Tasty Bite Eatables Limited

TBEL/SE/2016-17
September 22, 2017

BSE Limited,
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Bldg., P.J. Towers,
Dalal Street, Mumbai 400 001
Scrip Code: **519091**

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

Sub: a) Submission of Annual Report for FY 2016-17 (covering Directors' Report, Auditor's Report, Balance Sheet & Statement of Profit & Loss Account & Cash Flow Statements for FY 2016-17
b) Submission of Corporate Governance Report alongwith certificate from Secretarial Auditor regarding Compliance conditions of Corporate Governance & secretarial audit Report
c) Declaration of unmodified opinion declaration on financial results

We enclose herewith-

- Unmodified opinion on financial statements by independent statutory auditors viz; covering letter of Annual Audit Report w.r.t. the Annual Financial Statements for the year ended March 31, 2017; and
- 33rd Annual report of the Company for year ended March 31, 2017 approved by the shareholders of the Company in its Annual General Meeting held on September 20, 2017.

The Annual report contains the following:

1. Notice of 33rd Annual General Meeting (including remote e-voting details)
2. Directors' Report
3. Corporate Governance Report
4. Secretarial Auditors Certificate on compliance with conditions of Corporate Governance & Secretarial Audit Report
5. Independent Auditor's Report
6. Balance Sheet as at March 31, 2017, Statement of Profit & Loss as at March 31, 2017; and
7. Notes forming part of Financial Statements including Cash Flow Statement for year ended March 31, 2017
8. Route map for reaching the venue of the AGM
9. Attendance Form & Proxy Slip

Tasty Bite Eatables Ltd. Pune

Regd. Off. : 201/202, Mayfair Tower, Wakdewadi, Shivajinagar, Pune - 411 005, India.
Tel.: + 91 20 3021 6000, 2553 1105 Fax: + 91 20 3021 6048, E-mail : info@tastybite.com
Factory : Gat No. 490, Bhandgaon, Pune Solapur Highway, Tal. Daund, Dist. Pune - 412214. Tel.: + 91 2117 306500
Website : www.tastybite.co.in, CIN : L15419PN1985PLC037347

Tasty Bite Eatables Limited

The above documents have been furnished in terms of Regulation 34, Schedule V and all other relevant regulations of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further soft copy of the notice has been electronically filed on "BSE Corporate Compliance & Listing Center" and NSE listing center.

This is for your information and records.

Thanking you
For **Tasty Bite Eatables Limited**

Minal Talwar
Company Secretary

Regd. Off. : 201/202, Mayfair Tower, Wakdewadi, Shivajinagar, Pune - 411 005, India.
Tel.: + 91 20 3021 6000, 2553 1105 Fax: + 91 20 3021 6048, E-mail : info@tastybite.com
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All Natural TASTY BITE®

TASTY BITE EATABLES LIMITED
33rd ANNUAL REPORT 2016-17

Natural Convenient & Specialty foods



All Natural TASTY BITE®

Mission Statement

To be a **Socially Responsible Company** that will provide **Consumer Delight**

by offering

Great Taste, Good Value & Real Convenience

achieved through

Manufacturing & Marketing
Natural, Convenient & Specialty foods

in a

Knowledge Driven, Energetic & Fun
work environment



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33rd Annual General Meeting

Date : Wednesday, September 20, 2017

Time : 11 a.m.

Venue: Hotel Sheraton Grand, RBM Road, Pune - 411 001



Corporate Information

Directors

Mr. Ashok Vasudevan
Chairman

Mr. Ravi Nigam
Managing Director

Mr. Masahiro Sumitomo
Director

Mr. Kavas Patel
Independent Director

Dr. V. S. Arunachalam
Independent Director

Mrs. Sucharita Hegde
Independent Director

Mr. Sohel Shikari
Alternate to Mr. Ashok Vasudevan

Company Secretary

Ms. Minal Talwar

Statutory Auditors

M/s. Kalyaniwalla & Mistry LLP
Chartered Accountants, Pune

Internal Auditors

M/s. Suresh Surana & Associates LLP
Chartered Accountants, Mumbai

Secretarial Auditors

Mr. Abhishek Jagdale
Practicing Company Secretary, Pune

Registered Office

201-202, Mayfair Towers,
Wakdewadi, Shivajinagar,
Pune – 411 005, Maharashtra
CIN: L15419PN1985PLC037347
Tel No.: 020 3021 6000
Fax No.: 020 3021 6048
Website: www.tastybite.co.in
Email: info@tastybite.com

Factory

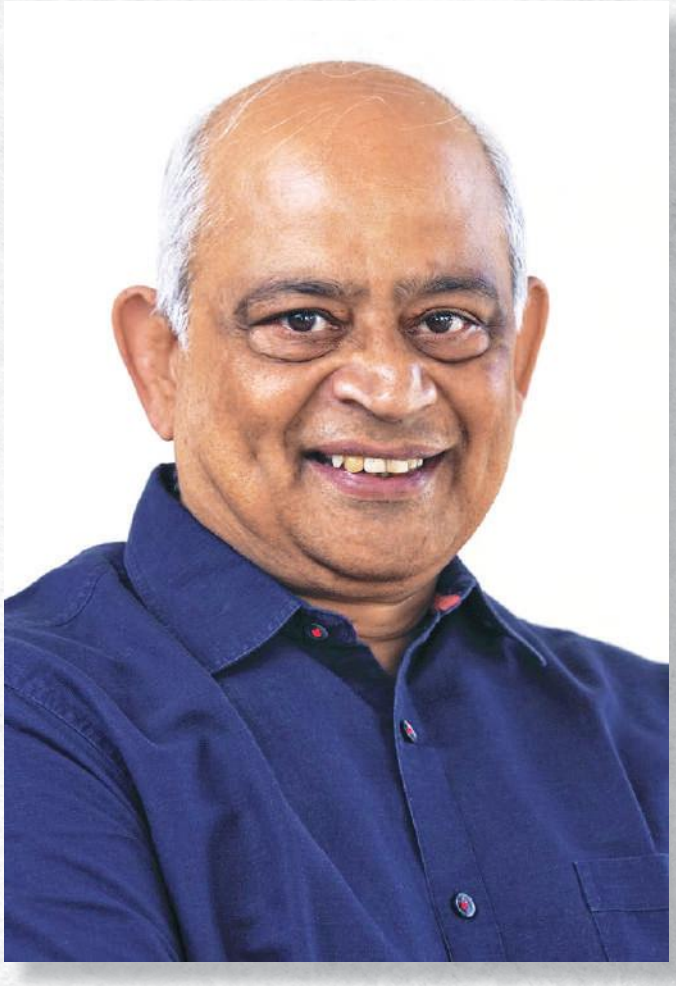
At Post 490,
Village – Bhandgaon,
Taluka – Daund,
Dist – Pune – 412 214
Maharashtra

Registrar and Transfer Agent

M/s. Karvy Computershare Pvt. Ltd.
Karvy Selenium,
Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda,
Hyderabad – 500 032
Tel No.: 040-67162222; 1800-345-4001
Email ID: ravi.shukla@karvy.com/
einward.ris@karvy.com

Bankers

- Kotak Mahindra Bank Limited
- RBL Bank Ltd
- Mizuho Bank Limited
- The Bank of Tokyo – Mitsubishi UFJ, Ltd



Chairman's Message

This year will mark the 23rd year of uninterrupted growth since Tasty Bite was launched in the US in 1994.

Dear Shareholders,

It is intuitive and even axiomatic that 'Wellness' is holistic. We think of physical, mental, emotional and spiritual wellbeing when we think of the human condition. But why restrict holism to individuals - why not use the same broad brush for institutions and corporations as well?

It's problematic to draw corporate wellness conclusions only from metrics like Market Share, Revenue Growth and Profitability. Even when they are encouraging, these may turn out to be *false positives.* Companies are responsible not only for the return on shareholder's equity, but also for the satisfaction of the customers they serve; the security, wellbeing & happiness of the employees who work there; for responsible conduct towards the larger community in which they exist and for protecting & nurturing the environment and resources that sustains us all. Most importantly, they need to stay relevant and thrive. Companies don't have a life cycle. Only their products do.

Over the years, this has been the philosophy and the approach of my communication to you in the Company's Annual Report. This year is no exception. In fact, the company's mission and strategy statement (reproduced elsewhere in the Annual Report) has ensured this holistic approach for managing and growing the business over all these years.

By no means do I trivialize the standard measurements of corporate performance. In fact, you will be pleased with the results your company has achieved this year.

Overall Performance:

It is once again my pleasure to report an accelerating growth trajectory for the business. You might recall we recorded 17% revenue growth in the previous year; that has accelerated to 22% in 2016-17 with net Revenues of ₹ 255 crores as compared to ₹ 208 crores in 2015-16. You've heard me use the term profitable growth repeatedly over the years EBIDTA is one indicator of that. From 6.8% of revenues in 2011-12, it has grown steadily to 17.8% last year at ₹ 45.4 crores. Profit after tax is another good measure. PAT grew twice as fast as revenues to ₹ 22.8 crores! This was more than 41% compared to last year.

Both the Consumer Business (CB) and the Tasty Bite Food Service (TFS) business saw major capacity expansion and modernization during the year as we gear up for continued growth. We expect Capex to be a recurring activity over the next few years to meet growing demands across all our 3 technology segments of Ready-to-Serve (RTS), Sauces and the Formed Frozen products (FFP)

TBRC, our accredited Tasty Bite Research Center (TBRC) made us proud once again. We won the Food Processing Magazine's 2016 R&D Team of the year award.

