company procures vegetables and various other perishable commodities from local farmers instead of Mandi buying which is helping farmer to get better price</li> <li>■ The Company provides recommendation &amp; sustainable practices training to farmers about the crops, etc.</li> </ul>

# BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Description	Response
2.5	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	<p>The Company has taken the following initiatives to recycle products and waste:</p> <ul style="list-style-type: none"> <li>■ 100% of the water treated through ETP and is recycled and then used for gardening purpose, etc.</li> <li>■ E - waste and other waste are sent for recycling through authorized vendors only</li> <li>■ Municipal solid waste is sent through authorized vendor. Hazardous and e - waste generated in organization is disposed through government authorized recycler</li> <li>■ A proper Extended Producer Responsibility (EPR) system exist and waste is recycled. The company has valid certifications from Pollution Control Board</li> </ul>
<b>P3 - Businesses should promote the wellbeing of all employees</b>		
3.1	Please indicate the total number of employees	277
3.2	Please indicate the total number of employees hired on temporary / contractual / casual basis.	1,000
3.3	Please indicate the number of permanent women employees	34
3.4	Please indicate the number of permanent employees with disabilities	NIL
3.5	Do you have an employee association that is recognized by management?	Yes
3.6	What percentage of your permanent employees is members of this recognized employee association?	92%
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	Nil
3.8	<p>What percentage of your under mentioned employees were given safety &amp; skill upgradation training in the last year?</p> <ul style="list-style-type: none"> <li>■ Permanent Employees</li> <li>■ Permanent Women Employees</li> <li>■ Casual / Temporary / Contractual Employees</li> <li>■ Employees with Disabilities</li> </ul>	100%
<b>P4 - Businesses should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized</b>		
4.1	Has the company mapped its internal and external stakeholders? Yes / No	<p>Yes, the Company has mapped its stakeholders internal as well as external as below:</p> <ol style="list-style-type: none"> <li>1. <u>Government and regulatory authorities: Industry bodies / forums</u></li> <li>2. <u>Employees:</u> Trainings, surveys, rewards &amp; recognitions, team building and fun activities, celebrations, learning series and meeting with personalities, communication with employees on regular basis by the top management</li> </ol>



# BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Description	Response
		<p>3. <u>Bankers, Customers, Vendors</u>: Various visits and regular communications</p> <p>4. <u>Shareholders</u>: AGM, annual reports, etc.</p> <p>5. <u>Local community</u>: Maximum workers in factory are from local community, various activities undertaken such as farmer training, CSR activities, etc.</p>
4.2	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders	Yes
4.3	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so	<p>The Company is guided by its mission statement “to be a <b>socially responsible company</b> that will <b>delight</b> consumers”.</p> <p>The Community initiatives undertaken is the commitment of the business to contribute to sustainable economic development, working with employees, their families, the local community and society at large to improve their quality of life.</p> <p>The Company’s Community initiatives aligns their corporate goals with those of society. Company understands there’s more to being a part of community than just running a business. We believe in giving back to the society where we live, work and play. Keeping this ideology, as part of our “Community initiatives” program, Company has identified themes for improvement and upliftment of the society we serve. The thematic area of initiatives is centered on rural education, farmer welfare, public health and soil conservation.</p>
<b>P5 - Businesses should respect and promote human rights</b>		
5.1	Does the policy of the company on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policies not only cover employees but also contractors, clients and others.
5.2	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	No complaints were received relating to human rights violation during the year.
<b>P6 - Business should respect, protect, and make efforts to restore the environment (Health, Safety and Environment)</b>		
6.1	Does the policy related to Principle 6 cover only the company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others	<p>The Company is ISO 14001 certified which is based on Environment standard.</p> <ul style="list-style-type: none"> <li>■ Workplace environment</li> <li>■ Ambient environment (inside and outside environment of plant)</li> <li>■ UROFOR safe products</li> </ul> <p>The Company has always considered its employees as the most valuable asset of the organization. Towards this end, the Company constantly undertakes initiatives to ensure the safety and well - being of its employees at workplace.</p>

# BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Description	Response
		<p>The Company engages its employees and third party vendors, contractors in various EOHS initiatives held in the organization. The hazard identification and risk assessment is carried out in consultation with relevant stakeholders, employees and third party contractors. The implemented controls are monitored and evaluated regularly to ensure employee safety all the time at workplace.</p> <p>Few of the activities performed towards occupational health and employee safety:</p> <ul style="list-style-type: none"> <li>■ Awareness program</li> <li>■ OHSAS awareness Floor Walks</li> <li>■ Periodic Evacuation Drills</li> <li>■ Regular trainings and mock drills</li> </ul> <p>The Company conducts regular health checkup (specific to areas of work) of all employees and workers in factory and head office. All safety guards such as gloves, ear plugs, safety shoes, replacement of sharp tools with blunt end tools, etc. are provided.</p>
6.2	Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc.? Y / N. If yes, please give hyperlink for webpage etc.	<p>Yes.</p> <ul style="list-style-type: none"> <li>■ We are working on curbing Carbon foot prints. Carbon emission being curbed by dust collector to settle the carbon particles.</li> <li>■ Using alternate source of energy for processes like solar panels, wind energy, biogas, briquettes made from sugarcane waste, etc. and reducing the resources depletion.</li> </ul>
6.3	Does the company identify and assess potential environmental risks? Y / N	Yes. The Company has aspect impact register by which environment risk are identified.
6.4	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
6.5	Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y / N. If yes, please give hyperlink for web page etc.	Yes. TBEL's 18% operation are shifted to wind power, Solar power & biogas as renewable source of energy. Company is also using the Biomass energy (i.e. Briquette) for manufacturing.
6.6	Are the Emissions / Waste generated by the company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes
6.7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

# BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Description	Response
<b>P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner</b>		
7.1	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	1. Maharashtra Chamber of Commerce, Industries and Agriculture (MCCIA); 2. Confederation of Indian Industry (CII)
7.2	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes / No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	No
<b>P8 - Businesses should support inclusive growth and equitable development</b>		
8.1	Does the company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes. Please refer question 3 of Principle 4 of this report
8.2	Are the programmes / projects undertaken through in-house team / own foundation / external NGO / government structures / any other organization?	The initiatives are undertaken jointly with agencies and partner NGOs.
8.3	Have you done any impact assessment of your initiative?	No
8.4	What is your company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.	Details mentioned in CSR section of Boards' Report in Annual Report
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	Company has spent INR 8.37 million by contributing to Tasty Bite Foundation. Tree plantation done in villages surrounding the company with help of villagers. School building in village constructed to support village community and rural education by the Foundation.
<b>P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner</b>		
9.1	What percentage of customer complaints / consumer cases are pending as on the end of financial year?	There are no pending complaints / consumer cases. All complaints are closed within 2 - 7 days basis the nature of the complaints
9.2	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)	Required information by local law is displayed on the labels.
9.3	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti - competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	No, there is no such case filed by any stakeholder
9.4	Did your company carry out any consumer survey / consumer satisfaction trends?	No

# INDEPENDENT AUDITORS' REPORT

To the Members of  
Tasty Bite Eatables Limited

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Tasty Bite Eatables Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### The key audit matter

#### Provision for inventory obsolescence

As at 31 March 2020, the Company held INR 595.56 million of inventories net of provision for inventory obsolescence of INR 53.05 million. Given the size of the inventory balance relative to the total assets of the Company and considering the estimates and judgments described below, the valuation of inventory and provision for inventory obsolescence required significant audit attention.

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

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

- Performs periodic cycle counts to assess whether specific write down is required for obsolete inventory / shortages

### Basis for Opinion

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

### Key Audit Matters

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

### How the matter was addressed in our audit

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

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

# INDEPENDENT AUDITORS' REPORT (Contd.)

## The key audit matter

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

## Other Information

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

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other

## How the matter was addressed in our audit

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

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

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

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

# INDEPENDENT AUDITORS' REPORT (Contd.)

## Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

# INDEPENDENT AUDITORS' REPORT (Contd.)

- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 35 to the financial statements;
  - ii. The Company did not have any long - term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

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

**For B S R & Associates LLP**

*Chartered Accountants*

(Firm's Registration No.116231W/W-100024)

**Rajnish Desai**

*Partner*

(Membership No. 101190)

UDIN: 20101190AAAAAQ2599

Place: Pune

Date: 15 May 2020

# ANNEXURE A

## to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the period ended 31 March 2020

With reference to the Annexure referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's Report to the Members of the Company on the Ind AS financial statements for the year ended 31 March 2020, we report that:

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

Sr. No.	Type of Asset	Gross block as on 31 March 2020	Net block as on 31 March 2020	Remarks
1	Freehold land – Gut No. 503	INR 0.03 million	INR 0.03 million	The Company has filed a legal suit alleging illegal occupation of the land owned by the Company.

- ii) The inventory, except goods in transit, has been physically verified by management during the year. The discrepancies noticed on such verification between the physical stock and the book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business. In respect of stocks lying with third parties at the year end, written confirmations from major parties have been obtained.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) According to the information and explanations provided to us, the Company has neither granted any loan and nor made any investments, or guarantees or security during the year, to which section 185 or 186 of the Companies Act, 2013 is applicable. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) The Company has not accepted any deposits in accordance with section 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) In our opinion and according to the information and explanations given to us, maintenance of cost records under section 148 of the Act is not applicable to the Company under the Companies (Cost Record and Audit) Rules, 2014.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income - tax, Goods and Services Tax, Duty of Customs and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been one instance of delay in payment of Provident Fund.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income - tax, Goods and Services Tax, Duty of Customs, cess and any other statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Income tax, Sales - Tax, Service tax, Goods and Services Tax, Duty of Customs which have not been deposited by the Company on account of disputes, except as disclosed in Enclosure 1 to this Annexure.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any dues to financial institutions or any outstanding debentures during the year.



## ANNEXURE A

to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the period ended 31 March 2020 (Contd.)

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

**For B S R & Associates LLP**

*Chartered Accountants*

(Firm's Registration No.116231W/W-100024)

**Rajnish Desai**

*Partner*

(Membership No. 101190)

UDIN: 20101190AAAAAQ2599

Place: Pune

Date: 15 May 2020

## ENCLOSURE I TO ANNEXURE A

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

Name of the statute	Nature of the dues	Period to which the amount relates (Financial year)	Gross amount (INR million)	Amount paid under protest (INR million)	Amount unpaid (INR million)	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2007 - 2008	10.77	5.08	5.69	The Income Tax Appellate Tribunal, Pune
The Income Tax Act, 1961	Income Tax	2013 - 2014	29.64	-	29.64	The Income Tax Appellate Tribunal, Pune
Customs Act, 1962	Customs Duty	2013 - 2014 and 2014 - 2015	26.50	11.73	14.77	The Custom Excise and Service Tax Appellate Tribunal, Mumbai

# ANNEXURE B

to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the year ended 31 March 2020

## Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### Opinion

We have audited the internal financial controls with reference to financial statements of Tasty Bite Eatables Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial controls with Reference to Financial Statements

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

## ANNEXURE B

to the Independent Auditors' report on the financial statements of Tasty Bite Eatables Limited for the year ended 31 March 2020 (Contd.)

transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not

be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B S R & Associates LLP**

*Chartered Accountants*

(Firm's Registration No.116231W/W-100024)

**Raajnish Desai**

*Partner*

(Membership No. 101190)

UDIN: 20101190AAAAAQ2599

Place: Pune

Date: 15 May 2020



# BALANCE SHEET

as at 31 March 2020

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

Particulars	Notes	31 March 2020	31 March 2019
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property, plant and equipment	6A	894.87	819.14
Capital work - in - progress	6A	265.03	103.19
Right - of - Use Asset	6B	87.19	-
Intangible assets	7	2.41	1.93
Financial assets			
Other financial assets	8	3.10	3.58
Deferred tax assets (net)	34	19.67	-
Income tax assets (net)		31.08	25.40
Other non - current assets	9	189.37	88.66
<b>Total non - current assets (i)</b>		<b>1,492.72</b>	<b>1,041.90</b>
<b>Current assets</b>			
Inventories	10	595.56	489.03
Financial assets			
Trade receivables	11	570.29	383.69
Cash and cash equivalents	12	76.78	77.55
Bank balances other than cash and cash equivalents	13	0.80	0.81
Derivative contract assets	14	-	57.27
Other financial assets	15	0.51	0.21
Other current assets	16	260.30	197.35
<b>Total current assets (ii)</b>		<b>1,504.24</b>	<b>1,205.91</b>
<b>TOTAL ASSETS (i+ii)</b>		<b>2,996.96</b>	<b>2,247.81</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	25.66	25.66
Other equity	18	1,605.72	1,294.33
<b>Total equity (i)</b>		<b>1,631.38</b>	<b>1,319.99</b>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Financial liabilities			
Borrowings	19A	207.84	258.12
Lease Liabilities	38	81.08	-
Deferred tax liabilities (net)	34	-	48.53
Provisions	20	68.99	45.70
<b>Total non - current liabilities (ii)</b>		<b>357.91</b>	<b>352.35</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	19B	339.12	60.00
Trade payables	21		
- Total outstanding dues of micro enterprises and small enterprises		2.72	1.34
- Total outstanding dues of creditors other than micro enterprises and small enterprises		475.96	383.03
Derivative contract liabilities	22	55.80	-
Lease Liabilities	38	10.21	-
Other financial liabilities	23	113.35	120.03
Other current liabilities	24	6.89	3.67
Provisions	25	3.62	7.40
<b>Total current liabilities (iii)</b>		<b>1,007.67</b>	<b>575.47</b>
<b>TOTAL EQUITY AND LIABILITIES (i+ii+iii)</b>		<b>2,996.96</b>	<b>2,247.81</b>
<b>Summary of significant accounting policies</b>	1 - 5		
<b>Notes to the financial statements</b>	6 - 49		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W/W - 100024