Consumer Business:

In our largest consumer market of N.America all three categories –*Entrees, Organic Rice & Grains and Spice & Simmer sauce kits* saw market share and double-digit volume growth during the year. Significantly, this growth was widespread across all channels of Grocery, Club and Private Label. This is reflected in Exports Growth in TBEL of nearly 22% to ₹ 160 crores.

You will recall, we test-marketed the Spice & Simmer range in the US last year. This year saw the national roll out as we moved into major retailers across the US. Two of our SKUs, Thai Green Curry and Tikka Masala, won the prestigious SOFI Silver and Bronze award in the US in the Sauce & Marinade category.

This year will mark the 23rd year of uninterrupted growth since Tasty Bite was launched in the US in 1994. Between all our SKUs the brand today has over 125,000 PODS (points of distribution). With a brand max ACV of nearly 47% it probably has the widest distribution in N.America of any consumer product manufactured in India.

Food Service Business:

The QSR industry in India had a rough year with declining SSSG (Same Store Sales Growth) across all leading brands as competition increased in metros and the demonetization only exacerbated the situation.

However, the Tasty Bite Food Service business (TFS) managed to maintain its growth path on the basis of strong product innovation and customer partnership. The TFS business grew 18% over last year to ₹ 77 Crores.

The company's strategy of focusing on Natural foods even for the QSR industry helped drive market share with each of its customers:

- Tasty Bite became the first company in the country to produce 'All Natural' - preservative free pizza sauce for all leading pizza brands in India. The company invested considerably in R&D and new technology this year, and became the dominant supplier of pizza sauce across the industry.

- We are in a QSR test market with an innovative frozen multi cuisine rice bowl. It's early days but initial trials are promising and the opportunity is large.

- Other Frozen launches for our key customers during the year included spicy cheese poppers, hara bhara kabab, and paneer burger patty.

- Our decade-long relationship with Hindustan Unilever (HUL) became stronger with a new specialty line of sauces being added to our portfolio. We expect our business to sharply increase through the next fiscal year

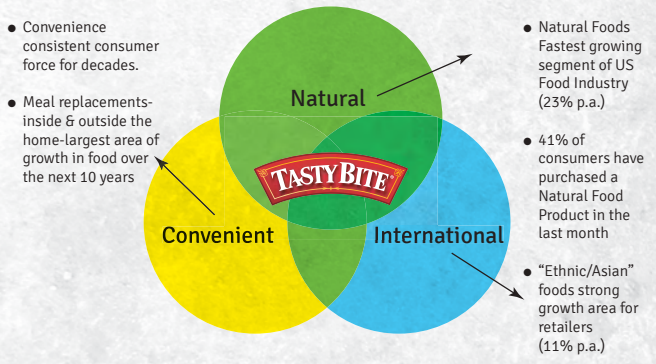
- The TFS business took baby steps to expand its global footprint and established business in Singapore, Malaysia, Sri Lanka, UAE, Kuwait and South Africa with leading QSR brands. We expect this to be an important growth driver in the coming years.

The Environment:

This is a very special year. In a manner of speaking the company just turned 18! It was that many years ago that Preferred Brands International Inc. (PBI) acquired majority equity in TBEL. It was hence only natural that I would revisit the first Annual Report of 1998-99 in which we chronicled the '*4C Turnaround Strategy*' that helped the company emerged out of BIFR.

In that report we also discussed *Megatrends*-three of them on particular. This chart appeared in the 1998-99 Annual Report and is reproduced here.

A Convergence of Consumer Trends



Consumers want it all – PBI products deliver
An exotic taste profile delivered naturally in the ultimate convenient package

These megatrends formed the foundation of our business. In this year's Annual Report we revisit them. It is our belief that these same megatrends remain as relevant today as they did back then. Lets take a closer look.

Health & Wellness: The first megatrend we called 'Natural' might have been dismissed as a fashion and fad in the 90s. Today, the correlation between food and wellness is indubitable and natural foods have become a consumer imperative and organic foods are on the rise. Chemicals, additives, artificial preservatives & colors are simply not acceptable. Even GMOs and gluten have entered the consumer lexicon and are being viewed suspiciously.

However, this megatrend is not only about rejection. It's also about adoption. Vegetables like Kale and Spinach; ancient grains like Quinoa, Amaranth and Millets, spices & condiments like Turmeric, Cinnamon and edible fats like Butter and Ghee have all been rediscovered.

Flavor: Back then we called this megatrend 'international'. The consumer palate is on world cruise. Globalization, rediscovery of new ingredients and the increased awareness of wellness related to food, have all contributed to adoption of new cuisines and flavors. In fact consumers have already moved from multiple cuisines in a week (Indian, Italian, Mexican, etc.) to multiple cuisines within a meal and within a dish. *Sriracha sauce with wings, Tandoori Chicken Pizza and Paneer Burger* are but incipient examples of this megatrend. Flavor and great taste will inevitably prevail over pure play cuisine.

Convenience: It's nice to be Epicurean, but being a multi-cuisine chef is not practical. Add to this the crumbling gender barrier (itself a megatrend) with men & women working longer hours resulting in less time in the kitchen and we'll realize we don't need perspicacity to see the continued growth of convenience foods. While this has been on a growth trajectory for a few decades now, the difference today is consumers want *convenience without compromise*.

These three megatrends each represent double-digit growth in an industry whose annual growth rate at <1% barely keeps pace with population. Tasty Bite however has consistently outpaced industry average and for the 52-week period ending March 2017, the brand grew 15% in US conventional Grocery.

Corporate Responsibility: There is a fourth megatrend emerging that has less to do with products and more to do with corporate responsibility, transparency and business process. We had dedicated last year's annual report to the Paris climate accord and discussed widely the steps your company

has taken in the pursuit of the UN Sustainable Development Goals (SDGs). This year the company we formally adopted 12 of the 17 SDGs.

Sustainability is embedded in the DNA of the company. Here's a summary of some of the initiatives:

- Sugarcane briquettes continue to fuel our boilers to generate steam accounting for above 70% of our energy consumption.
- Wind energy is nearly 18% of our power consumption.
- Water conservation continues to remain a major initiative. This year alone a record 72 million liters of water was recycled!
- Rainwater harvesting is now in its 4th year and the benefits of it are hard to quantify but the rise in water table is significant.
- We just commissioned a bio-gas plant that uses our organic waste and today powers our Research Center and our campus street lighting.
- The Tasty Bite Organic farm now houses the Sustainability Center and a Training and Development lab for farmer extension programs.

We continue to be driven by the philosophy that *it is no longer sufficient for companies to follow sustainable practices* only if they make business sense. *Our responsibility is to make business sense out of sustainable practices.*

At the time of going to print we received news from the Great Place to Work Institute that Tasty Bite was rated Top 25 in India's great mid-size workplaces.

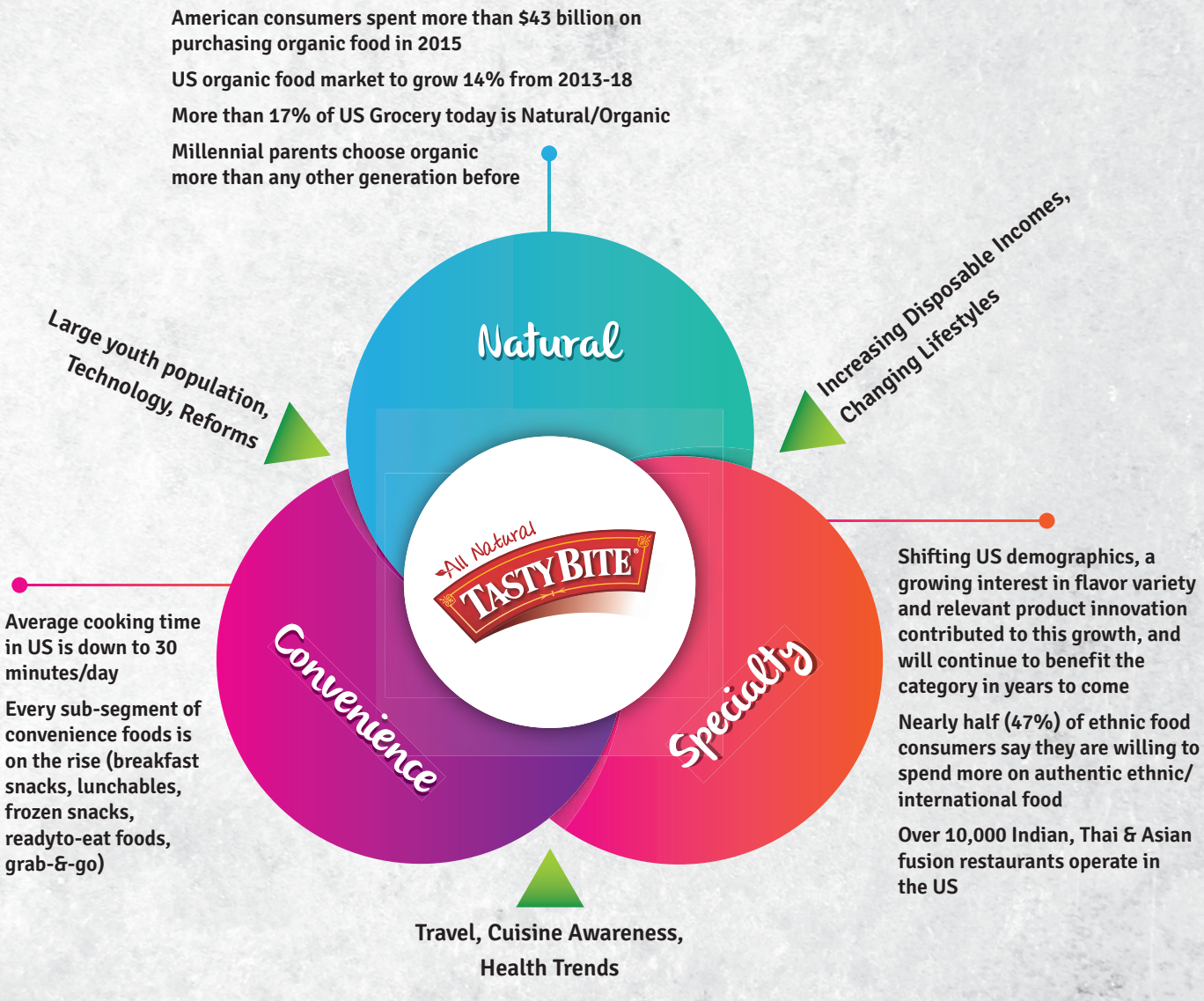
I'd like to express my appreciation and gratitude to all employees at TBEL as they continue to make us proud even as they move from strength to strength. It has been my privilege to lead this team and I continue to be inspired by their dedication and professionalism. They remain our true competitive advantage.