**Raajnish Desai**

Partner

Membership No: 101190

**For and on behalf of the Board of Directors of**

**Tasty Bite Eatables Limited**

**CIN: L15419PN1985PLC037347**

**Abhijit Upadhye**

Managing Director

DIN: 02076451

**Ashok Vasudevan**

Chairman

DIN: 00575574

**Gaurav Gupta**

Chief Financial Officer

**Minal Talwar**

Company Secretary

Place: Pune

Date: 15 May 2020

Place: Pune

Date: 15 May 2020

# STATEMENT OF PROFIT AND LOSS

for the year ended 31 March 2020

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

Particulars	Notes	31 March 2020	31 March 2019
Revenue from operations	26	4,257.74	3,369.30
Other income	27	290.56	182.28
<b>Total income</b>		<b>4,548.30</b>	<b>3,551.58</b>
<b>Expenses</b>			
Costs of materials consumed	28	2,862.95	2,098.29
Changes in inventories of finished goods and work - in - progress	29	(31.34)	(39.83)
Employee benefits expense	30	314.36	269.95
Finance costs	31	35.20	43.28
Depreciation and amortisation expense	32	168.48	126.49
Other expenses	33	665.11	582.64
<b>Total expenses</b>		<b>4,014.76</b>	<b>3,080.82</b>
<b>Profit before income tax</b>		<b>533.54</b>	<b>470.76</b>
<b>Income tax expense</b>			
- Current tax	34	162.49	184.28
- Deferred tax (credit) / charge	34	(37.57)	(14.15)
		<b>124.92</b>	<b>170.13</b>
<b>Profit after tax for the year</b>		<b>408.62</b>	<b>300.63</b>
<b>Other comprehensive income / (loss)</b>			
Items that will not be reclassified subsequently to profit and loss:			
- Remeasurement of defined benefit obligation (asset)		(8.61)	(5.08)
- Income tax related to items that will not be reclassified to profit and loss		2.17	1.78
Items that will be reclassified subsequently to profit and loss:			
- Effective portion of gain / (loss) on Hedging Instruments in a Cash Flow Hedge		(113.07)	38.68
- Income tax related to items that will be reclassified to profit and loss		28.46	(13.52)
<b>Other comprehensive income / (loss) for the year, net of tax</b>		<b>(91.05)</b>	<b>21.86</b>
<b>Total comprehensive income for the year</b>		<b>317.57</b>	<b>322.49</b>
<b>Earnings per equity share (nominal value of share INR 10)</b>	37		
(1) Basic		159.24	117.16
(2) Diluted		159.24	117.16
<b>Summary of significant accounting policies</b>	1 - 5		
<b>Notes to the financial statements</b>	6 - 49		

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

As per our report of even date attached

**For B S R & Associates LLP**

Chartered Accountants

Firm Registration No: 116231W/W - 100024

**Raajnish Desai**

Partner

Membership No: 101190

Place: Pune

Date: 15 May 2020

**For and on behalf of the Board of Directors of**

**Tasty Bite Eatables Limited**

**CIN: L15419PN1985PLC037347**

**Abhijit Upadhye**

Managing Director

DIN: 02076451

**Gaurav Gupta**

Chief Financial Officer

Place: Pune

Date: 15 May 2020

**Ashok Vasudevan**

Chairman

DIN: 00575574

**Minal Talwar**

Company Secretary

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2020

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

Particulars	31 March 2020	31 March 2019
<b>A. Cash flow from operating activities:</b>		
Profit before tax	533.54	470.76
Adjustments for		
Depreciation and amortisation	168.48	126.49
Loss on write off of Property, Plant and equipment	3.21	-
Bad debts written off	0.31	0.82
Allowance for doubtful receivables	1.39	1.80
Liabilities written back to the extent no longer required	(3.08)	(0.13)
Advances written off	0.32	-
Unrealised foreign exchange loss on translation of assets and liabilities	29.22	30.11
Employee share based payment expense	-	10.90
Finance cost	35.20	43.28
Interest income	(1.97)	(1.18)
Provision for slow and non moving inventories	35.71	10.82
<b>Operating profit before working capital changes</b>	<b>802.33</b>	<b>693.67</b>
<b>Working capital adjustments:</b>		
Change in trade payables	93.70	126.62
Change in other current financial liabilities	(3.08)	22.44
Change in other current liabilities	3.22	(0.49)
Change in provisions	10.90	1.69
Change in trade receivables	(176.40)	(21.45)
Change in inventories	(142.24)	(162.34)
Change in other non current financial assets	0.48	(0.11)
Change in other current financial assets	(0.30)	34.72
Change in other non current assets	10.84	12.01
Change in other current assets	(62.96)	41.11
<b>Cash generated from operating activities</b>	<b>536.49</b>	<b>747.87</b>
Direct taxes paid (net of refunds, if any)	(168.16)	(192.42)
<b>Net cash from operating activities (A)</b>	<b>368.33</b>	<b>555.45</b>
<b>B. Cash flow from investing activities:</b>		
Purchase of property, plant and equipment including intangible assets, capital work in progress and movement in capital advances	(518.12)	(302.62)
Proceeds from sale of property, plant and equipment	-	0.40
Proceeds from other deposits with banks (net of placed during the period, including margin money)	-	0.39
Interest received	1.97	1.18
<b>Net cash used in investing activities (B)</b>	<b>(516.15)</b>	<b>(300.65)</b>

# STATEMENT OF CASH FLOWS

for the year ended 31 March 2020 (Contd.)

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

Particulars	31 March 2020	31 March 2019
<b>C. Cash flow from financing activities:</b>		
Buy - back of 1% Non - Cumulative, Non - Convertible, Redeemable Preference Shares	-	(117.56)
Repayment of lease liabilities	(8.33)	-
Proceeds from current borrowings	348.38	-
Repayments of current borrowings	(82.84)	(10.46)
Repayments of non current borrowings	(68.57)	(60.92)
Payment of dividend (including dividend distribution tax) - includes INR Nil (2019: 0.02 million) paid for prior years	(6.19)	(6.20)
Finance Cost Paid - Lease Liabilities	(7.91)	-
Finance Cost Paid - Others	(27.49)	(38.79)
<b>Net cash generated from / (used in) financing activities (C)</b>	<b>147.05</b>	<b>(233.93)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>(0.77)</b>	<b>20.87</b>
Cash and cash equivalents at the beginning of the year	77.55	56.68
<b>Cash and cash equivalents at the end of the year</b>	<b>76.78</b>	<b>77.55</b>

## Components of cash and cash equivalents (refer note:12)

Particulars	31 March 2020	31 March 2019
Cash on hand	0.04	0.28
Balances with banks		
In current accounts	76.74	77.27
	<b>76.78</b>	<b>77.55</b>
<b>Summary of significant accounting policies</b>	1 - 5	
<b>Notes to the financial statements</b>	6 - 49	

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

As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W - 100024

### Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 15 May 2020

### For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

### Abhijit Upadhye

Managing Director

DIN: 02076451

### Gaurav Gupta

Chief Financial Officer

Place: Pune

Date: 15 May 2020

### Ashok Vasudevan

Chairman

DIN: 00575574

### Minal Talwar

Company Secretary



# STATEMENT OF CHANGES IN EQUITY

as at 31 March 2020



DRIVING GROWTH  
THROUGH INNOVATION

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

Statement of Changes in Equity	Equity		Reserves and surplus		Items of OCI			Total Equity
	Securities Premium	Share based payments	Capital Reserve	Retained Earnings	Remeasurements of defined benefit obligation / (asset)	Cash Flow Hedge Reserve (Net)		
<b>Balance as at 1 April 2018</b>	<b>25.66</b>	<b>9.48</b>	<b>6.38</b>	<b>5.73</b>	<b>941.70</b>	<b>(8.33)</b>	<b>12.16</b>	<b>992.78</b>
Add: Arising on employee share based payment (refer note 46)	-	-	10.90	-	-	-	-	10.90
Add: Profit for the year	-	-	-	-	300.63	-	-	300.63
Add: Other comprehensive income (net of tax)	-	-	-	-	-	(3.30)	25.16	21.86
Less: Payment of dividend (including dividend distribution tax)	-	-	-	-	(6.18)	-	-	(6.18)
<b>Balance as at 31 March 2019</b>	<b>25.66</b>	<b>9.48</b>	<b>17.28</b>	<b>5.73</b>	<b>1,236.15</b>	<b>(11.63)</b>	<b>37.32</b>	<b>1,319.99</b>
<b>Balance as at 1 April 2019</b>	<b>25.66</b>	<b>9.48</b>	<b>17.28</b>	<b>5.73</b>	<b>1,236.15</b>	<b>(11.63)</b>	<b>37.32</b>	<b>1,319.99</b>
Add: Profit for the year	-	-	-	-	408.62	-	-	408.62
Add: Other comprehensive income (net of tax)	-	-	-	-	-	(6.44)	(84.61)	(91.05)
Less: Payment of dividend (including dividend distribution tax)	-	-	-	-	(6.19)	-	-	(6.19)
<b>Balance as at 31 March 2020</b>	<b>25.66</b>	<b>9.48</b>	<b>17.28</b>	<b>5.73</b>	<b>1,638.58</b>	<b>(18.07)</b>	<b>(47.29)</b>	<b>1,631.38</b>

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

## Summary of significant accounting policies

1 - 5

## Notes to the financial statements

6 - 49

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

As per our report of even date attached

### For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W - 100024

### Rajnish Desai

Partner

Membership No: 101190

### For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

### Abhijit Upadhye

Managing Director

DIN: 02076451

### Gaurav Gupta

Chief Financial Officer

### Ashok Vasudevan

Chairman

DIN: 00575574

### Minal Talwar

Company Secretary

Place: Pune

Date: 15 May 2020

Place: Pune

Date: 15 May 2020

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020

## 1. Background

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

## 2. Basis of preparation

### 2.1 Statement of compliance

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

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

The financial statements were authorized for issue by the Company's Board of Directors on 15 May 2020.

### 2.2 Functional and presentation currency

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

### 2.3 Basis of measurement

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

Items	Measurement basis
Certain financial assets and liabilities (including derivative instruments)	Fair value
Liabilities for cash - settled share - based payment arrangements	Refer Note 46
Net defined benefit (asset) / liability	Fair Value of plan assets less present value of defined benefit obligations

### 2.4 Use of estimates and judgements

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

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

### Judgements, Assumptions, and estimation uncertainties

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

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

Note 44 – Measurement of defined benefit obligations: key actuarial assumptions

Note 35 – Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Note 38 – Lease classification

Note 34 – Estimation of current tax expense and tax payable

Note 34 – Recognition of deferred tax asset

Note 11 – Impairment of Trade Receivables

### 2.5 Measurement of fair values

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

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

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

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

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

Note 48 – Financial Instruments – Fair Value

Note 46 – Employee Shared based payment

## 2.6 Current - non - current classification

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

### Assets

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

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

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

### Liabilities

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

- a) it is expected to be settled in the Company's normal operating cycle;

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

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

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

### Operating cycle

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

## 2.7 Impact of COVID – 19

The Company has considered the possible impact that may arise from COVID - 19, a global pandemic, on the carrying amount of its assets including inventory and receivables. In developing the assumptions relating to the impact of possible future uncertainties in global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information including economic forecasts. The Company based on current estimates expects the carrying amount of the above assets will be recovered, net of provisions established.