On behalf of the Executive Committee (E-Com) that came together as the founding team in 1998 (that includes Meera Vasudevan, Ravi Nigam, Sohel Shikari, Hans Taparia) I wish to express my deep gratitude to you, other stakeholders of the company and to the extended family members of Tasty Bite for your long friendship, trust and counsel over the years. What a knowledge-driven, energetic and fun journey it has been!

Thank you

Ashok Vasudevan
Chairman

Consumer Trends } Always on the Top



Tasty Bite has always been ahead of the curve when it comes to anticipating consumer trends in food industry. We have always believed in being responsible to delight our consumers. With the expansion and adoption of mobile technology, transparency about product information is fostering brand loyalty and market shares. Manufacturing with Natural ingredients has been a part of our mission statement.

Trends indicate that food expenditure is a large part of consumer expenditure. Government is making business processes easy and compliance on safety standards is mandatory. Tasty Bite has been at the forefront of gathering this knowledge and using it to the advantage of our customers.

Tasty Bite is aware of the major challenges within our industry and has consistently taken measures to progress skills and knowledge of our people. We have been studying markets and following our consumers. We understand that our consumers now need food that is not just convenient, natural, tasty but also special. While this has multifold implications on what we make and how we make, it is also making us understand the psychology behind occasion based food consumption. The consumption of ready food is growing in India too following the European and American trends.

Financial Statistics

Performance & Key Trends

₹ in Crore

Statement of Profit and Loss	2016-17	2015-16	2014-15	2013-14	2012-13
Net Revenue	255.3	208.8	178.2	145.9	111.9
Gross Profit	107.5	85.3	71.5	53.7	47.9
Operating Profit (Profit before Interest, Tax, Depreciation and Amortisation)	45.4	34.3	26.1	11.9	13.1
Profit Before Tax (PBT)	34.7	24.6	16.5	6.3	9.3
Profit After Tax (PAT)	22.8	16.1	10.8	4.3	6.3
Earnings Per Share of Face Value of ₹ 10	88.7	62.8	42.0	16.8	24.6
Dividend Per Share of Face Value of ₹ 10	2.0	2.0	1.0	1.0	1.0

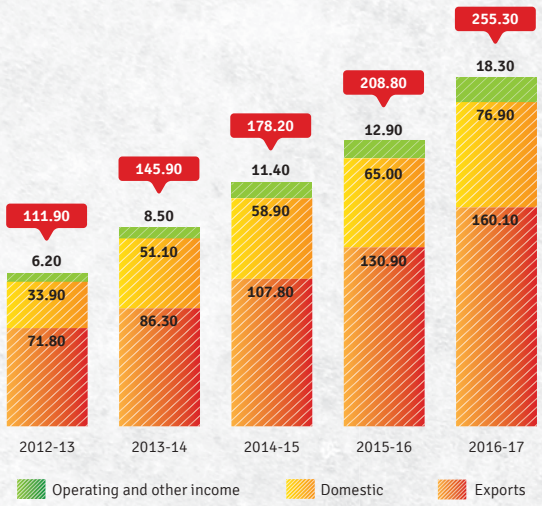
Balance Sheet	2016-17	2015-16	2014-15	2013-14	2012-13
Cash and Cash Equivalents	6.3	7.3	6.2	4.5	9.4
Fixed Assets (Net)	65.2	61.5	61.0	64.2	44.1
Net Current Assets	47.7	24.0	9.6	-2.3	12.9
Share Capital					
Equity Shares	2.6	2.6	2.6	2.6	2.6
Redeemable Preference Shares	0.6	0.6	0.6	0.6	0.6
Reserves and Surplus					
Reserve for Premium of Preference Share Capital	11.6	11.6	11.6	11.6	11.6
Others	71.6	46.1	30.0	19.7	15.7
Long Term Borrowings	36.04	19.74	21.23	23.9	29.1

Key Ratios	2016-17	2015-16	2014-15	2013-14	2012-13
EBITDA (% of Revenue)	17.8%	16.5%	14.7%	8.2%	11.7%
PAT/Revenue %	8.9%	7.7%	6.1%	3.0%	5.7%
Fixed Assets Turnover Ratio	3.9	3.4	2.9	2.3	2.5
Current Ratio	2.2	1.5	1.2	1.0	1.4
Debt Equity Ratio	0.6	0.7	1.0	1.3	1.4
Return on Capital Employed	41.0%	34.1%	28.7%	12.6%	20.8%

Others	2016-17	2015-16	2014-15	2013-14	2012-13
TBEL Share Price on BSE (₹ per share of face value of ₹ 10)	4,658.5	1,690.5	605.0	239.0	139.0
Market Capitalisation (₹ in Crore)	1,195.4	433.8	155.2	61.3	35.7

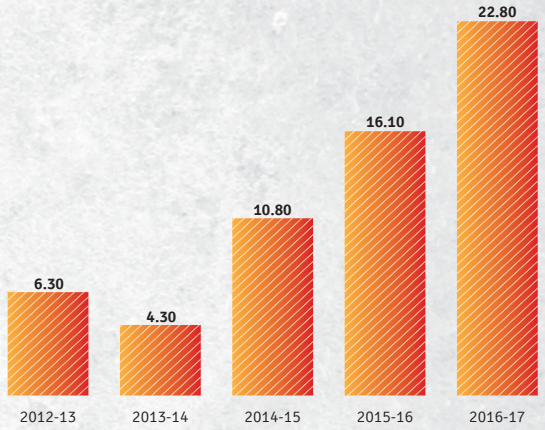
Revenue

(₹ in Crore)



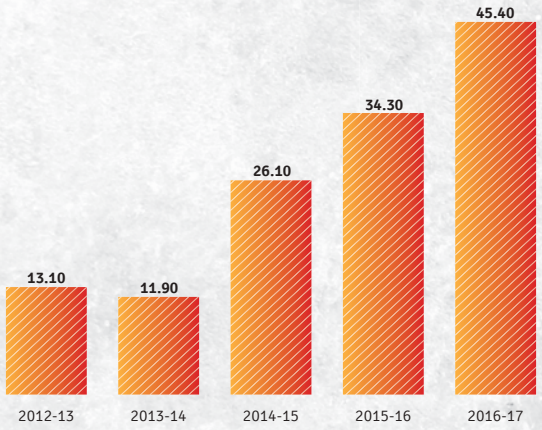
Net Profit

(₹ in Crore)



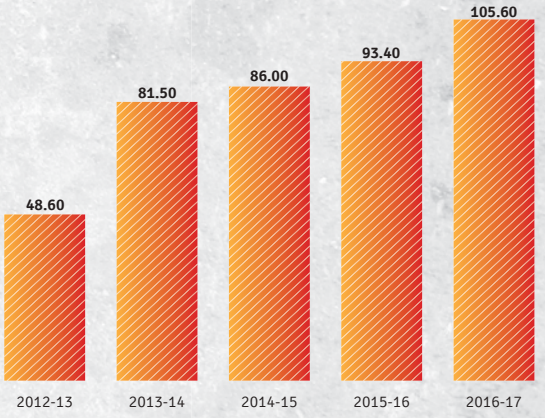
EBIDTA

(₹ in Crore)



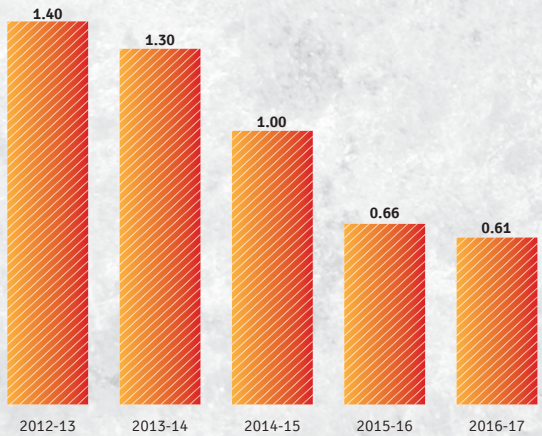
Fixed Assets (Gross)

(₹ in Crore)



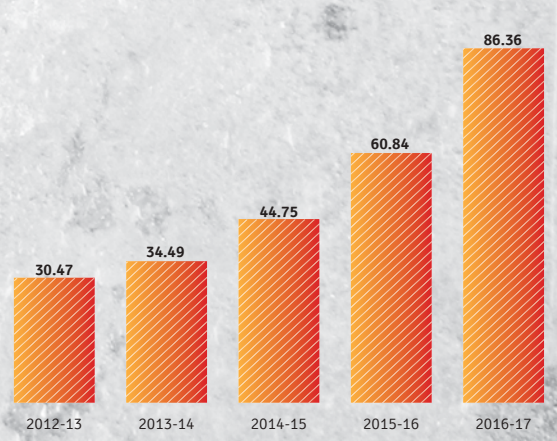
Debt Equity Ratio

(₹ in Crore)



Net Worth

(₹ in Crore)



Product Range

Great taste, good value and real convenience

Consumer Products



Food Service Products



Work Place

Knowledge-driven, energetic and fun











Sustainability

Commitment to our Eco System

We believe ecological sustainability is good for business and helps us in following our Mission Statement and manufacturing Natural, convenient and speciality food products. We are committed to adopt state of the art manufacturing processes in a knowledge driven, high energy and fun environment.

We protect our environment, conserve energy and use natural resources. We have our own organic farm to demonstrate sustainable agri practices. We harvest rain water on all our land and use biogas from organic food waste. 100% recycling of water used in our manufacturing activities. Over 80% of our energy requirements are met through the use of renewable sources.

Tasty Bite has always extended a helping hand during natural calamities. Last year we provided close to 100,000 meals to the flood affected people in Chennai.

In our immediate neighbourhood in Bhandgaon village, we are upgrading the Zilla Parishad school and have built 6 new classrooms and provided bicycles to several girl students.













NOTICE

Notice is hereby given that the thirty-third Annual General Meeting of the shareholders of Tasty Bite Eatables Limited will be held on Wednesday, 20th day of September 2017 at 11.00 a.m. at Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for year ended March 31, 2017 and the reports of the Board of Directors and the Auditors thereon.
2. To declare dividend of Re. 1 per share on 59,530 1% Non-Cumulative, Non-Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2016-17.
3. To declare dividend of Rs. 2 per equity share on 25,66,000 equity shares of Rs. 10 each for the financial year 2016-17.
4. To appoint a Director in place of Mr. Masahiro Sumitomo, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors and fix their remuneration and to pass with or without modification, the following resolution as an Ordinary Resolution.

   "RESOLVED THAT pursuant to provisions of Section 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s BSR & Associates LLP, Chartered Accountants, Pune (Firm Registration No. 116321W/W100024) be and is hereby appointed as the Statutory Auditors of the Company who shall hold office from the conclusion of this thirty-third Annual General Meeting till the conclusion of thirty-eighth Annual General Meeting of the Company, subject to the ratification as to the said appointment at every Annual General Meeting on such remuneration and other expenses as may be mutually agreed by and between the Board of Directors and the Auditors.

   RESOLVED FURTHER THAT Mr. Ravi Nigam - Managing Director, Mr. Sohel Shikari - Chief Financial Officer, Mr. Gaurav Gupta - Controller Finance and/or Ms. Minal Talwar - Company Secretary be and are hereby severally authorized to take all necessary steps and to do all such acts, deeds, matters and things which may be necessary to give effect to this resolution."

SPECIAL BUSINESS:

6. **Related Party Transactions:**

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

   RESOLVED FURTHER THAT pursuant to the Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, including any re-enactment, modification, amendment thereof, consent of the shareholders be and is hereby accorded to enter into Related Party Transactions, to be entered into with Preferred Brands International Inc, amounting not more than Rs.500 crore per financial year over the period of next three financial years i.e. from financial year 2018-19 till financial year 2020-21, notwithstanding the fact that the transactions within these financial years may exceed 10% of the turnover of Company as per Company's last audited financial statement or materiality threshold as may be applicable from time to time under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

BY ORDER OF THE BOARD OF DIRECTORS
TASTY BITE EATABLES LIMITED

Dated : May 16, 2017
Place : Pune

Ravi Nigam
Managing Director
DIN: 00024577

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (meeting) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be received at the registered office of the Company not less than 48 hours before the meeting duly stamped and signed. Members are requested to note that a person can act as proxy for not more than 50 members and not exceeding 10% of total share capital.**

2. Members / Proxies should bring duly-filled Attendance Slips/ Proxy Forms sent herewith to attend the meeting. Members who hold shares in dematerialized form are requested to mention their Client ID and DP ID and those who hold shares in physical form are requested to mention their Folio Number in the attendance slip for attending the meeting.

3. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf, at the meeting.

4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote, provided the votes are not already cast by remote e-voting facility by first holder.

5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, August 26, 2017 to Wednesday, September 20, 2017 (both days inclusive) for determining the names of members eligible for dividend on equity shares, if declared at the meeting.

6. The dividend, upon declaration by the members at the AGM shall be credited / dispatched before October 20, 2017, to those members whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents (RTA) on or before Friday, August 25, 2017. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, August 25, 2017. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA.

7. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the 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).

8. Members are requested to bring their own copy of the Annual Report to the meeting. No extra copies of the Annual Report will be distributed at the meeting.

9. All the documents referred to in the Notice, if any, and Statutory Registers are open for inspection at the Registered office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of meeting. Notice calling meeting and Annual Report are available on Company's website www.tastybite.co.in.

10. Shareholders/investors may contact the Company on designated e-mail id: secretarial@tastybite.com for speedy action from Company's end.

11. The Company has paid the annual listing fee to BSE Ltd, National Stock Exchange of India Limited, National Securities Depositories Ltd (NSDL) and Central Depositories Securities Ltd (CDSL) for financial year 2017-18.

12. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's Registrar and Transfer Agent (RTA) - M/s. Karvy Computershare Pvt Ltd at Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032. (Unit- Tasty Bite)

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

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

It may be noted that the dividend for the financial year ended March 31, 2010 (declared on September 16, 2010) which remain unpaid or unclaimed over a period of seven years, will be transferred to the Investor Education and Protection Fund on October 22, 2017 as required under Section 124(5) of the Companies Act, 2013.

Any person/ member who has not claimed the dividend in respect of the financial year ended March 31, 2011 or any year thereafter, is requested to approach the Company/ Registrar and Transfer Agent of the Company for claiming the same.

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

In order to help Members to ascertain the status of Unclaimed Dividends, the Company has uploaded the information in respect of Unclaimed Dividends for the financial year ended March 31, 2017 on the website of the Company: www.tastybite.co.in.

15. Securities and Exchange Board of India ("SEBI") has made it mandatory for transferees requesting for transfer of shares of listed companies in physical form, to furnish a copy of their PAN, duly self attested to the RTA, whilst lodgment of such shares.

16. In support of the "Green Initiative" announced by the Government of India, electronic copies of the Annual Report and this Notice *inter alia* indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Depository Participants/ Company, unless the member has specifically requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Notice inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, will be sent to them in the permitted mode.

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

    Please note that the said documents will be uploaded on the website of the Company viz. www.tastybite.co.in and made available for inspection at the registered office of the Company during business hours.

17. **Voting through electronic means:**

    i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and any other rule as may be applicable including amendments thereof, a member may exercise right to vote by electronic means (remote e-voting) in respect of the Resolutions contained in this notice.

    ii. The Company is providing the e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of M/s. Karvy Computershare Private Limited ('Karvy') as the authorised agency to provide e-voting facility which is approved by Ministry of Corporate Affairs and has also obtained a Certificate from the Standardisation Testing and Quality Certification Directorate, Department of Information Technology, Ministry of Communications and Information Technology, Government of India, as pre prescribed under the Companies (Management and Administration) Amendments Rules, 2015.

    iii. The notice calling meeting is placed on the website of the Company (www.tastybite.co.in) and of the website of the 'Karvy' (https://evoting.karvy.com) agency appointed for conducting the voting by electronic means.

    iv. The members who opt to cast their votes by remote e-voting prior to the meeting, may attend the meeting however, shall not be entitled to cast their vote again.

    v. The Board of Directors has appointed Mr. Abhishek Jagdale, Practicing Company Secretary, 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 Tuesday, September 19, 2017 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. September 13, 2017 (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	**September 16, 2017- from 9.00 am (IST)**
End of e-voting	**September 19, 2017 - upto 5.00 pm (IST)**

ix. **Contact details for issues relating to e-voting:** M/s. Karvy Computershare Services Pvt Ltd at Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032; Toll free no. 1800-345-4001; E-mail- evoting@karvy.com/ ramesh.desai@karvy.com. Or visit FAQ's section available at Karvy's website https://evoting.karvy.com.

x. **Details of Scrutinizer:** Mr. Abhishek Jagdale, Practicing Company Secretary 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 3 working days from conclusion of e-voting period unblock the votes in presence of at least 2 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.

xi. The procedure and instructions for remote e-voting are as under:

(A) In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company/Depository Participants] :

i. Launch internet browser by typing the URL: https://evoting.karvy.com.

ii. Enter the login credentials (i.e. User ID and password as mentioned in email). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmostcare 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.3268.

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution(s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format **"Corporate Name_Event No."**

(B) In case of Members receiving physical copy of Notice [for Members whose email IDs are not registered with the Company/Depository Participants] :

i. E-Voting Event Number - XXXX (EVEN), User ID and Password as provided on the cover page of notice.

ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

Other Instructions

I. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.karvy.com (Karvy Website) or contact Mr. G Ramesh Desai, (Unit: xyz) of Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 or at evoting@karvy.com or phone no. 040 - 6716 2222 or call Karvy's toll free No. 1-800-34-54-001 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 dispatch of Notice of AGM and holds shares as on the cut-off date for e-voting i.e., September 13, 2017, 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

ii. If the mobile number of the member is registered against shares held in physical form the member may send SMS: MYEPWD<space> Event no. + Folio no. to 9212993399.