## 3. Significant accounting policies

### 3.1 Foreign Currency transaction

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 3.2 Financial Instrument

### i. Recognition and initial measurement

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

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

### ii. Classification and subsequent measurement

#### Financial assets

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

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

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

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

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

All financial assets (except for derivative contract assets) not measured at amortised cost as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be

measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

*Financial assets: Subsequent measurement gains and losses*

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss. However, refer note 48 and 49 for derivatives designated as hedging instruments.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

## **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held – for – trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss. Refer note 48 and 49 for financial liabilities designated as hedging instrument.

### **iii. Derecognition**

#### **Financial assets**

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

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

#### **Financial liabilities**

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified

terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### **iv. Offsetting**

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

### **v. Derivative financial instrument and hedge accounting**

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

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

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

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

#### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

OCI is limited to the cumulative change in fair value of the hedge item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

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

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

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

### 3.3 Property, Plant and Equipment

#### i. Recognition and measurement

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

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

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

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

#### ii. Subsequent expenditure

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

#### iii. Depreciation

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

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

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

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

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

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

### 3.4 Intangible assets

Intangible assets are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortization and any accumulated

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

impairment losses. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

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

The estimated useful lives are as follows:

Asset	Estimated useful life
Computer Software	5 years

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

### 3.5 Inventories

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

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

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

### 3.6 Impairment of financial instruments

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

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

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

### Measurement of expected credit loss

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

### 3.7 Impairment of non - financial assets

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

### 3.8 Employee benefits

#### i. Short - term employee benefits

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

#### ii. Defined contribution plans

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

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

#### iii. Defined benefit plans

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

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

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

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

#### iv. Other long - term employee benefits

The Company's net obligation in respect of other long - term employee benefits (compensated absences) is the amount of future benefit that employees have earned in return for their service in the current and prior periods, that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

an annual independent actuarial valuation using the Projected Unit Credit method. Remeasurements gains or losses are recognised in profit or loss in the period in which they arise.

## v. Employee Shared based payment

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

In accordance with Ind - AS 102, the classification of the share - based payment transaction depends on the nature of the award granted and whether the entity has an obligation to settle the transaction and if the entity has either an obligation to settle in its own equity instruments or no obligation to settle at all, then the transaction is accounted as Equity Settled. Since, the Company does not have any obligation to reimburse corresponding cost of share - based payment transaction to PBI Inc., it has classified the settlement as Equity Settled.

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

## 3.9 Revenue

### i. Sale of goods

The Company has applied Ind AS 115: Revenue from Contracts with Customers which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised.

Revenue from sale of goods is recognised when control of the products being sold is transferred to the customer and when there are no longer any unfulfilled obligations. The performance obligations in customer contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms. Revenue is measured at fair value

of the consideration received or receivable, after deduction of any discounts or rebates and any taxes or duties collected on behalf of the government such as goods and services tax. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur. Customers do not have a contractual right to return goods.

### ii Export incentive

Export incentives are recognised when the right to receive credit as per the terms of incentives is established in respect of the exports made and when there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Under Ind AS 115, income from export incentive schemes is presented as Other non - operating income as the same is not receivable from customers.

## 3.10 Recognition of interest income or expense:

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

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

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the assets (when asset is not credit - impaired) or to the amortised cost of the liability. However, for financial asset that have become credit - impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of financial asset.

## 3.11 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on - balance sheet lease accounting model for lessees.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

The Company has adopted Ind AS 116 - Leases effective 1 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1 April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest on lease liability.

Please refer Note 6B for details of the right-of-use asset held by the company.

## 3.12 Income tax

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

## 3.13 Provisions and contingencies

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

### Contingencies

Provision in respect of loss contingencies relating to claims, litigations assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably. Where no reliable estimate can be made as to the outcome of an event, a disclosure is made as contingent liability. Contingent assets are not recognised in the accounts.

## 3.14 Borrowing cost

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

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

## 3.15 Research and development expenditure

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

## 3.16 Earnings per share

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

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

## 3.17 Cash and cash equivalents

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

## 3.18 Cash flow statement

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

## 4. Changes in significant accounting policies

There have been no changes in accounting policies during the Financial year 2019-20, except for implementation of Ind AS 116 as described in point 3.11 of accounting policy.

## 5. Standard issued but not effective

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There are no such notifications which would be applicable from 1 April 2020.

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

## 6A. Property, plant and equipment

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

Reconciliation of carrying amount	Freehold land	Leasehold improvements	Factory Building	Plant and equipment	Lab Equipment	Electrical installation	Computers	Office equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
<b>Gross Carrying Amount</b>												
<b>Balance as at 1 April 2018</b>	1.36	3.86	184.84	697.88	4.19	35.68	2.99	6.94	23.94	0.01	961.69	22.19
Additions	-	-	39.83	121.72	3.95	9.59	4.53	0.67	2.70	0.74	183.73	264.73
Disposals during the year	-	-	-	-	-	-	0.46	0.28	-	-	0.74	183.73
<b>Balance as at 31 March 2019</b>	1.36	3.86	224.67	819.60	8.14	45.27	7.06	7.33	26.64	0.75	1,144.68	103.19
<b>Balance as at 1 April 2019</b>	1.36	3.86	224.67	819.60	8.14	45.27	7.06	7.33	26.64	0.75	1,144.68	103.19
Additions	10.64	-	8.07	196.90	2.83	8.03	4.36	1.86	1.51	-	234.20	396.03
Disposals during the year	-	-	0.09	45.89	-	1.58	-	-	-	-	47.56	234.20
<b>Balance as at 31 March 2020</b>	12.00	3.86	232.65	970.61	10.97	51.72	11.42	9.19	28.15	0.75	1,331.32	265.03
<b>Accumulated Depreciation</b>												
<b>Accumulated depreciation as at 1 April 2018</b>	-	1.60	23.93	153.13	0.99	10.15	1.43	3.08	5.62	0.01	199.94	-
Depreciation for the year	-	0.80	15.77	98.73	0.75	4.01	0.81	1.45	3.61	0.02	125.95	-
Accumulated depreciation on disposals	-	-	-	-	-	-	0.18	0.17	-	-	0.35	-
<b>Balance as at 31 March 2019</b>	-	2.40	39.70	251.86	1.74	14.16	2.06	4.36	9.23	0.03	325.54	-
<b>Accumulated depreciation as at 1 April 2019</b>	-	2.40	39.70	251.86	1.74	14.16	2.06	4.36	9.23	0.03	325.54	-
Depreciation for the year	-	0.80	19.78	120.93	1.23	4.87	2.33	1.41	3.85	0.07	155.27	-
Accumulated depreciation on disposals	-	-	0.03	42.75	-	1.58	-	-	-	-	44.36	-
<b>Balance as at 31 March 2020</b>	-	3.20	59.45	330.04	2.97	17.45	4.39	5.77	13.08	0.10	436.45	-
<b>Carrying amount (net)</b>												
At 31 March 2019	1.36	1.46	184.97	567.74	6.40	31.11	5.00	2.97	17.41	0.72	819.14	103.19
<b>At 31 March 2020</b>	12.00	0.66	173.20	640.57	8.00	34.27	7.03	3.42	15.07	0.65	894.87	265.03

a) Depreciation charged to the statement of profit and loss for the year on exchange differences capitalised is INR 8.33 million (2019: INR 8.02 million)

b) Amount of foreign exchange included in Property, plant and equipment and remaining to be depreciated as at 31 March 2020 is INR 23.03 million (31 March 2019: INR 31.36 million)

## 6B. Right - of - Use Asset

	Building	Total
<b>Balance as at 1 April 2019</b>	97.42	97.42
Add: Initial direct cost	-	-
Add: Addition during the year	2.20	2.20
Less: depreciation charged for the year	12.43	12.43
<b>Balance as at 31 March 2020</b>	87.19	87.19

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

## 7. Intangible Assets (other than internally generated)

Reconciliation of carrying amount	Software	Total
<b>Gross Carrying Amount</b>		
<b>Balance as at 1 April 2018</b>	2.06	2.06
Additions	1.03	1.03
<b>Balance as at 31 March 2019</b>	3.09	3.09
<b>Balance as at 1 April 2019</b>	3.09	3.09
Additions	1.26	1.26
<b>Balance as at 31 March 2020</b>	4.35	4.35
<b>Accumulated Amortisation</b>		
<b>Accumulated Amortisation as at 1 April 2018</b>	0.61	0.61
Amortisation for the year	0.55	0.55
<b>Balance as at 31 March 2019</b>	1.16	1.16
<b>Balance as at 1 April 2019</b>	1.16	1.16
Amortisation for the year	0.78	0.78
<b>Balance as at 31 March 2020</b>	1.94	1.94
<b>Carrying amount (net)</b>		
At 31 March 2019	1.93	1.93
<b>At 31 March 2020</b>	2.41	2.41

## 8. Other non - current financial assets

Particulars	31 March 2020	31 March 2019
(Unsecured considered good, unless otherwise stated)		
Security deposits		
Considered good	3.10	3.58
	<b>3.10</b>	<b>3.58</b>

## 9. Other non - current assets

Particulars	31 March 2020	31 March 2019
(Unsecured considered good, unless otherwise stated)		
Capital Advances	166.24	54.69
Prepayments	0.05	0.16
Advance to suppliers		
Considered doubtful	0.63	3.57
Provision for doubtful advances	(0.63)	(3.57)
Receivable from government authorities	23.08	33.81
	<b>189.37</b>	<b>88.66</b>

## 10. Inventories

Particulars	31 March 2020	31 March 2019
Raw materials	302.58	262.73
Work - in - progress	53.88	44.44
Finished goods*	100.20	78.30
Stores, spares & consumables	35.79	27.30
Packing materials	103.11	76.26
	<b>595.56</b>	<b>489.03</b>

\*includes goods in transit INR 9.09 million (2019: INR 17.13 million)

Inventories are presented net of provisions INR 53.05 million (2019: INR 17.34 million)

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

## 11. Trade receivables

Particulars	31 March 2020	31 March 2019
- considered good - Secured	-	-
- considered good - Unsecured	563.32	377.17
- having significant increase in credit risk	8.36	6.52
- credit impaired	-	-
	<b>571.68</b>	<b>383.69</b>
Expected credit loss allowance	(1.39)	-
<b>Total trade receivables</b>	<b>570.29</b>	<b>383.69</b>
<b>Current portion</b>	<b>570.29</b>	<b>383.69</b>
<b>Non - current portion</b>	<b>-</b>	<b>-</b>

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

There are no receivables secured against borrowings.

For terms and conditions of trade receivables owing from related parties, see note 45

Exposure to the credit risk for trade receivables by geographic region:	31 March 2020	31 March 2019
India	162.21	158.00
Rest of the world	408.08	225.69
	<b>570.29</b>	<b>383.69</b>

Exposure to the credit risk for trade receivables by type of counterparty:	31 March 2020	31 March 2019
Related parties (also refer note 45 for receivables outstanding from related party)	303.03	155.46
Other than related parties	267.26	228.23
	<b>570.29</b>	<b>383.69</b>

Movement in the allowance for expected credit losses:	31 March 2020	31 March 2019
Balance as at the beginning of the year	-	0.07
Allowance for loss (net of reversals)	1.70	0.75
Amounts written off	(0.31)	(0.82)
Balance as at the end of the year	<b>1.39</b>	-

	31 March 2020	31 March 2019
0-90 days past due	563.32	377.17
91-180 days past due	6.28	4.55
More than 180 days past due	2.08	1.97
<b>Gross carrying amount of trade receivables</b>	<b>571.68</b>	<b>383.69</b>
Allowance for expected credit losses	(1.39)	-
<b>Carrying amount of trade receivables (net of impairment)</b>	<b>570.29</b>	<b>383.69</b>

Refer Note 49 for Company's exposure to credit and currency risk.