Example for Physical:

MYEPWD <SPACE> XXXX1234567890

iii. 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.

iv. Member may call Karvy's toll free number 1800-3454-001.

v. Member may send an e-mail request to evoting@karvy.com. However, Karvy shall endeavor to send User ID and Password to those new Members whose mail ids are available.

h) Once the vote on a resolution is cast by a Member, the Member shall not be allowed to modify it subsequently. The Company shall also provide facility for voting through polling at the Meeting and members attending the meeting who have not already casted their vote by remote e-voting shall be able to exercise their right to vote at the AGM.A Member can opt for only single mode of voting i.e. through Remote e-voting or voting at the AGM. If a Member casts votes by both modes then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

i) The Members who have casted their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

j) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date), being. A person who is not a member as on the cut-off date should treat this notice for information purpose only.

k) The results shall be declared on or after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company website Karvy's website (https://evoting.karvy.com).

xii. Any person, who acquires the shares of the Company and becomes a members after dispatch of Notice of AGM (cut-off date for dispatch of Annual Report & Notice is July 28, 2017 end of business hours) and is holding shares as on the cut-off date i.e. September 13, 2017, may obtain the user id and password by sending a request at Karvy's e-mail id evoting@karvy.com/ ramesh.desai@karvy.com or at Company's e-mail id secretarial@tastybite.com or by writing to the Company or Karvy. However, if you are already registered with Karvy for remote e-voting, you shall use your existing User Id and password for casting your vote without any need for obtaining any new User Id or Password.

xiii. The Srutinizer shall after the conclusion of the voting at the meeting first count the voting at the meeting and then unblock the votes cast through e-voting in the presence of atleast two (2) witnesses not in the employment of the Company and he shall forthwith make not later than 3 days from conclusion of the meeting a Consolidated Scrutinizers Report of the total votes cast in favour or against, if any, to the Chairman of the Company or person authorised by Chairman who shall countersigned the same.

xiv. The Scrutinizers decision on the validity of the vote shall be final and binding.

xv. The Chairman or person authorised by Chairman shall immediately/forthwith declare the result of the voting.

xvi. The result on the Resolutions shall be declared on or after the meeting of the Company and the Resolutions shall be deemed to be passed on the meeting date subject to receipt of the requisite number of votes in favour of the Resolutions.

xvii. The results declared alongwith the Scrutinizer's Report shall be placed on the website of the Company (www.tastybite.co.in) and on website of the Karvy (https://evoting.karvy.com) immediately after result is declared by the Chairman and forwarded to Stock Exchanges where the shares of the Company are listed.

18. **Brief resume of the director, proposed to be re-appointed vide item No 4 as mentioned in the Notice calling AGM, pursuant to the Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Mr. Masahiro Sumitomo, Director in the Company, has been a non-executive director since February 10, 2016. He is proposed to be re-appointed as a Director. Mr. Masahiro Sumitomo is not related with any other Director / Key Managerial Personnel of the Company.

A brief profile of Mr. Masahiro Sumitomo is as follows:

Date of Birth & Age	February 3, 1961- 56 years
Date of Appointment	February 10, 2016
Qualifications	Mr. Sumitomo holds a Bachelor of Science, Bio. Chemistry degree from Aoyama Gakuin University, Japan.
Expertise in specific functional areas	Mr. Sumitomo has experience in various fields of more than 30 years. His experience includes working and heading various departments such as Quality Control, Process Engineering, Business Development and Corporate Management.
Directorship in other Companies as on March 31, 2017 (including Private limited companies and excluding foreign companies)	Kagome Foods India Private Limited - Director
Chairmanship/ Membership of Committees of above mentioned Companies	NIL
Shareholding in the Company	NIL

Apart from him, no other Director or Key Managerial Personnel or their relatives are interested in the Resolution. Mr. Sumitomo is not related with any other Director or Key Managerial Personnel of the Company.

BY ORDER OF THE BOARD OF DIRECTORS
TASTY BITE EATABLES LIMITED

Dated : May 16, 2017
Place : Pune

Ravi Nigam
Managing Director
DIN: 00024577

ANNEXURE TO NOTICE

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

Item No 6 :

As per Regulation 23, a transaction with a related party shall be considered as material if the transaction/ transactions to be entered into individually or taken together with previous transactions during any financial year exceed 10% of the annual consolidated turnover of the company as per the last audited financial statements.

The Company manufactures and exports ready-to-eat food products to Preferred Brands International Inc. (PBI) in USA. PBI is a marketing and distribution company which in turn sells products to various customers in US, Canada, etc. This arrangement is approved by Audit Committee and the Board of Directors as required under the Companies Act, 2013.

Management seeks approval of shareholders for Material Related Party Transaction to be entered in financial years from 2018-19 till 2020-21. The transactions in financial years from 2018-19 till 2020-21 are expected to exceed the limits mentioned in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above transactions are at arm's length and also in ordinary course of business and hence exempt from provisions of section 188 (1) of the Companies Act, 2013. The Audit Committee and the Board have granted approval for the transactions proposed to be entered into with PBI for financial year 2017-18. The Company already has approval of shareholders to enter into material related party transaction with PBI till March 2018.

Accordingly, consent of the members is being sought for item no. 6 to be passed as Special Resolution. Mr. Ashok Vasudevan and Mr. Masahiro Sumitomo being Directors in PBI are interested in the Resolution. None of the other directors, key managerial personnel and their relatives is interested in this Resolution.

The Members may please note that in terms of the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the related parties as defined thereunder will need to abstain from voting on Resolution under item no.6.

BY ORDER OF THE BOARD OF DIRECTORS
TASTY BITE EATABLES LIMITED

Dated : May 16, 2017
Place : Pune

Ravi Nigam
Managing Director
DIN: 00024577

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased to present the thirty-third Annual Report together with Audited Statement of Accounts for the year ended 31st March 2017.

1. KEY FINANCIAL HIGHTLIGHTS

(Rs. Lakh)

Highlights	FY 2016-17	FY 2015-16
Revenue from operations	25,534.41	20,876.23
Profit before Depreciation, Interest and Tax	4,536.05	3,434.96
Profit after tax	2,275.62	1,611.99
Earnings per share (Rs./share - Basic and diluted)	88.68	62.79
Net Fixed Assets	7,395.71	6,145.27
Long term borrowings (excluding current portion)	3,603.70	1,974.35
Profit/ (Loss) transferred to Balance Sheet	2,275.62	1,611.99

2. FINANCIAL PERFORMANCE & OPERATIONS :

Your Company grew at a healthy Y-O-Y rate of 22% to achieve revenues of Rs. 255.3 Crore during the year against Rs. 208.8 Crore in the previous financial year. The exports led Consumer Business grew 22% to Rs. 160.1 Crore against Rs. 130.8 Crore in the previous year while the Tasty Bite Food Service (TFS) business registered a growth of 18% with revenues of Rs. 76.9 Crore against Rs. 64.9 Crore in the previous year.

Tasty Bite continues to retain its position of market leadership in its key markets including the US, Canada, Australia and New Zealand. The Company also entered United Kingdom market this year.

Profit after Tax for the year ended at Rs. 22.8 Crore against Rs. 16.1 Crore in FY 16.

3. DIVIDEND:

The Board of Directors at their meeting held on May 16, 2017 recommended a final dividend of Rs. 2 per equity share (20% on the face value of Rs. 10 each), subject to the approval of shareholders at the ensuing Annual General Meeting.

In addition to the above, the Company has provided for a preferential dividend of Rs. 59,530/- on its 59,530 1% non-cumulative, non-convertible Redeemable Preference Shares of Rs. 100/- each for the financial year 2016-17.

The total dividend payout on equity shares would involve a cash outgo of Rs. 51.32 lakhs and dividend tax of Rs. 10.44 lakhs. Dividend payout on preference shares is of Rs. 0.60 lakhs and dividend tax of Rs. 0.12 lakhs.

Upon declaration by the members at the ensuing Annual General Meeting, dividend shall be paid to those members, whose names appear on the Register of Members of the Company after effecting all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents on or before Friday, August 25, 2017. 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 Friday, August 25, 2017.

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 accredition to TBRC during the year till March 2019.

New products developed at TBRC in the last 2 years contributed 11% of the company's revenues.

5. FINANCE :

During the year, Company availed an External Commercial Borrowing (ECB) of USD 0.9 Million for expansion of its manufacturing capacity and Buyer's Credit of USD 1.1 million from Bank of Tokyo Mitsubishi UFJ, Ltd (BTMU). ECB of USD 2.5 Million was also availed by the Company from BTMU for expansion of manufacturing capacity. Kotak continues to provide working capital facility of INR 110.00 million to the Company. The Company also established a working capital credit facility of USD 1 Million from Mizuho Bank Limited. The Company continues its relationship with Ratnakar Bank Limited (RBL) for working capital requirements with a facility limit of INR 100.00 million. ECB of USD 3.4 million was also availed from Mizuho Bank Ltd in 2015, against which the Company makes repayment as per schedule.

The Company successfully repaid as per schedule, the ECB of USD 1 million availed from Preferred Brands International Inc in December 2016 quarter fully.

Total long term borrowing (excluding current portion) stood at Rs. 36.04 Crore as of 31st March 2017 against Rs. 19.74 Crore as of 31st March 2016.

6. FIXED DEPOSITS :

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

7. DIRECTORS :

Mrs. Sucharita Hegde and Mr. Masahiro Sumitomo were regularized as directors in Annual General Meeting (AGM) of shareholders held on September 19, 2016. Mrs. Hegde was also appointed as independent director in AGM for a term of 5 years.

All independent directors have provided declaration stating their independence under the provisions of section 149 of Companies Act, 2013 ("Act") and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("LODR").

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

Mr. Sohel Shikari was appointed as an Alternate Director to Mr. Ashok Vasudevan during the year due to absence of Mr. Ashok Vasudevan from India. Previously, he acted as an Alternate to Mrs. Meera Vasudevan till she resigned as director from the Board.

- **Board evaluation :**

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

- **Remuneration & Evaluation Policy :**

  The Board on recommendation of Nomination & Remuneration Committee adopted 'Remuneration and Evaluation Policy' for selection, appointment and remuneration of Directors and Senior Management Personnel.

Necessary diversity in the board was ensured. Detailed policy has been stated in Corporate Governance Report.

- **Meetings :**

  There were six (6) Board meetings held during the financial year ended March 31, 2017. These were held on May 7, 2016, August 8, 2016, November 7, 2016, January 19, 2017, January 30, 2017 and March 24, 2017. The maximum interval between any two meetings was not more than 120 days. Details of these meetings are stated in Corporate Governance Report.

8. EXTRACT OF ANNUAL RETURN :

The extract of Annual Return as provided under Section 92(3) in Form MGT - 9 is annexed herewith as **"Annexure A".**

9. DIRECTORS' RESPONSIBILITY STATEMENT :

Directors confirm that :

(a) in the preparation of the annual accounts for the year ended March 31, 2017, 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 period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the financial statements/ annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

10. 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.

11. 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 Obligation and Disclosure Requirement) Regulation, 2015.

A certificate from Practicing Company Secretary 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.

12. AUDITORS :

- **Statutory Auditors :**

  M/s Kalyaniwalla & Mistry LLP, existing statutory accountants shall retire by rotation at the ensuing Annual General Meeting, pursuant to provisions of the Companies Act, 2013. The Directors recommend M/s BSR & Associates LLP, to be appointed as the statutory auditors and hold such office from conclusion of this Annual General Meeting until the conclusion of 38th Annual General Meeting, subject to ratification each year by the

shareholders. The Company has received confirmation that their appointment, if made, will be in accordance of the provisions of the Companies Act, 2013.

- **Internal Auditor :**

  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 2017-18. The scope and fee of internal audit is fixed by the Board on recommendation of Audit Committee.

- **Secretarial Auditor :**

  Pursuant to section 204 of the Companies Act, 2013, the Company appointed Mr. Abhishek Jagdale, Company Secretary in Practice, Pune as Secretarial Auditor. Based on the Audit Committee recommendations, Board has approved the appointment of Secretarial Auditor for financial year 2017-18. The Secretarial Audit Report is in **"Annexure C"** of this report.

  The Secretarial auditor has observed that shorter notice was provided to stock exchange w.r.t. Book Closure for dividend and Annual General Meeting declaration and publishing financial results of the last quarter of FY 2015-16 in the news papers beyond prescribed time. The directors have taken a note of the same and care shall be taken for timely compliance henceforth.

13. 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

14. AUDIT COMMITTEE :

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

15. 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.

16. SHARE CAPITAL :

The share capital of the Company as on March 31, 2017 stands as under:

Authorised Share Capital	4,400,000 equity shares of Rs. 10/- each	Rs.	44,000,000/-	Rs. 50,000,000/-
	60,000 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each.	Rs.	6,000,000/-	
Issued, Subscribed and Paid up capital	2,566,000 Equity shares of Rs. 10/- each fully paid up	Rs.	25,660,000/-	Rs. 31,613,000/-
	59,530 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each fully paid up.	Rs.	5,953,000/-	

During the year under review, the Company has neither issued any shares with differential voting rights nor issued sweat equity shares. Further, the Company did not grant any stock options during the year under review. As on March 31, 2017, details of the shares held by Directors in the Company are as under.

Name of Director	No. of Equity Shares held	No. of Covertibles held
Mr. Ashok Vasudevan	----- NIL -----	----- NIL -----
Dr. V. S. Arunachalam	----- NIL -----	----- NIL -----
Mr. Ravi Nigam	200*	----- NIL -----
Mr. Kavas Patel	----- NIL -----	----- NIL -----
Mrs. Sucharita Hegde	----- NIL -----	----- NIL -----
Mr. Masahiro Sumitomo	----- NIL -----	----- NIL -----

*out of which 100 as joint holder

There are no convertible instruments issued by the Company.

A. SEGMENT WISE OR PRODUCT WISE PERFORMANCE / NATURE OF BUSINESS

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

17. 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 spent required amount of Rs. 25.52 Lakh during the financial year 2016-17 on construction

of school building in Bhandgaon area. 'Education' forms a part of CSR Policy of the Company. Unspent amount of Rs. 4.85 lakh is carried forward by the company to be spent in financial year 2017-18.

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 material 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 Accounting Standard 18 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)

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 Listing Agreement, which would affect the going concern status and Company's future operations.

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 2016-17:

(Rs. in Lacs)

Name of Director	Remuneration of Director (1)	Median remuneration of employees (2)	Ratio (3) =1/2
Mr. Ashok Vasudevan	—— NIL ——	—— NIL ——	—— NIL ——-
Dr. V. S. Arunachalam	—— NIL ——	—— NIL ——	—— NIL ——-
Mr. Ravi Nigam	114.04	4.02	28.37
Mr. Kavas Patel	—— NIL ——	—— NIL ——	—— NIL ——-
Mrs. Sucharita Hegde	—— NIL ——	—— NIL ——	—— NIL ——-
Mr. Masahiro Sumitomo	—— NIL ——	—— NIL ——	—— NIL ——-

**remuneration including provident fund, gratuity, leave encashment, etc and all other statutory dues.*

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

(Rs. in Lakh)

Name	Designation	Remuneration in FY 2015-16	Remuneration in FY 2016-17	Increase (in %)
Mr. Ravi Nigam	Managing Director	78.57	114.04	45.14%
Mr. Sohel Shikari	Chief Financial Officer	76.65	112.06	46.20%
Ms. Minal Talwar	Company Secretary	7.94**	8.41**	5.92%

Increase based on cost to company basis inclusive of perquisites, allowances and statutory dues such as provident fund, gratuity, leave encashment, etc.

***In addition to the above, the Company Secretary receives consideration w.r.t. Value Pool Agreement with the holding company.*

3. Number of permanent employees are 216 as on March 31, 2017.

4. The remuneration paid to the employees is in affirmation with Remuneration & Evaluation Policy of the Company.

5. During the year, increase in remuneration of Managing Director was approved by the Board on recommendation of Nomination & Remuneration Committee in January 19, 2017 meeting. The approved increase in salary is within the limit approved by the shareholders in General Meeting on September 19, 2016. Increase in salary is based on performance of the Company, general industry standard, contribution by MD in enhancement of performance of the Company and various other factors considered appropriate by the Board and Remuneration Committee.

6. During the year, increase in remuneration of Chief Financial Officer was also approved by the Board in its meeting held on January 19, 2017 on the recommendation of Nomination & Remuneration Committee and Audit Committee and as per the Remuneration policy. None among the employees received remuneration higher than that of Managing Director (Managerial Personnel).

7. During the year increment was also made in salary of Company Secretary on basis of annual appraisal by the management on proportionate basis and as per the remuneration policy recommended by the Nomination & Remuneration Committee.

8. Average percentile increase in salaries of employees other than the managerial personnel in the last financial year 2017 was 25.70%. Percentile increase in the managerial remuneration in FY 2017 was 45.14%. Increase in remuneration of MD and CFO was w.e.f. January 1, 2017. Increase in salary of employees is based on performance of the Company, general industry standard, contribution by employee in enhancement of performance of the Company and various other factors considered appropriate by the Management.

9. The Company does not have a variable pay compensation structure.

10. 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"**.

11. 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 (in Crore)
As on 31.03.2016	2,566,000	1,690.50	62.79	26.92	4,337,823,000
As on 31.03.2017	2,566,000	4,658.50	88.68	52.53	11,953,711,000
Increase / (Decrease)	NIL	2,968.00	25.89	25.61	7,615,888,000
% Increase / (Decrease)	NIL	175.57	41.23	95.12	175.57

The Company made Public Offering in February, 1987 of 7,50,000 equity shares at Rs. 10 each. The market quotation of the Equity shares of the Company as on March 31, 2017 was Rs. 4,658.5 for shares of face value of Rs. 10/- each, representing an increase of 46,485% over the period.

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

The Company during the period under review has not made investment in its own shares. The Company neither has any subsidiary company nor associate company in terms of the provisions of Companies Act, 2013 hence the comments are not required to be offered.

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

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

25. 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

No complaints have been received during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Megatrends

Over the past twenty plus years, our business has been at the intersection and growing on the back of three consumer-led megatrends. These are (1) health and wellness, (2) convenience and (3) an increased consumer preference towards international cuisines and flavors i.e. ethnic & specialty foods.

Your Company has two broad business verticals, (1) a Consumer Business that comprises of ready-to-eat and ready-to-cook Indian and Asian entrées, sauces and a range of ready-to-eat organic rice and grains; and (2) a food service business that comprises a range of specialty formed frozen products, sauces and gravies. Our consumer products are marketed entirely outside of India through our parent company, Preferred Brands International Inc. while market for our food service products is primarily in India and is marketed directly by your Company to major QSR (Quick Service Restaurants) and HORECA (Hotels, Restaurants and Caterers) players. We have also started developing exports market for foods service products and have managed to get entry into Singapore, Middle East etc.

We provide a perspective on megatrends that have been the inspiration behind the inception of the business and continue to be driving forces for our growth in the future.