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

## 12. Cash and cash equivalents

Particulars	31 March 2020	31 March 2019
Cash on hand	0.04	0.28
Bank balances		
In current account	76.74	77.27
	<b>76.78</b>	<b>77.55</b>

## 13. Bank balances other than cash and cash equivalents

Particulars	31 March 2020	31 March 2019
Unpaid dividend accounts	0.80	0.81
	<b>0.80</b>	<b>0.81</b>

## 14. Derivative contract - assets

Particulars	31 March 2020	31 March 2019
Foreign exchange forward contract	-	50.31
Interest rate swap	-	6.96
	-	<b>57.27</b>

## 15. Other current financial assets

Particulars	31 March 2020	31 March 2019
Other receivables	0.51	0.21
	<b>0.51</b>	<b>0.21</b>

## 16. Other current assets

Particulars	31 March 2020	31 March 2019
Advance for supply of goods	67.61	38.34
Advances to employees	1.50	0.06
Prepayments	13.84	5.39
Export incentives receivable	111.27	44.31
Receivable from government authorities	66.08	109.25
	<b>260.30</b>	<b>197.35</b>

## 17. Equity share capital

Particulars	31 March 2020	31 March 2019
<b>Authorised</b>		
4,400,000 (2019: 4,400,000) equity shares of INR 10/- each	44.00	44.00
60,000 (2019: 60,000) 1% Non - Cumulative, Non - Convertible, Redeemable Preference Shares of INR 100/- each.	6.00	6.00
<b>Issued, subscribed and paid up shares</b>		
2,566,000 (2019: 2,566,000) equity shares of INR 10/- each fully paid up	25.66	25.66
	<b>25.66</b>	<b>25.66</b>

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

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

Equity shares	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
At the commencement and at the end of the year	2,566,000	25.66	2,566,000	25.66

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

Preference shares classified as financial liability	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
At the commencement of the year	-	-	59,530	5.95
Aggregate number of shares bought back during the year	-	-	59,530	5.95
At the end of the year	-	-	-	-

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

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

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

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

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% Holding	No. of shares	% Holding
<b>Equity shares of INR 10/- each fully paid up held by</b>				
Preferred Brands Foods (India) Private Limited, 'Holding company'	1,904,510	74.22%	1,904,510	74.22%
	<b>1,904,510</b>	<b>74.22%</b>	<b>1,904,510</b>	<b>74.22%</b>

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

Name of the shareholder	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
<b>Equity shares of INR 10/- each fully paid up held by</b>				
Effem Holdings Limited	300	0.00	300	0.00
Preferred Brands Foods (India) Private Limited, 'Holding company'	1,904,510	19.05	1,904,510	19.05
	<b>1,904,810</b>	<b>19.05</b>	<b>1,904,810</b>	<b>19.05</b>



# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

## 18. Other equity

Reserves and Surplus	31 March 2020	31 March 2019
Securities premium reserve	9.48	9.48
Capital reserve	5.73	5.73
Employee share based payment reserve	17.28	17.28
Retained earnings	1,638.58	1,236.15
Other comprehensive income	(65.35)	25.69
	<b>1,605.72</b>	<b>1,294.33</b>
<b>Securities premium</b>		
At the commencement and at the end of the year	9.48	9.48
<b>Capital reserve</b>		
At the commencement and at the end of the year	5.73	5.73
<b>Employee share based payment reserve</b>		
At the commencement	17.28	6.38
Add: Employee share based payment cost (refer note 46)	-	10.90
<b>At the end of the year</b>	<b>17.28</b>	<b>17.28</b>
<b>Retained earnings</b>		
Opening balance	1,236.15	941.70
Net profit for the year	408.62	300.63
Dividends paid (including dividend distribution tax thereon)	(6.19)	(6.18)
<b>Closing balance</b>	<b>1,638.58</b>	<b>1,236.15</b>
<b>Components of other comprehensive income</b>		
Remeasurement of defined benefit obligation (asset), net of tax		
Opening balance	(11.63)	(8.33)
Addition during the year	(6.44)	(3.30)
<b>Closing balance - (deficit)</b>	<b>(18.07)</b>	<b>(11.63)</b>
<b>Cash Flow Hedge Reserve, net of tax</b>		
Opening balance	37.32	12.16
Addition during the year	(84.61)	25.16
<b>Closing balance - (Loss)</b>	<b>(47.29)</b>	<b>37.32</b>
<b>Total other comprehensive income</b>	<b>(65.35)</b>	<b>25.69</b>

## Dividends

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

Particulars	31 March 2020*	31 March 2019**
INR 2 (2019: INR 2) per equity share	5.13	5.13
Dividend distribution tax (DDT) on dividend to equity shareholders	1.06	1.05
	<b>6.19</b>	<b>6.18</b>
INR: NIL (2019: INR 1) per redeemable preference shares	-	0.06
Dividend distribution tax (DDT) on dividend to redeemable preference shares	-	0.01
	<b>6.19</b>	<b>6.25</b>

\*Dividend paid during the year ended 31 March 2020 is related to dividend proposed during the year ended 31 March 2019

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

After the reporting dates the following dividends (excluding DDT) were proposed by the directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. DDT has been abolished from FY 2020 (2019: Dividends would attract DDT when declared or paid in the hands of company)

Proposed Dividend	31 March 2020	31 March 2019
On equity shares of INR 10 each amount of proposed dividend	5.13	5.13
Dividend per equity share	2.00	2.00

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

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

### Securities premium reserve

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

### Capital reserve

Capital reserve is created for government subsidies and other liabilities.

### Employee share based payment reserve

Employee share based payment reserve is created in accordance with Ind AS 102 consequent to the value pool agreement between PBI Inc., the Company and the holders of the outstanding options. Refer Note 46 - Employee shared based payment.

### Cash Flow Hedge Reserve, net of tax

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

### Remeasurement of defined benefit obligation (asset), net of tax

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

## 19. Borrowings

### Unsecured, at amortised cost

Particulars	31 March 2020	31 March 2019
<b>A Non - current borrowings</b>		
From banks		
- External Commercial Borrowings ('ECB')	207.84	258.12
	<b>207.84</b>	<b>258.12</b>
<b>B Current borrowings</b>		
<b>Unsecured, at amortised cost</b>		
Working capital loans from banks		
- Packing Credit Foreign Currency ('PCFC')	339.12	-
Working capital loan from related party	-	60.00
	<b>339.12</b>	<b>60.00</b>

Information about the Company's exposure to interest risk, foreign currency risk and liquidity risks is included in note 49

Refer note 23 for current maturities of long term debt.

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

Terms and conditions of outstanding borrowings are as follows:

Particulars	Currency	Nominal interest rate	Maturity (year)	Terms	Carrying amounts	
					31 March 2020	31 March 2019
ECB - Mizuho	USD	3m LIBOR + 0.90%	2016 - 2024	Repayable in 8 years by way of 32 quarterly equal instalments commencing from June 2016	128.49	147.65
ECB - MUFG - I	USD	3m LIBOR + 0.90%	2018 - 2024	Moratorium period is 2 years and the loan is repayable in 6 years by way of 24 quarterly equal installments commencing from July 2018	133.45	151.55
ECB - MUFG - II	USD	3m LIBOR + 0.75%	2018 - 2022	Moratorium period is for 1 year and the loan is repayable in 4 years by way of 16 quarterly equal installments commencing from June 2018	18.84	25.98
Working capital loan from related party	INR	7.6%	2019	Short - term working capital loan repayable in August 2020	-	60.00
PCFC - Mizuho bank Ltd	USD	LIBOR + 0.40%	2020	Short term pre - shipment credit facility with a maturity period of 180 days from the date of shipment	339.12	-
<b>Total borrowings</b>					<b>619.90</b>	<b>385.18</b>
Classified as:						
- Non current borrowings					207.84	258.12
- Current borrowings					339.12	60.00
- Current maturities of non - current borrowings					72.94	67.06
<b>Total borrowings</b>					<b>619.90</b>	<b>385.18</b>

Reconciliation of Borrowings (Non - current & Current)	31 March 2020	31 March 2019
Non - current borrowings	207.84	258.12
Current Borrowings	339.12	60.00
Current maturities of non - current borrowings	72.94	67.06
<b>Total Borrowings</b>	<b>619.90</b>	<b>385.18</b>
Proceeds from borrowings	468.37	120.00
Repayment of borrowings	(271.41)	(188.35)
Effect of Re - instatement during the year	37.76	26.44
<b>Movement of borrowings (net)</b>	<b>234.72</b>	<b>(41.91)</b>

There is no default throughout the year ended 31 March 2020 and 31 March 2019 in repayment of principal and interest.

# NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2020 (Contd.)

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

## 20. Non - current provisions

Particulars	31 March 2020	31 March 2019
Employee benefits obligations (also refer note 44)		
Gratuity	40.27	28.02
Compensated absences	28.72	17.68
	<b>68.99</b>	<b>45.70</b>

## 21. Trade payables

Particulars	31 March 2020	31 March 2019
Trade payables other than related parties		
- outstanding dues of micro enterprises and small enterprises (also refer note 36)	2.72	1.34
- outstanding dues of creditors other than micro enterprises and small enterprises	475.96	383.03
	<b>478.68</b>	<b>384.37</b>

Refer Note 49 for the Company's exposure to currency and liquidity risks

## 22. Derivative contract - liability

Particulars	31 March 2020	31 March 2019
Forward Contracts	50.52	-
Interest rate swap	5.28	-
	<b>55.80</b>	<b>-</b>

## 23. Other current financial liabilities

Particulars	31 March 2020	31 March 2019
Current maturities of unsecured bank loans	72.94	67.06
Interest accrued but not due on borrowings	0.92	1.12
Interest payable on MSME dues	0.34	-
Deposits received from dealers	0.50	0.50
Payable for capital goods	9.97	19.25
Employee dues	27.89	31.31
Unclaimed dividend	0.79	0.79
	<b>113.35</b>	<b>120.03</b>

## 24. Other current liabilities

Particulars	31 March 2020	31 March 2019
Statutory dues payable	6.89	3.67
	<b>6.89</b>	<b>3.67</b>

## 25. Current Provisions

Particulars	31 March 2020	31 March 2019
Employee benefits obligations (also refer Note 44)		
Gratuity	1.18	4.41
Compensated absences	2.44	2.99
	<b>3.62</b>	<b>7.40</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 26. Revenue from operations

Particulars	31 March 2020	31 March 2019
<b>Revenue from customers</b>		
<b>Sale of products</b>		
Finished Goods	4,221.91	3,353.24
Traded Goods	24.49	7.63
	<b>4,246.40</b>	<b>3,360.87</b>
<b>Other operating revenues</b>		
Sale of scrap	11.34	8.43
	<b>11.34</b>	<b>8.43</b>
	<b>4,257.74</b>	<b>3,369.30</b>

## 27. Other income

Particulars	31 March 2020	31 March 2019
Export benefits / sale of duty scripts	256.70	172.68
Interest income under the effective interest method on cash and cash equivalent	0.93	1.18
Interest income from others	1.04	-
Liabilities written back to the extent no longer required	3.08	0.13
Net gain on account of foreign currency transactions	28.81	-
Contractually reimbursable costs and interest	-	5.09
Miscellaneous income	-	3.20
	<b>290.56</b>	<b>182.28</b>

## 28. Costs of materials consumed

Particulars	31 March 2020	31 March 2019
Inventory of raw material and packing materials at the beginning of the year	338.99	237.28
Add: Purchases	2,929.65	2,200.00
Less: Inventory of raw materials and packing materials at the end of the year	405.69	338.99
	<b>2,862.95</b>	<b>2,098.29</b>

## 29. Changes in inventories of finished goods and work - in - progress

Particulars	31 March 2020	31 March 2019
<b>Inventory at the beginning of the year</b>		
- Finished goods	78.30	50.77
- Work in progress	44.44	32.14
	<b>(A) 122.74</b>	<b>82.91</b>
<b>Inventory at the end of the year</b>		
- Finished goods	100.20	78.30
- Work in progress	53.88	44.44
	<b>(B) 154.08</b>	<b>122.74</b>
<b>Change in Inventories</b>		
- Finished goods	(21.90)	(27.53)
- Work in progress	(9.44)	(12.30)
<b>Increase in Inventory</b>	<b>(A - B) (31.34)</b>	<b>(39.83)</b>

## 30. Employee benefits expense

Particulars	31 March 2020	31 March 2019
Salaries, wages and bonus	279.87	230.30
Contribution to provident fund and other funds (refer note 44)	15.09	13.14
Gratuity	7.76	6.55
Employee share based expense (refer note 46)	-	10.90
Staff welfare expenses	11.64	9.06
	<b>314.36</b>	<b>269.95</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 31. Finance Costs

Particulars	31 March 2020	31 March 2019
Interest expense on financial liabilities measured at amortised cost	14.46	16.05
Exchange differences regarded as an adjustment to borrowing cost	12.83	22.68
Interest on lease liability	7.91	-
Dividend on redeemable preference shares (including related dividend distribution tax)	-	4.55
	<b>35.20</b>	<b>43.28</b>

## 32. Depreciation and amortisation expense

Particulars	31 March 2020	31 March 2019
Depreciation of Property, plant and equipment (Refer note 6A)	155.27	125.94
Depreciation on Right - of - use Asset (Refer note 6B)	12.43	-
Amortisation of Intangible assets (Refer note 7)	0.78	0.55
	<b>168.48</b>	<b>126.49</b>