Increasing focus of millennials consumers on health and wellness are leading them towards foods that are all natural and have organic ingredients, i.e. vegetables, lentils and other raw materials that are grown naturally without the use of chemical fertilizers and pesticides. The natural food industry is now a $120 billion opportunity in the United States, your Company's largest market, and has been growing at a rate of 10% per annum over the past 7 years. Today, over 17% of the US grocery industry comprises of natural/organic products. Consumers also spent more than $43 billion on purchasing organic products. The organic market has been growing even faster at 14% per annum. This growth outpace the overall grocery industry growth which is at 0.5% - 0.75% per annum with many of the traditional categories declining as consumers choose healthier natural options. Your Company's has products range which is all natural with a clean label, vegetarian and non-GMO.

The second megatrend that has been an engine of growth for our business is convenience. While consumers gravitate towards natural 'clean-label' foods, they also have less time to prepare their foods and meals from scratch. The average cooking time in the US is down to 30 minutes per day. Every sub-segment of convenience foods is on the rise such as, breakfast snacks, lunchables, frozen snacks, ready-to-eat foods and grab-n-go.

Finally, shifting US demographics, a well-traveled consumer who is willing to experiment with her palate is fueling demand for specialty foods. Indian and Asian cuisines with their robust flavors and spices are one of the fastest growing international foods in the United States. Nearly half of ethnic food consumers say that they are willing to spend more on authentic ethnic/international foods. The first exposure to new cuisines is restaurants and today there are over 10,000 Indian, Thai and Asian restaurants that operate in the US.

The food service industry in India has attractive dynamics and is poised for sustained long-term growth. Favorable Indian demographics coupled with increasing disposable incomes have contributed to the growth of the industry. Food constitutes the largest retail consumption category in India with a contribution share of 43% in FY-15. Growing at an average annual rate of 12-13%, the food consumption spend is expected to be more than twice its current value by 2025. Given the outlook, several international and domestic restaurant chains and food service operators have set up operations in the country over the last decade.

While long-term growth drivers for the industry continue to remain in place, in the short term most industry players have being experiencing declining same store sales. Chains are mostly concentrated in metro cities and increased competition for 'share of stomach' is one of the reasons for this. Secondly, consumers are increasingly demanding new and innovative products in the menu and brands that are able to deliver this are likely to remain relevant. Finally localization of offerings is an important driver for success. The need to focus on local taste and flavors is important to gain acceptance of Indian consumers.

Performance of Company and Categories

Tasty Bite Eatables Limited (TBEL) is one of the leading ready-to-eat food (natural, convenient, ethnic or specialty food segment) and formed frozen food products manufacturer catering to the diverse requirements of consumers (in USA, Australia, Canada, New Zealand, Japan and the UK) and quick service restaurants (QSR) chains across India. The Company commenced operations in 1986 and undertakes marketing and distribution of ready-to-eat food products through its parent company, Preferred Brands International Inc. (PBI).

In terms of market share, Tasty Bite is a leading brand for shelf stable Indian foods in North America. Its Asian Entrees and Organic ready to eat rice is the fastest growing business segment in the market.

Business Segments

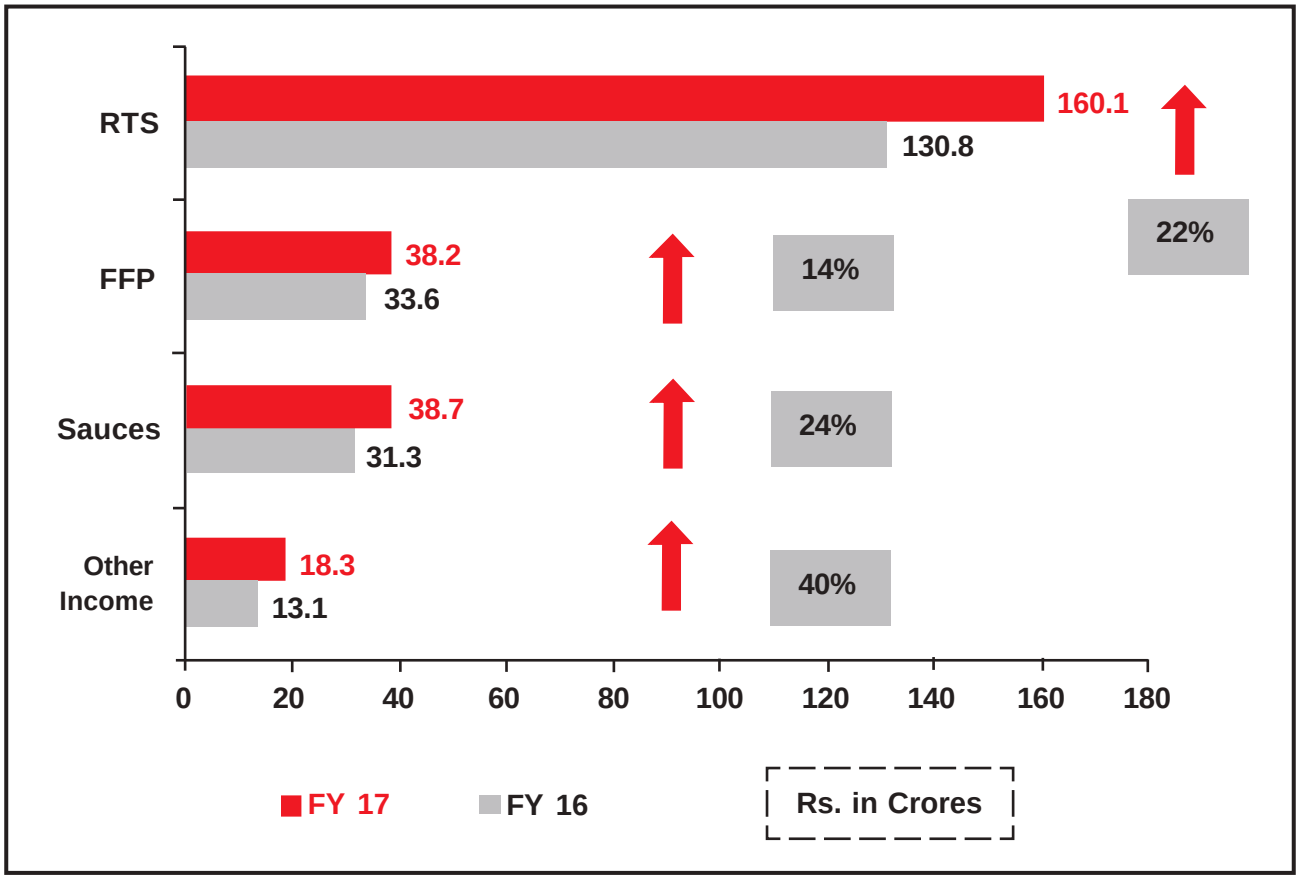
Business segment	Revenue	Segment	Key market areas	Clients
Consumer business	Rs. 175* cr (68.6% of the total revenue)	Ready-to-eat food (natural, convenient, ethnic or specialty food segment)	USA, Australia, Canada, New Zealand and UK	Marketed through PBI who distributes the product in mainstream retail chains such as Costco, Kehe, Krogers, Woolworths and others
Food Service business	Rs. 80 cr (31.4% of the total revenue)	Formed frozen food and specialty sauces	QSR chains and HORECA (hotels, restaurants and caterers) in India	Dominos, Pizza Hut, Subway, Fasoos, McDonalds, KFC, Burger King, Hindustan Unilever

**includes operational income that is linked to export-driven consumer business*

Despite the global headwinds and domestic challenges your Company had a good year with revenues growing 22.3%. Our export business grew 22.4% on account of increasing demand by consumers for our products, growth in distribution as well as the success of our new categories such as ready-to-eat rices.

The Tasty Bite Food Service (TFS) business has grown 18.4% despite the fact that QSR (Quick Service Restaurant) industry faced pressure because of a general slow-down in the economy which has adversely impacted same store sales. Your company continues to invest in R&D to develop new and unique products that help to grow the market for our customers.

RTS (Ready-to-Service) segment touched revenues of Rs. 160 crores. Formed frozen products (FFP) and Sauces are two profit centers that cater to products for the domestic TFS business touched revenue of Rs. 76.9 crores. Other income touched Rs. 18 crores and includes operational income coming from government export incentives that are linked to exports revenue, scrap sale, interest income, forex gain and others.



During FY'17 Profit before tax (PBT) increased to 34.7 crores from Rs. 24.6 crores in FY'16, an absolute increase of 41%. Material costs have decreased from 59.3% in FY'16 to 58.6% in FY'17. The decrease is attributed to a combination of good agricultural yields and strategic decisions to forward buy key commodities such as onions, rice, tomato paste etc that insulated your Company from inflation and volatility of these commodities. Your Company has also taken several improvement projects, *Kaizens*, to improve the efficiencies in the area of production and utilities that has resulted in lower wastages and higher yields.

Interest costs reduced to Rs. 1.60 crores in FY'17 from Rs. 2.4 crores in FY'16 even though the total long term loan at the end of March 2017 was Rs. 16.3 crores higher than last year. This was on account of the lower cost of capital availed from the Company's new Japanese bankers (Mizuho Bank and The Bank of Tokyo Mitsubishi "UFJ", Ltd) and a reduction of the working capital facilities from Rs. 16.8 crores in FY'16 to Rs. 13.6 crores in FY'17 on account of strong internal cash flows from the business and efficient cash utilisation. Further all these credit lines i.e. both short term and long term are unsecured.

The Company successfully undertook a series of capital expenditure projects during the financial year. It first added capacity in the Ready-to-Eat manufacturing line and did significant improvements in this area to improve quality and workplace improvements. It created a brand new workmen entrance, change rooms and also air-conditioned the entire high risk manufacturing area. This first phase of capex completed in November 2016. Almost immediately, the Company embarked on the second phase of capital expansion. This included a further expansion of the Ready-to-Eat manufacturing capacity and the doubling of our sauce manufacturing line. The new sauce line will allow us to manufacture basic sauces using a hot-filled and preservative free technique. This will not only double our existing capacity but will provide the company with significant competitive advantage given the pull from customers and consumers for preservative free products.