## 33. Other expenses

Particulars	31 March 2020	31 March 2019
Consumption of Stores and spares	71.96	58.51
Security and contract labour charges	204.91	138.24
Power and fuel	131.95	115.42
Freight and forwarding charges	22.21	22.50
Rent (also refer note 38)	57.88	52.58
Rates and taxes	1.65	1.24
Insurance	9.28	6.23
Repairs and maintenance	22.44	29.99
Advertisement and business promotion expenses	2.12	0.26
Travelling and conveyance expenses	20.07	25.24
Communication costs	6.01	5.63
Legal and professional fees	37.82	33.05
Auditor's remuneration (refer note (i) below)	2.94	2.49
Loss on fixed assets sold / discarded (net)	3.21	-
Advances written off	0.32	-
Bad debt written off	0.31	0.82
Allowance for doubtful advances / receivables	1.39	1.80
Net loss on account of foreign currency transactions	-	47.85
Corporate social responsibilities expenditure (refer note (ii) below)	8.37	0.41
Miscellaneous expenses	60.27	40.38
	<b>665.11</b>	<b>582.64</b>

### i) Payments to auditors (excluding taxes)

Particulars	31 March 2020	31 March 2019
As auditor		
Statutory audit	1.30	1.18
Limited reviews	0.75	0.75
Tax audit	0.25	0.25
Certifications	0.40	0.22
Reimbursement of expenses	0.24	0.09
<b>Total</b>	<b>2.94</b>	<b>2.49</b>

### ii) Details of corporate social responsibility expenditure

Particulars	31 March 2020	31 March 2019
a) Gross amount required to be spent by the Company during the year	8.37	6.72
b) Amount spent during the year:		
(i) Others	8.37	0.41
<b>Total</b>	<b>8.37</b>	<b>0.41</b>
c) Unspent amount	-	6.31

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 34. Income tax expense

A. Amounts recognised in profit or loss	31 March 2020	31 March 2019
Current year	165.26	186.31
Changes in estimates related to prior years	(2.77)	(2.03)
<b>Current tax (a)</b>	<b>162.49</b>	<b>184.28</b>
Attributable to -		
Origination and reversal of temporary differences	(37.57)	(14.15)
<b>Deferred tax (b)</b>	<b>(37.57)</b>	<b>(14.15)</b>
<b>Tax expense (a) + (b)</b>	<b>124.92</b>	<b>170.13</b>

B. Income tax recognised in other comprehensive income	31 March 2020			31 March 2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit obligation (asset)	(8.61)	2.17	(6.44)	(5.08)	1.78	(3.30)
Effective portion of gain / (loss) on Hedging Instruments in a Cash Flow Hedge	(113.07)	28.46	(84.61)	38.68	(13.52)	25.16
	<b>(121.68)</b>	<b>30.63</b>	<b>(91.05)</b>	<b>33.60</b>	<b>(11.74)</b>	<b>21.86</b>

C. Reconciliation of effective tax rate	31 March 2020		31 March 2019	
	%	Amount	%	Amount
<b>Profit before tax</b>		533.54		470.76
<b>Tax using the Company's domestic tax rate</b>	25.17%	134.28	34.94%	164.50
<b>Effect of:</b>				
Non deductible expenses	0.98%	5.22	1.89%	8.90
Changes in estimates related to prior years and effect of change in tax rate	-2.73%	(14.58)	0.00%	-
Enhanced deduction of research and development expense	0.00%	-	-0.49%	(2.29)
Others	0.00%	-	-0.21%	(0.98)
<b>Effective tax rate / Income tax expense recognised in P&amp;L</b>	<b>23.41%</b>	<b>124.92</b>	<b>36.14%</b>	<b>170.13</b>

The Taxation Laws (Amendment) Ordinance, 2019 promulgated on 20 September 2019 (The Taxation Laws (Amendment) Act, 2019 of 11 December 2019) provides an option to domestic companies to pay income tax at reduced rate of 25.17% subject to certain conditions. The Management has elected to exercise this option and accordingly, provision for income tax and deferred tax as at 31 March 2020 are recognised at 25.17%. The full impact of this change has been recognised in the Statement of Profit and Loss for the year ended 31 March 2020.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 34. Income tax expense (Contd.)

D. Recognised deferred tax assets and liabilities	Deferred tax (assets)		Deferred tax liabilities		Net deferred tax (assets) / liabilities	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
<b>Deferred tax assets and liabilities are attributable to the following:</b>						
Property, plant and equipment and intangible assets	-	-	28.14	54.91	28.14	54.91
Inventories	(13.35)	(6.06)	-	-	(13.35)	(6.06)
Trade receivables	(0.35)	-	-	-	(0.35)	-
Other non - current assets	(0.16)	(1.25)	-	-	(0.16)	(1.25)
Provision - employee benefits	(18.28)	(18.55)	-	-	(18.28)	(18.55)
Provision - others	(0.36)	(0.14)	-	-	(0.36)	(0.14)
Cash flow hedge reserve	(14.04)	-	-	20.01	(14.04)	20.01
Finance lease	(1.03)	-	-	-	(1.03)	-
Other items	(0.24)	(0.39)	-	-	(0.24)	(0.39)
	<b>(47.81)</b>	<b>(26.39)</b>	<b>28.14</b>	<b>74.92</b>	<b>(19.67)</b>	<b>48.53</b>
Offsetting of deferred tax assets and deferred tax liabilities	28.14	74.92	(47.81)	(26.39)	-	-
<b>Net deferred tax (assets) / liabilities</b>	<b>(19.67)</b>	<b>48.53</b>	<b>(19.67)</b>	<b>48.53</b>	<b>(19.67)</b>	<b>48.53</b>

Movement in temporary differences:	Balance as at 31 March 2018	Recognised in profit or loss during 2018-19	Recognised in OCI during 2018-19	Balance as at 31 March 2019	Recognised in profit or loss during 2019-20	Recognised in OCI during 2019-20	Balance as at 31 March 2020
Property, plant and equipment and intangible assets	63.75	(8.84)	-	54.91	(26.77)	-	28.14
Inventories	(2.25)	(3.80)	-	(6.06)	(7.30)	-	(13.35)
Trade receivables	(0.03)	0.03	-	-	(0.35)	-	(0.35)
Other non - current assets	(0.57)	(0.68)	-	(1.25)	1.09	-	(0.16)
Provision - employee benefits	(16.03)	(0.75)	(1.78)	(18.55)	2.45	(2.17)	(18.28)
Provision - others	(0.21)	0.07	-	(0.14)	(0.22)	-	(0.36)
Cash flow hedge reserve	6.43	-	13.52	20.01	(5.60)	(28.46)	(14.04)
Finance lease	-	-	-	-	(1.03)	-	(1.03)
Other items	(0.15)	(0.24)	-	(0.39)	0.15	-	(0.24)
	<b>50.94</b>	<b>(14.21)</b>	<b>11.74</b>	<b>48.53</b>	<b>(37.58)</b>	<b>(30.63)</b>	<b>(19.67)</b>

In assessing the realizability of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the periods in which those temporary differences and tax loss carry - forwards become deductible. The Company considers the expected reversal of deferred tax liabilities, projected future taxable income, tax planning strategies and impact of other marketing conditions including COVID - 19 in making this assessment.

Based on this, the Company believes that it is probable that the Company will realize the benefits of these deductible differences. The amount of deferred tax asset considered realizable, however, could be reduced in the near term if the estimates of future taxable income during the carry - forward period are reduced.



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 35. Contingent liabilities and commitments (to the extent not provided for)

Particulars	31 March 2020	31 March 2019
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts		
Income tax matters	40.41	64.29
Excise duty and Custom duty matters (see note below)	14.77	24.65
Sales Tax demands	-	0.93
Employees / labour claims	0.88	0.74
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	224.23	53.46
Export commitments on account of import under advance licenses	44.59	49.32
<b>Total</b>	<b>324.88</b>	<b>193.39</b>

### Note 35 (a)

Income tax demand comprise demand from the Indian tax authorities, upon completion of their tax review for the assessment years 2008-09 and 2014-15. The tax demands are mainly on account of certain transfer pricing adjustments of expenses claimed by the Company under the Income Tax Act. The matters are pending before the ITAT.

### Vivad se Vishwas Scheme

The Vivad se Vishwas (VsV) Scheme was announced during the Union Budget, 2020, to provide for dispute resolution in respect of pending income tax litigation. The objective of Vivad se Vishwas is to inter alia reduce pending income tax litigation and benefit taxpayers by providing them peace of mind, certainty and savings on account of time and resources that would otherwise be spent on the long - drawn and vexatious litigation process.

The company is currently assessing whether to opt for Vivad se Vishwas scheme for its pending Income Tax case pertaining to AY 2006-07. In case the company opts for VsV scheme, additional tax liability of INR 1.8 million will be recognised when the application is filed.

Excise duty demand comprise demand from the Central Excise authorities as on 31 March 2019 of INR 9.88 million. This litigation was pending before Central Excise and Service Tax Appellate Tribunal ("CESTAT") in previous year. During FY 2020 the CESTAT has ruled in favour of the company and has dismissed the said demand.

Custom duty demand comprise demand from the Office of the Commissioner of Custom of INR 14.77 million (31 March 2019: INR 14.77 million). The tax demands are mainly related to benefit received by the Company under Vishesh Krishi and Gram Udyog Yojana (VKGUY), which as per Department's contention, have been availed under incorrect and inadmissible notification. Management is of the view that such benefits are admissible and cannot be denied only because of incorrect mentioning of the notification. This litigation is pending before CESTAT.

The Company is contesting the demands and the management believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceeding will not have a material adverse effect on the Company's financial position and results of operations.

Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of the cash flow, if any, in respect of the above as it is determinable only on receipt judgements / decision pending with various forums / authorities.

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where the provision is required and disclosed as contingent liabilities where applicable, in its financial statements.

### Note 35 (b)

Based on the Supreme Court judgement dated 28 February 2019, the Company has reassessed the components to be included in basic salary for the purpose of employer's contribution towards Provident Fund. However, there has been no corresponding amendment in the Act or Scheme framed under the Provident Fund Act, consequent to Supreme Court judgement. Management does not expect the Supreme Court decision to have any significant impact on the Company's financial position as at 31 March 2020.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 36. Compliance with Micro, Small and Medium Enterprises Development Act, 2006

Particulars	31 March 2020	31 March 2019
a) The principal amount and the interest due thereon remaining unpaid to supplier at the end of each accounting year;		
- Principal	2.72	1.35
- Interest	0.34	-
b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;		
- Interest paid	-	-
- Payment made to suppliers (other than interest) beyond the appointed day during the year	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year, in relation to the year	0.34	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED ACT	-	-

## 37. Earnings per share

### Basic / Diluted earnings per share

The calculation of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purpose of basic earnings per share calculation are as follows:

i. Profit attributable to equity shareholders		31 March 2020	31 March 2019
Profit for the year, attributable to the equity holders		408.62	300.63
<b>ii. Weighted average number of equity shares</b>			
	Note	31 March 2020	31 March 2019
<b>In millions of shares</b>			
Opening balance	17	2.57	2.57
Effect of changes during the year		-	-
<b>Weighted average number of equity shares for the year</b>		<b>2.57</b>	<b>2.57</b>
<b>Total basic earnings per share attributable to equity share holder of the Company</b>		<b>159.24</b>	<b>117.16</b>

## 38. Leases

### Transition to IND AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on - balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, using the modified retrospective approach whereby an ROU asset of INR 97.42 million was recognized on transition date equivalent to the Lease Liability of INR 97.42 million. A weighted average incremental borrowing rate of 8.30% was applied for recognition of lease liabilities on the date of transition. There is no impact on the Opening Reserves as of 1 April 2019 and the Company has not restated comparative information.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 38. Leases (Contd.)

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments made during FY 20 have been classified as financing cash flows. During FY 19, lease payments were reported as operating activities. Accordingly, as of 31 March 2020, a right - of - use asset (net) of INR 87.19 million and a corresponding lease liability of INR 91.29 million has been recognized on the Balance Sheet. On application of Ind AS 116, the nature of expenses has changed from lease rent in FY 19 to depreciation for the right - of - use asset and finance cost for interest on the lease liability in FY 20.

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease - by - lease basis.

### A. Right - of - Use assets

Particulars	Building
Balance as at 1 April 2019	97.42
Add: Initial direct cost	-
Add: Addition during the year	2.20
Less: Depreciation charged for the year	(12.43)
<b>Balance as at 31 March 2020</b>	<b>87.19</b>

### B. Lease liabilities

Particulars	31 March 2020
Balance as at 1 April 2019	97.42
Add: Addition during the year	2.20
Add: Interest Accrued on Lease liability	7.91
Less: Cash outflows for leases	(16.24)
<b>Balance as at 31 March 2020</b>	<b>91.29</b>

#### Bifurcation of Lease Liabilities

Particulars	31 March 2020
Current	10.21
Non Current	81.08
<b>Total</b>	<b>91.29</b>

### C. Interest expenses on lease liabilities

Particulars	31 March 2020
Interest on lease liabilities	7.91

### D. Expenses on short term leases / low value assets

The Company incurred INR 57.88 MN for the year ended 31 March 2020 towards expenses relating to short - term leases and leases of low - value assets.

### E. Amounts recognised in the statement of cash flow

Particulars	31 March 2020
Total cash outflow for leases	16.24

Note: For Maturity profile of Lease Liabilities refer note 49 A3

#### Impact of COVID - 19

The leases that the Company has entered with lessors majorly pertains for buildings taken on lease to conduct its business in the ordinary course and no changes in terms of those leases are expected due to the COVID - 19 pandemic.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 39. Details of Specified Bank Notes held

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2020.

## 40. Capital management

A business objective of the Company is to sustain the strongest possible equity base in order to foster confidence in all key stakeholders and promote the Company's onward development. A sound equity base is also a key factor in ensuring a stable risk rating with lenders, which is important for obtaining acceptable borrowing terms for the Company. The Board of Directors and the shareholders of the Company ensure a responsible dividend policy and an appropriate return on invested capital to promote value growth and safeguard the Company's future.

The Board of Directors of the Company are kept informed about the equity position of the Company as part of quarterly reporting. Measures are implemented as necessary, taking the tax and legal frameworks into account, to sustain an appropriate capital base that enables the Company to attain operating targets and to meet the strategic goals.

Particulars	31 March 2020	31 March 2019
Total borrowings	619.90	385.18
Less: cash and cash equivalent	76.78	77.55
<b>Adjusted net debt</b>	<b>543.12</b>	<b>307.63</b>
Total equity	1,631.38	1,319.99
Less: effective portion of cash flow hedge (net of tax)	(47.29)	37.32
<b>Adjusted equity</b>	<b>1,678.67</b>	<b>1,282.67</b>
<b>Adjusted net debt to adjusted equity ratio</b>	<b>0.32</b>	<b>0.24</b>

The Company is required to comply with certain covenants for the borrowing facilities availed by the Company. The Company has complied with these covenants throughout the reporting period.

## 41. Disclosure in respect of Research and Development activities as per the requirements of Guidelines issued by the Department of Scientific and Research ('DSIR'):

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

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

Amount eligible for deduction under section 35(2AB) of the Income Tax Act, 1961:	31 March 2020	31 March 2019
Amount debited to Statement of profit and loss, excluding depreciation	-	16.40
Amount not debited to Statement of profit and loss	-	1.98
<b>Total eligible expenditure</b>	<b>-</b>	<b>18.38</b>

**Note:** The Taxation Laws (Amendment) Ordinance, 2019 promulgated on 20 September 2019 (The Taxation Laws (Amendment) Act, 2019 of 11 December 2019) provides an option to domestic companies to pay income tax at reduced rate of 25.17% subject to condition that the company shall not be eligible for weighted deduction u/s 35(2AB), TBEL has opted for the lower tax rate and therefore forgoing the benefit of said deduction under The income tax Act, 1961

Revenue expenditure on Research and development activities charged to Statement of profit and loss

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

Capital expenditure for Research and development included under fixed assets:

Particulars	Plant and equipments	
	31 March 2020	31 March 2019
<b>Gross block</b>		
As at the beginning of the year	17.58	15.60
Additions (represents capital expenditure during the year)	1.54	1.98
<b>As at the end of the year</b>	<b>19.12</b>	<b>17.58</b>
<b>Accumulated depreciation / amortisation</b>		
As at the beginning of the year	7.39	6.12
Charge for the year	1.48	1.27
<b>As at the end of the year</b>	<b>8.87</b>	<b>7.39</b>
<b>Net block</b>	<b>10.25</b>	<b>10.19</b>

## 42. Transfer pricing regulations

The Company has established a comprehensive system of maintenance of information and documentation as required by the transfer pricing legislation under section 92 - 92F of the Income Tax Act, 1961. The Company is in process of preparing related documentation for the financial year 2019-2020.

The management is of the opinion that its international transactions are at arm's length such that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

## 43 Segment Information

### A. Business Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. The Company recognizes its sale of Prepared Foods activity as its only primary business segment since its operations predominantly consist of manufacture and sale of Prepared Foods to its customers. The 'Chief Operating Decision Maker' monitors the operating results of the Company's business as single segment. Accordingly in context of 'Ind AS 108 - Operating Segments' the principle business of the Company constitute a single reportable segment.

### B. Information about major customers

Revenue from one of the customers of the Company's single segment i.e. Prepared Foods is INR 2,104.76 million (2019: INR 2,027.01 million) which is more than 10 percent of the total revenue for the year ended 31 March 2020 and 31 March 2019.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 4.4. Assets and liabilities relating to employee benefits

Particulars	31 March 2020	31 March 2019
Net defined benefit liability - Gratuity plan	41.45	32.43
Liability for compensated absences	31.16	20.67
<b>Total employee benefit liabilities</b>	<b>72.61</b>	<b>53.10</b>
<b>Non - current</b>	<b>68.99</b>	<b>45.70</b>
Gratuity	40.27	28.02
Compensated absences	28.72	17.68
<b>Current</b>	<b>3.62</b>	<b>7.40</b>
Gratuity	1.18	4.41
Compensated absences	2.44	2.99

For details about the related employees benefit expenses (including those of Defined Contribution Plan), see Note 30

The Company operates the following post employment benefit plans:

The Company has a defined benefit plan, governed by the Payment of Gratuity Act, 1972. Benefit plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days for every completed year of service or part thereof in excess of six months, based on the rates of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered and funded through Tasty Bite Employees Gratuity Trust.

These defined benefit plans expose the Company to actuarial risk, such as longevity risk, interest rate risk, market (investment) risk and salary increment risk.

### A. Funding

Gratuity Plan is funded by the Company. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding of Gratuity Plan is based on separate actuarial valuation for funding purposes for which assumption may differ from the assumptions set out in (E). Employees do not contribute to the plan.

The Company expects to pay INR 7 million as contributions to its defined benefit plans in 2020 - 2021.

### B. Reconciliation of the net defined benefit liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit liability and its components:

Reconciliation of present value of defined benefit obligation (A)	31 March 2020	31 March 2019
Balance at the beginning of the year	47.08	53.42
Current service cost	4.97	4.45
Interest cost	3.56	4.11
Actuarial (gain) / loss on obligations recognised in other comprehensive income		
- changes in demographic assumptions	1.86	-
- changes in financial assumptions	1.93	0.33
- experience variance	4.46	3.12
Benefits paid	(0.61)	(18.35)
<b>Balance as the end of the year</b>	<b>63.25</b>	<b>47.08</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 44. Assets and liabilities relating to employee benefits (Contd.)

Reconciliation of present value of plan assets (B)	31 March 2020	31 March 2019
Balance at the beginning of the year	14.65	26.18
Investment Income	1.12	2.02
Employers contributions	7.00	5.50
Benefits paid	(0.61)	(17.42)
Return on plan assets	(0.35)	(1.63)
<b>Balance as the end of the year</b>	<b>21.80</b>	<b>14.65</b>
<b>Net defined benefit liability (A) - (B)</b>	<b>41.45</b>	<b>32.43</b>

### C. (i) Expense recognised in profit or loss

Particulars	31 March 2020	31 March 2019
Current service cost	4.97	4.45
Interest cost	3.56	4.11
Interest income	(1.12)	(2.02)
<b>Total</b>	<b>7.41</b>	<b>6.55</b>

### C. (ii) Remeasurements recognised in other comprehensive income

Particulars	31 March 2020	31 March 2019
Actuarial (gain) / loss on defined benefit obligation	8.26	3.45
Return on plan assets excluding interest income	0.35	1.63
<b>Total</b>	<b>8.61</b>	<b>5.08</b>

### D. Plan assets

Plan assets comprise of the following:

Particulars	31 March 2020	31 March 2019
State Government securities	28%	27%
High quality corporate bonds	44%	41%
Equity shares of listed companies	24%	25%
Other Investments	4%	7%
	<b>100%</b>	<b>100%</b>

### E. Defined benefit obligation

#### i. Actuarial assumptions

Principal actuarial assumptions at the reporting date:	31 March 2020	31 March 2019
Discount rate	6.75%	7.70%
Future salary growth:		
First Year	9.00%	8.00%
Second Year	8.25%	8.00%
Third Year and thereafter	7.25%	8.00%
Attrition rate:		
Upto 30 years	5.00%	9.00%
31 - 44 Years	5.00%	9.00%
Above 44 Years	0.00%	9.00%
Mortality rate (% of IALM 2012-14)	100%	100%

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 44. Assets and liabilities relating to employee benefits (Contd.)

Assumptions regarding future mortality are based on published statistics and mortality tables (i.e. India Assured Live Mortality (2012-14))

At 31 March 2020, the weighted average duration of the defined benefit obligation is 11 years

### ii. Disclosure related to indication of effect of the defined benefit plan on the entity's future cash flows (valued on undiscounted basis):

Payout in the next	31 March 2020	31 March 2019
1 year	1.18	4.41
2 to 5 years	17.94	20.85
6 to 10 years	27.58	26.86
More than 10 years	110.32	38.04

### iii. Sensitivity Analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amount shown below:

Effect in INR MN	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(6.48)	7.62	(3.45)	3.14
Future salary growth (1% movement)	7.39	(6.40)	3.09	(3.47)
Attrition rate (50% movement)	(0.40)	0.46	(0.88)	0.37
Mortality rate (10% movement)	(0.02)	0.00	(0.35)	(0.35)

Note: Sensitivity Analysis in relation to Discount Rate, Salary Growth, Attrition Rate and Mortality Rate as shown above comprise of Increase and decrease from the value of defined benefit obligation as disclosed in note 44(B) above.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 45. Related party disclosures

### A. Parent, Ultimate holding company and Fellow Subsidiary

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



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 45. Related party disclosures (Contd.)

### B. Entities controlled by Key Management Personnel

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

### C. Transactions with Key Management Personnel

Sr. No.	Name	Relationship
1	Mr. Ashok Vasudevan	Non - Executive Chairman
2	Mr. Abhijit Upadhye (From 3 November 2018)	Managing Director
3	Mr. Gaurav Gupta (From 3 November 2018)	Chief Financial Officer and Alternate Director
4	Ms. Minal Talwar	Company Secretary
5	Mr. Ravi Nigam (upto 2 November 2018)	Managing Director
6	Mr. Sohel Shikari (upto 2 November 2018)	Chief Financial Officer and Non Whole Time Director
7	Ms. Rama Kannan	Non - Executive Independent Director
8	Mr. Chengappa Ganapati	Non - Executive Independent Director
9	Mr. Kavas Patel	Non - Executive Independent Director
10	Ms. Dawn Amanda Allen	Non - Executive Director
11	Mr. P V V Srinivas Rao (From 6 February 2019)	Non - Executive Director

Key Management Personnel compensations	Abhijit Upadhye		Gaurav Gupta		Minal Talwar		Ravi Nigam	Sohel Shikari
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2019	31 March 2019
Short term employee benefits	30.00	12.56	7.44	2.64	1.36	1.14	9.88	9.78
Long term benefits	10.02	-	-	-	-	-	-	-
<b>Post - employment benefits payable</b>								
Defined benefit plan - Gratuity	0.94	0.20	0.68	0.15	0.20	0.16	1.08	-
Compensated absences - Leave encashment	3.73	0.97	1.02	0.32	0.21	0.16	-	-
	<b>44.69</b>	<b>13.73</b>	<b>9.14</b>	<b>3.11</b>	<b>1.77</b>	<b>1.46</b>	<b>10.96</b>	<b>9.78</b>
Compensation payable at the end of year	17.02	3.37	-	-	-	-	-	-

### Remuneration to Non - Executive Independent Directors

Name of the Director	31 March 2020	31 March 2019
Rama Kannan	0.30	0.23
Chengappa Ganapati	0.30	0.30
Kavas Patel	0.30	0.30
	<b>0.90</b>	<b>0.83</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 45. Related party disclosures (Contd.)

### D. Related party transactions other than those with Key Management Personnel

Transaction / Balance	Enterprise	31 March 2020	31 March 2019
<b>Sale of Goods</b>	Preferred Brands International, Inc. USA	2,104.76	2,027.01
	Preferred Brands Australia Pty. Ltd.	-	16.75
	Preferred Brands UK Ltd.	-	8.12
	Mars Australia Pty. Ltd.	32.03	14.91
	Mars Food UK Limited	86.11	9.70
	Mars GmbH	150.39	-
	Mars Canada, Inc.	48.52	-
	Mars LLC	1.10	-
<b>Sale of MEIS Scripts</b>	Royal Canin India Private Limited	65.14	-
<b>Dividend paid on equity shares</b>	Preferred Brands Foods (India) Private Limited	3.81	3.81
<b>Dividend paid on preference shares</b>	Preferred Brands Foods (India) Private Limited	-	0.06
<b>Buyback of Preference Shares</b>	Preferred Brands Foods (India) Private Limited	-	122.04
<b>Working Capital loan taken</b>	Royal Canin India Private Limited	-	120.00
<b>Repayment of Working Capital loan</b>	Royal Canin India Private Limited	60.00	60.00
<b>Interest on loan taken</b>	Royal Canin India Private Limited	3.15	4.14
<b>Contributions made</b>	Tasty Bite Employees Gratuity Trust	7.00	5.50
	Tasty Bite Foundation	8.37	-
<b>Balance outstanding</b>			
<b>A. Trade receivables</b>	Preferred Brands International, Inc. USA	269.57	143.67
	Mars Australia Pty. Ltd.	1.82	8.96
	Mars Food UK Limited	6.18	2.83
	Mars GmbH	9.74	-
	Mars Canada, Inc.	14.60	-
	Mars LLC	1.12	-
<b>B. Other receivables</b>	Preferred Brands International, Inc. USA	0.50	0.20
<b>C. Other payables</b>	Mars International India Pvt. Ltd.	-	0.33
<b>D. Loans payables</b>	Royal Canin India Private Limited	-	60.00
<b>Expense charged to related parties in the nature of:</b>			
<b>A. Courier and postage</b>	Preferred Brands International, Inc. USA	1.01	1.18
	Preferred Brands Australia Pty. Ltd.	-	0.65
<b>B. Travelling and conveyance</b>	Preferred Brands International, Inc. USA	-	1.03
<b>C. Reimbursements</b>	Preferred Brands International, Inc. USA	4.04	4.19
	Preferred Brands Foods (India) Private Limited	1.64	0.40
	Mars GmbH	0.82	-
	Mars Food UK Limited	5.22	-
	Mars Australia Pty. Ltd.	1.98	-
<b>Expense charged by related parties in the nature of:</b>			
<b>A. Reimbursements</b>	Preferred Brands Australia Pty. Ltd.	-	0.27
	Preferred Brands International, Inc. USA	4.18	1.41
	Mars International India Pvt. Ltd.	1.71	1.03
<b>B. Project Maintenance Charges</b>	Wrigley India Private Limited	2.42	-
	Mars International India Pvt. Ltd.	2.80	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 46. Employee share based payment

### a) Background:

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

The details of such aggregate consideration was as below:

Payout date	Consideration payable (Amount in USD)
01-Apr-16	\$53,184
01-Apr-17	\$44,070
01-Apr-18	\$76,970

### b) Conditions:

The consideration is payable only to those Holders who continue their employment with the Company on such dates. Any payments forfeited shall be credited to a segregated account of the Company and on 1 April 2020 shall be allocated and paid pro - rata among the Holders and each other Holder who is employed by the Company.

### c) Classification of share based payments:

In accordance with Ind - AS 102, the classification of the share - based payment transaction depends on the nature of the award granted and whether the entity has an obligation to settle the transaction and if the entity has either an obligation to settle in its own equity instruments or no obligation to settle at all, then the transaction is accounted as Equity Settled. Since, the Company does not have any obligation to reimburse corresponding cost of share based payment transaction to PBI Inc., it has classified the settlement as Equity Settled.

### d) Expense recognized in the Statement of Profit and Loss:

Particulars	31 March 2020	31 March 2019
Share based payment	-	10.90

### e) Measurement of settlement:

Since the amount of cash payment is pre - determined by the Holding Company based on the Value Pool agreement and the Employee covered were specifically mentioned in the said agreement, the Company is of the view that the share based payment shall be measured at such amount agreed since the Company does not have any separate obligation towards the settlement. Accordingly, the details of the fair value and the inputs used in the measurement of the grant - date fair values are not required. Further, since the aggregate amount payable is pre - determined and any payments forfeited shall be allocated and paid pro - rata among the Holders who are in employment with the Company; details such as reconciliation of outstanding share options, weighted average etc. are not applicable.

The liabilities as at 31 March 2018 were settled by PBI Inc. during the year ended 31 March 2019.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 47. Disclosure for revenue from contracts with customers

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Revenue recognised from contracts with customers</b>	<b>4,257.74</b>	<b>3,369.30</b>
<b>Disaggregation of revenue</b>		
(A) Based on type of goods		
Sale of goods		
Finished Goods	4,221.91	3,353.24
Traded goods	24.49	7.63
Sale of scrap	11.34	8.43
	<b>4,257.74</b>	<b>3,369.30</b>
(B) Based on market		
India	1,451.45	1,162.30
United States of America	1,934.20	1,879.87
Rest of the world	872.09	327.13
	<b>4,257.74</b>	<b>3,369.30</b>

Refer note 26 for Revenue from operations.

### Performance obligations

The Company satisfies its performance obligations pertaining to the sale of products at a point in time when the control of goods is actually transferred to the customers. The control of goods is transferred to the customer based on the delivery terms as follows:

Terms of sale	Transfer of control
Domestic sales	
Ex works	On dispatch
Door delivery	When goods are handed over to the customer
Export sales	On the date of bill of lading

No significant judgment is involved in evaluating when a customer obtains control of the promised goods. The payment is generally due within 30-60 days. There are no obligations on account of refunds or returns.

### Disclosure for transaction price allocated to the remaining performance obligations

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, in accordance with paragraph 121 of Ind AS 115, the Company is not required to disclose information about its remaining performance obligation since the Company does not have any performance obligation that has an original expected duration of more than one year.

### Determining the timing of satisfaction of performance obligations

There is no significant judgement involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

### Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the single performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price.

### Details of contract balances:

There are no contract assets as at 31 March 2020 and 31 March 2019. Refer note 11 for information on trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## Details of contracts liabilities:

The following table provides information about contract liabilities from contracts with customers:

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
Contract liabilities (Advance from customers)	-	-

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended 31 March 2020 are as follows:

Particulars	31 March 2020	31 March 2019
<b>Advance from customers at the beginning of the year</b>	-	-
Revenue recognised that was included in the advance from customers balance at the beginning of the year	-	-
Increase due to cash received, excluding amounts recognised as revenue during the year	-	-
<b>Advance from customers at the end of the year</b>	-	-

## 48. Financial instruments - Fair value

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy:

31 March 2020	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
<b>Financial assets measured at fair value</b>								
Forward exchange contracts used for hedging	14	-	-	-	-	-	-	-
Interest rate swaps used for hedging	14	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value*</b>								
Security deposits	8	-	-	3.10	3.10	-	-	-
Trade receivables	11	-	-	570.29	570.29	-	-	-
Cash and cash equivalent	12	-	-	76.78	76.78	-	-	-
Bank balance other than cash and cash equivalent	13	-	-	0.80	0.80	-	-	-
Other receivables	15	-	-	0.51	0.51	-	-	-
<b>Total financial assets</b>		-	-	<b>651.48</b>	<b>651.48</b>	-	-	-

31 March 2020	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
<b>Financial liabilities measured at fair value</b>								
Forward exchange contracts used for hedging	22	-	50.52	-	50.52	-	50.52	-
Interest rate swaps used for hedging	22	-	5.28	-	5.28	-	5.28	-
<b>Financial liabilities not measured at fair value*</b>								
External Commercial Borrowings	19	-	-	207.84	207.84	-	-	-
Lease Liability	38	-	-	91.29	91.29	-	-	-
Working capital loans from banks	19	-	-	339.12	339.12	-	-	-
Trade payables	21	-	-	478.68	478.68	-	-	-
Current portion of unsecured bank loans	23	-	-	72.94	72.94	-	-	-
Interest accrued but not due on borrowings	23	-	-	0.92	0.92	-	-	-
Payable for capital goods	23	-	-	9.97	9.97	-	-	-
Deposits received from dealers	23	-	-	0.50	0.50	-	-	-
Employee dues	23	-	-	27.89	27.89	-	-	-
Unclaimed dividend	23	-	-	0.79	0.79	-	-	-
<b>Total financial liabilities</b>		-	<b>55.80</b>	<b>1,229.94</b>	<b>1,285.74</b>	-	<b>55.80</b>	-

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 48. Financial instruments - Fair value (Contd.)

31 March 2019	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
<b>Financial assets measured at fair value</b>								
Forward exchange contracts used for hedging	14	-	50.31	-	50.31	-	50.31	-
Interest rate swaps used for hedging	14	-	6.96	-	6.96	-	6.96	-
<b>Financial assets not measured at fair value*</b>								
Security deposits	8	-	-	3.58	3.58	-	-	-
Trade receivables	11	-	-	383.69	383.69	-	-	-
Cash and cash equivalent	12	-	-	77.55	77.55	-	-	-
Bank balance other than cash and cash equivalent	13	-	-	0.81	0.81	-	-	-
Other receivables	15	-	-	0.21	0.21	-	-	-
<b>Total financial assets</b>		-	<b>57.27</b>	<b>465.84</b>	<b>523.11</b>	-	<b>57.27</b>	-

31 March 2019	Note	Carrying amount				Fair value		
		FVTPL	FVOCI	Amortised cost	Total	Level 1**	Level 2**	Level 3**
<b>Financial liabilities not measured at fair value*</b>								
External Commercial Borrowings	19	-	-	258.12	258.12	-	-	-
Working Capital Loans from related party	19	-	-	60.00	60.00	-	-	-
Trade payables	21	-	-	384.37	384.37	-	-	-
Current portion of unsecured bank loans	23	-	-	67.06	67.06	-	-	-
Interest accrued but not due on borrowings	23	-	-	1.12	1.12	-	-	-
Payable for capital goods	23	-	-	19.25	19.25	-	-	-
Deposits received from dealers	23	-	-	0.50	0.50	-	-	-
Employee dues	23	-	-	31.31	31.31	-	-	-
Unclaimed dividend	23	-	-	0.79	0.79	-	-	-
<b>Total financial liabilities</b>		-	-	<b>822.52</b>	<b>822.52</b>	-	-	-

\*Financial assets and liabilities such as trade receivables, employee dues, cash and cash equivalent, bank balance other than cash and cash equivalents, security deposits, interest accrued on fixed deposits, borrowing, trade payables, deposits from dealers, unclaimed dividend, Other payables etc. are largely short - term in nature. The fair values of these financial assets and liabilities approximate their carrying amount due to the short - term nature of such assets and liabilities.

\*\*Also refer Note 2.5

### B. Measurement of fair value

#### Specific valuation technique used to value financial instruments include:

- The use of quoted market price or dealer quotes of similar instruments
- the fair value of interest rate swaps is calculated at the present value of the estimated future cash flows based on observable yield curves
- the fair value of forward foreign exchange contracts and principle swap is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk

## 49. Financial instruments - Risk Management

### A. Financial risk management

The Company has exposure to the following risk arising from financial instruments:

- credit risk (see (ii) below);
- liquidity risk (see (iii) below); and
- market risk (see (iv) below).

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 49. Financial instruments - Risk Management (Contd.)

### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors have established a Risk Management Framework, which is reviewed and monitored by the Chief Financial Officer (CFO). The CFO reports regularly to the board of directors.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and established procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assisted in its oversight role by internal auditors. Internal auditors undertake regular reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

### ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from the Companies receivable from customer and loans, if any.

The carrying amounts of financial asset represents the maximum credit risk exposure.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India and outside India. Credit risk is managed by a periodic review of amounts outstanding from customers by treasury head and the chief financial officer. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company computes the expected credit loss allowance for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer, industry information and the Company's historical experience for customers.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period for customers. Credit risk is also controlled by analysing credit limits and credit worthiness of customers on a continuous basis.

Refer Note 11 for the following information:

- Exposure to the credit risk for trade receivables by geographic region
- Exposure to the credit risk for trade receivables by type of counterparty (concentration of credit risk)
- Movement in the allowance for impairment
- Carrying amount of trade receivables (net of impairment)

Also refer note 3.6 for policy related to impairment

### Cash and cash equivalent and bank balances other than cash and cash equivalent ('collectively referred as Bank balance')

The Bank balance is held with Banks. Credit risk on Bank balance is limited as the Company generally invest in deposits with banks with high credit ratings assigned by domestic credit rating agencies. Bank balances comprising current accounts are maintained with banks with high credit ratings assigned by credit rating agencies.

### iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 49. Financial instruments - Risk Management (Contd.)

The Company's treasury department is responsible for liquidity and funding. The Company manages its liquidity risk by continuously monitoring its working capital and by preparing month on month cash flow projections to monitor liquidity requirements.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. The Company aims to maintain the level of its working capital at an amount in excess of expected cash outflows on account of financial liability over the next six months.

Working capital	31 March 2020	31 March 2019
Total current assets (both - financial and non financial) (A)	1,504.24	1,205.91
Total current liabilities (both - financial and non financial) (B)	1,007.67	575.47
<b>Working capital (A - B)</b>	<b>496.57</b>	<b>630.44</b>

In addition, the Company maintains the following line of credit:

Facility	Amount of facility	Amount utilised	
		31 March 2020	31 March 2019
Working capital loan	500.00	339.12	60.00
<b>Total</b>	<b>500.00</b>	<b>339.12</b>	<b>60.00</b>

### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

As at 31 March 2020	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non - derivative financial liabilities</b>							
ECB - Mizuho	128.49	16.06	16.06	32.12	64.25	-	128.49
ECB - MUFG - I	133.45	15.70	15.70	31.40	70.65	-	133.45
ECB - MUFG - II	18.84	4.71	4.71	9.42	-	-	18.84
PCFC	339.12	339.12	-	-	-	-	339.12
Lease Liabilities	91.29	5.10	5.10	11.09	39.02	30.98	91.29
Trade payables	478.68	478.68	-	-	-	-	478.68
Other current financial liabilities	40.41	40.41	-	-	-	-	40.41
<b>Total</b>	<b>1,230.28</b>	<b>899.78</b>	<b>41.57</b>	<b>84.03</b>	<b>173.92</b>	<b>30.98</b>	<b>1,230.28</b>

As at 31 March 2019	Carrying amount	Contractual cash flows					Total
		6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years	
<b>Non - derivative financial liabilities</b>							
ECB - Mizuho	147.65	14.77	14.77	29.52	88.59	-	147.65
ECB - MUFG - I	151.55	14.43	14.43	28.87	86.60	7.22	151.55
ECB - MUFG - II	25.98	4.33	4.33	8.66	8.66	-	25.98
Working Capital Loan from Related Party	60.00	60.00	-	-	-	-	60.00
Trade payables	384.37	384.37	-	-	-	-	384.37
Other current financial liabilities	52.97	52.97	-	-	-	-	52.97
<b>Total</b>	<b>822.52</b>	<b>530.87</b>	<b>33.53</b>	<b>67.05</b>	<b>183.85</b>	<b>7.22</b>	<b>822.52</b>



# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

## 49. Financial instruments - Risk Management (Contd.)

### iv. Market risk

Market risk is the risk that changes in market prices - such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to foreign exchange risk through purchases from overseas suppliers and sales to overseas customers in various foreign currencies. The Company uses derivatives to manage market risk. All such transactions are carried out within the guidelines set by the Company. Generally, the Company seeks to apply hedge accounting to manage volatility in profit or loss.

### A) Currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency (INR) of the Company. The primary exposure of the company is in US Dollars (USD) and British Pounds (GBP).

The Company uses forward exchange contracts to hedge its currency risk, most with a maturity of less than one year from the reporting date. Such contracts are generally designated as cash flow hedges. At any point of time, the Company hedges 80% of its estimated foreign currency exposure in respect of forecasted sales.

#### Exposure to currency risk

The summary of quantitative data about the Company's exposure to currency risk as at reporting date is as follows:

Particulars	INR & Foreign Currency (in Million)			
	31 March 2020		31 March 2019	
	INR	USD	INR	USD
Trade receivables	273.74	3.63	150.22	2.17
Other receivables	0.50	0.01	0.66	0.01
Advances for supply of goods	11.06	0.15	14.37	0.21
Capital Advances	-	-	14.60	0.21
Borrowings	(619.90)	(8.23)	(325.18)	(4.69)
Trade payables	(109.35)	(1.45)	(47.05)	(0.68)
Payable on account of capital purchases	(1.48)	(0.02)	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(445.43)</b>	<b>(5.91)</b>	<b>(192.38)</b>	<b>(2.77)</b>

Particulars	INR & Foreign Currency (in Million)			
	31 March 2020		31 March 2019	
	INR	GBP	INR	GBP
Trade receivables	108.19	1.15	66.74	0.74
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>108.19</b>	<b>1.15</b>	<b>66.74</b>	<b>0.74</b>

Particulars	INR & Foreign Currency (in Million)			
	31 March 2020		31 March 2019	
	INR	JPY	INR	JPY
Capital Advances	3.21	4.58	0.29	0.47
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>3.21</b>	<b>4.58</b>	<b>0.29</b>	<b>0.47</b>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

## 49. Financial instruments - Risk Management (Contd.)

INR & Foreign Currency (in Million)

Particulars	31 March 2020		31 March 2019	
	INR	AUD	INR	AUD
Trade receivables	1.82	0.04	8.72	0.18
Advances for supply of goods	0.12	0.00	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>1.94</b>	<b>0.04</b>	<b>8.72</b>	<b>0.18</b>

Particulars	31 March 2020		31 March 2019	
	INR	EUR	INR	EUR
Trade Receivables	9.74	0.12	-	-
Advances for supply of goods	0.01	0.00	0.11	0.00
Capital Advances	0.57	0.01	33.73	0.43
Trade payables	(13.94)	(0.17)	(0.27)	(0.00)
Payable on account of capital purchases	(0.58)	(0.01)	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(4.20)</b>	<b>(0.05)</b>	<b>33.57</b>	<b>0.43</b>

Particulars	31 March 2020		31 March 2019	
	INR	CAD	INR	CAD
Trade Receivables	14.60	0.27	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>14.60</b>	<b>0.27</b>	-	-

### Sensitivity analysis

A reasonably possible strengthening (weakening) of the US Dollar and other currencies against INR at 31 March would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. The analysis assume that all other variables as remain constant other than change in foreign currency rate to INR.

1% increase or decrease in foreign currency rate will have following impact on profit before tax:

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

Particulars	Impact on profit before tax*				Impact on equity, net of tax*			
	31 March 2020		31 March 2019		31 March 2020		31 March 2019	
	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening	Strengthening	Weakening
USD	(4.45)	4.45	(1.92)	1.92	(3.33)	3.33	(1.25)	1.25
GBP	1.08	(1.08)	0.67	(0.67)	0.81	(0.81)	0.43	(0.43)
JPY	0.03	(0.03)	0.00	(0.00)	0.02	(0.02)	0.00	(0.00)
AUD	0.02	(0.02)	0.09	(0.09)	0.01	(0.01)	0.06	(0.06)
EUR	(0.04)	0.04	0.34	(0.34)	(0.03)	0.03	0.22	(0.22)
CAD	0.15	(0.15)	-	-	0.11	(0.11)	-	-
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>(3.21)</b>	<b>3.21</b>	<b>(0.82)</b>	<b>0.82</b>	<b>(2.41)</b>	<b>2.41</b>	<b>(0.54)</b>	<b>0.54</b>

\*Amount in brackets represents unfavourable position

## B) Interest Rate risk

The Company adopts the policy of ensuring that between 80% and 90% of its interest rate risk exposure on its non-current borrowings is at a fixed rate. This is achieved partly by entering into fixed-rate instruments and partly by borrowing at floating rate and using interest rate swaps as hedges of the variability in cash flows to interest rate risk. Interest rate risk related to External Commercial Borrowings have been fully hedged using forward contracts on same dates as the loan are due for repayment.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 49. Financial instruments - Risk Management (Contd.)

Exposure to interest rate risk	31 March 2020	31 March 2019
Variable - rate instruments (financial liabilities - includes ECB and PCFC)	619.90	325.18
Less: Effect of interest rate swap (created on ECB)	(280.78)	(325.18)
<b>Net exposure in respect of recognised assets and liabilities</b>	<b>339.12</b>	<b>-</b>

### Fair value sensitivity analysis for fixed - rate instruments / cash flow sensitivity analysis for variable - rate instruments

Particulars	Impact on profit before tax				Impact on equity, net of tax			
	31 March 2020		31 March 2019		31 March 2020		31 March 2019	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
Variable - rate instruments (financial liabilities)	(6.20)	6.20	(3.25)	3.25	(4.64)	4.64	(2.12)	2.12
Less: Effect of interest rate swap	2.81	(2.81)	3.25	(3.25)	2.10	(2.10)	2.12	(2.12)
<b>Sensitivity (net)</b>	<b>(3.39)</b>	<b>3.39</b>	<b>-</b>	<b>-</b>	<b>(2.54)</b>	<b>2.54</b>	<b>-</b>	<b>-</b>

## C) Cash flow hedges - hedge exposures

Particulars	31 March 2020			31 March 2019		
	1-6 months	6-12 months	More than 1 year	1-6 months	6-12 months	More than 1 year
<b>Foreign currency forward contracts - USD</b>						
Net exposure	11.21	8.32	-	12.73	10.15	-
Average INR:USD forward contract rate	73.29	75.72	-	72.22	73.25	-
<b>Foreign currency forward contracts - GBP</b>						
Net exposure	2.48	4.10	-	-	-	-
Average INR:GBP forward contract rate	94.45	96.61	-	-	-	-
<b>Foreign currency forward contracts - EUR</b>						
Net exposure	0.27	0.49	-	-	-	-
Average INR:EUR forward contract rate	82.74	85.75	-	-	-	-
<b>Interest rate swaps - USD</b>						
Net exposure	36.47	36.47	207.84	33.53	33.53	258.13
Average fixed interest rate	2.53%	2.53%	2.53%	2.53%	2.53%	2.53%

### Details of item designated as hedging instruments

Particulars	31 March 2020			31 March 2019		
	Nominal Amount	Assets	Liabilities	Nominal Amount	Assets	Liabilities
<b>Foreign currency forward contracts</b>						
Forward contracts sales, receivables	1,451.24	-	(50.52)	1,662.69	50.31	-
<b>Interest rate risk</b>						
Interest rate swaps	280.78	-	(5.28)	325.18	6.96	-
	<b>1,732.02</b>	<b>-</b>	<b>(55.80)</b>	<b>1,987.87</b>	<b>57.27</b>	<b>-</b>

All the above categories of hedging instruments have been included in derivative assets / derivative liabilities. Management of the Company believes that there are no items to be recognised in profit or loss as hedge ineffective, except for realised portion of foreign exchange against the relevant forward contract. The amount recognised as effective hedge is disclosed under Other comprehensive income.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2020 (Contd.)

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

## 49. Financial instruments - Risk Management (Contd.)

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Cash flow hedges - Equity head 'Effective portion of cash flow hedges'	31 March 2020	31 March 2019
<b>Change in fair value:</b>		
Foreign currency risk	(50.52)	50.31
Interest rate risk	(5.28)	6.96
	<b>(55.80)</b>	<b>57.27</b>
<b>Amount classified to profit and loss:</b>		
Foreign currency risk	-	-
Interest rate risk	-	-
Tax on movements in relevant items of OCI during the year	8.51	(19.95)
<b>Balance as at the end of the year</b>	<b>(47.29)</b>	<b>37.32</b>

### Impact of COVID - 19

The Company based on an internal assessment believes that the probability of the occurrence of their highly probable forecasted transactions is not significantly impacted by the COVID - 19 pandemic. The Company has also considered the effect of changes, if any, in both counterparty credit risk and own credit risk while assessing hedge effectiveness and measuring hedge ineffectiveness. The Company continues to believe that there is no impact on effectiveness of its hedges.

### D) Other Risks

Financial assets carried at amortized cost as at 31 March 2020 is INR 651.48 million (2019: INR 465.84 million).

The Company has assessed the counterparty credit risk in connection with Cash and cash equivalents and Other bank balances amounting to INR 77.58 million as at 31 March 2020.

Trade receivables amounting to INR 571.15 million as at 31 March 2020 are valued at considering provision for allowance under the expected credit loss method. In addition to the historical pattern of credit loss, the Company has considered the likelihood of increased credit risk considering emerging situations due to the COVID - 19 pandemic. This assessment is based on the likelihood of the recoveries from the customers in the present situation. The Company closely monitors its customers who are going through financial stress and assesses actions such as change in payment terms, recognition of revenue on collection basis etc., depending on severity of each case.

Based on this internal assessment, the allowance for doubtful trade receivables is considered adequate.

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

#### For B S R & Associates LLP

Chartered Accountants

Firm Registration No: 116231W/W - 100024

#### Raajnish Desai

Partner

Membership No: 101190

Place: Pune

Date: 15 May 2020

#### For and on behalf of the Board of Directors of

Tasty Bite Eatables Limited

CIN: L15419PN1985PLC037347

#### Abhijit Upadhye

Managing Director

DIN: 02076451

#### Gaurav Gupta

Chief Financial Officer

Place: Pune

Date: 15 May 2020

#### Ashok Vasudevan

Chairman

DIN: 00575574

#### Minal Talwar

Company Secretary







### **Forward - looking statements**

Some information in this report may contain forward - looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward - looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward - looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward - looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.





**TASTY BITE EATABLES LIMITED**

201 - 202, Mayfair Towers,  
Wakdevadi, Shivajinagar, Pune - 411005,  
Maharashtra, India

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