STRENGTHS, OPPORTUNITIES, CHALLENGES

Strengths

- ***Brand name:*** Tasty Bite is one of the leading brands in the North American market 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.
- ***Experience of management:*** Your Company's senior management has significant experience in the food industry.
- ***Product portfolio and diversity:*** Your Company has over 50 SKUs and continues to add new SKUs in existing and new product categories enabling it to cater to consumer requirements.
- ***Strong distribution and marketing of parent:*** Your Company undertakes marketing and distribution of products through its parent company, Preferred Brands International Inc., who hasa strong marketing and distribution network in its markets.
- ***Strong supply chain:*** It undertakes significant planning and follows finely tuned purchase strategies for key ingredients to ensure efficient and economic supply. Moreover, it engages in forward purchase contracts to mitigate raw material price hike risks.
- ***Product quality:*** Your Company manufactures high quality products packed in multi-layer retort pouch enabling food to remain intact in quality for 21 months. Moreover, the Company's products meet the stringent quality standards of national food agencies of countries like the US, UK, Australia, Japan, Canada and New Zealand.
- ***Research and development expertise:*** Your Company has a state-of-the-art research and development center backed by a highly skilled culinary professionals and food technologists who continuously work towards enhancing product quality and developing new products.
- ***Preferred QSR partner:*** Your Company is a preferred partner supplying frozen food products and specialty sauces to leading QSR chains and HORECA players (such as Dominos, Fasoos, Pizza Hut, Subway, McDonalds, KFC, Burger King, Hindustan Unilever) in India.

Opportunities

- Excellent product quality, taste and range of products have enabled Tasty Bite to be the leading brand in the North America, UK and Australian markets. The Company has the ability to scale up business and implement the same model to enhance business in other regions.
- Your Company has launched two new categories during the year. This includes a new range of Hot & Spicy entrees and Spice-n-Simmer sauces. This will allow the Company's products to gain further shelf space and add to the growth of the business in future years.
- Your Company has also begun marketing its products in the United Kingdom through a fellow subsidiary of PBI. This is a large but competitive market for your Company's products and we expect to see significant growth in this area in the future.

Challenges

- Food business requires the Company to develop high quality products that meet stringent quality standards of various national food agencies to enable marketing in those countries.
- Your Company uses numerous kinds of vegetables, lentils and grains, oils, spices and condiments and dairy ingredients in the preparation of its products. Some of these commodities are vulnerable to rapid price fluctuations and inconsistency in availability throughout the year. The Company looks at strategic purchases, forward buying and constantly developing its back end supply chain to deliver quality ingredients that is required to manufacture its products.

- Almost 70% of the Company's business is export oriented making is susceptible to foreign exchange risks.
- Competition from existing players and entry of new players can impact the market share.

Supply Chain

The focus of our supply chain department is to create a value-added and low cost supply chain that will provide assured availability, high quality and build sustainable business partnerships with our suppliers. We purchase a large number, 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 inputs and make timely strategic decisions on buying them.

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

Outlook

Your Company focuses on growth through both expanding its width of distribution and secondly increasing frequency of use in existing markets and accounts. The Company's parent, PBI, which markets and distributes the products internationally continually adds new supermarket accounts as well as looks at geographical expansion in to new markets. The Company also adds new products in existing and new QSR accounts. To increase depth of distribution, the Company's parent targets to enhance its market share by launching new products, new categories and undertakes brand promotions. Promotional activities like use of digital media and live products demonstrations across large number of stores are undertaken to enrich customer connect and increase their frequency of using the Company's product.

In the Indian market, the Company focuses on improving product quality, timely delivery and providing value-added products to strengthen its relationship with existing customers and be the partner of choice to the leaders in the food service business in India. This strategy and approach enables the Company to target new B2B customers (QSR chains and HORECA) and enhance its market share.

HUMAN RESOURCE

During the year under review, the industrial relations of the Company continued to be cordial and peaceful. Your Company is in the process of negotiation with the Union for entering into union agreement. Total personnel employed by the Company are 216 as on March 31, 2017.

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

Each year your Company participates in the Great Place to Work survey - a survey jointly conducted by the Economic Times of India and Great Places to Work Institute, India. Such participation allows your Company to continuously refine its HR practices to be able to provide motivating and fulfilling work culture. Various interactive programme such as "Meet your Officer" in format of "Aapki Adalat" is held in head office and factory. This enables employees to know each other well.

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

Finance, Accounts and Internal Financial Controls

Finance and accounting function works with the business team to continually increase the intrinsic value of the business and instituting strong and effective financial and management control systems in the 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. Further steps were carried out during the year to prepare the ERP system for the implementation of the Goods and Services Tax (GST) that is commencing from July 1, 2017.

Your Company is also going to adopt the new Indian Accounting Standards (IND-AS) from April 1, 2017 pursuant to the notification dated 16th February, 2015 notifying the Companies (Indian Accounting Standard) Rules, 2015. Towards this migration, we have been internally preparing the accounts for every quarter under these new standards which will be published as a comparable with the financials for the first quarter of the financial year 2017-18.

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 and Executive 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 are commensurate with the nature of the business and size and complexity of its operations.

Some significant aspects covered in the internal control framework include:

- Standard Operating Procedures and Risk Control Matrix for all business processes to ensure effective internal financial controls;
- Oversight by the Audit Committee that finalizes the scope of the internal audit which is carried out by an experienced and qualified firm of Chartered Accountants;
- 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.
- For overall supervision of controls, your Company has a Management Committee (MCom) and Executive Committee (ECom) 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.

Disclosure of Accounting Treatment

No changes to the accounting treatment have been made during the year. The management believes that the financial Statements represent the true and fair view. There is no deviation from accounting standards in preparation of accounts.

Goods & Services Tax (GST)

The Goods and Services tax that is expected to come into force from July 1, 2017 is a landmark tax reform that is expected to have a lasting and positive impact to the Indian economy. Your Company has done a detailed impact analysis and readying its internal supply chain, IT systems and processes for GST implementation since the past six months.

QUALITY:

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

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

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

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

Sustainability

The Company focuses on being a sustainable food manufacturer through conserving water (through installation of 'in-ground rain water harvesting' system) and reducing its carbon foot print (through use of renewable energy). All of its steam generation is done using compacted agricultural waste (briquettes) and the Company also purchases approximately 18% of its electricity from a wind generation company. 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.

During the year the Company commissioned its bio-gas facility that now converts all its organic waste into electricity. This is used to power the research and development center and factory street lighting. This investment further increases the percentage of energy that comes from renewable sources by supplementing the steam that is generated using sugarcane briquettes and some of the power that is sourced from a wind energy supplier. As part of the plant modernization investments, major parts of the main processing areas have been air-conditioned. This has been done using a vapor absorption system that is powered using steam generated with the same renewable energy.

Your Company continues to be 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.

Your Company has further invested in developing classrooms at the local Bhandgaon village school. Three additional classrooms were constructed during the year over the earlier three that were constructed last year. The Company also contributed towards learning and teaching aid kits and computers for the students. The goal is to continue investing in this area of education by improving the school infrastructure and further providing learning aids that are needed. Your Company involves the school children in activities relating to rain water harvesting and tree plantations that helps increase the awareness towards these activities of nature conservation.

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

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

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

For and on behalf of the Board of Directors

Date : May 16, 2017
Place : Pune

Ashok Vasudevan
Chairman

"ANNEXURE-A"

FORM NO. MGT 9

EXCTRACT OF ANNUAL RETURN
(As on financial year ended on 31.03.2017)

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

I. REGISTRATION AND OTHER DETAILS:

1	Corporate Identity Number	L15419PN1985PLC037347
2	Registration Date	02/09/1985
3	Name of the Company	TASTY BITE EATABLES LIMITED
4	Category/Sub-category of the Company Company	Company Limited by Shares / Indian Non-Government
5	Address of the Registered office & contact details	201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005
6	Whether listed company	Yes
7	Name, Address and contact details of Registrar & Transfer Agent, if any.	KARVY COMPUTERSHARE PRIVATE LIMITED **Address:** Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 **Phone No. :** +91 040-67162222; 1800-345-4001 **Email :** einward.ris@karvy.com

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 Company
1	Ready-to-eat food products	2008	67.6%
2	Frozen food products and sauces	2008	32.4%

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.: 48, Ali Chambers, Tamarind Street, Mumbai - 400023	U15400MH1998PTC113768	Holding	74.22	2 (46)
Kagome Co. Ltd. Regd. Off.: 3-14-15, Nishiki, Naka-ku, Nagoya 460-0003, Japan	F04639	Holding	0.01	2 (46)

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	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1):-	**1,904,510**	**-**	**1,904,510**	**74.22**	**1,904,510**	**-**	**1,904,510**	**74.22**	**-**
(2)	**Foreign**									-
a)	NRIs - Individuals	-	-	-	-	-	-	-	-	-
b)	Other	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	300	-	300	0.01	300	-	300	0.01	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other....	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2):-	**300**	**-**	**300**	**0.01**	**300**	**-**	**300**	**0.01**	**-**
	Total shareholding of Promoter (A) = (A) (1) + (A) (2)	**1,904,810**	**-**	**1,904,810**	**74.23**	**1,904,810**	**-**	**1,904,810**	**74.23**	**-**
B.	**Public Shareholding**									-
1.	**Institutions**									-
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	1,500	1,500	0.06	-	1,500	1,500	0.06	-
c)	Central Govt	-	-	-	-	-	-	-	-	-
d)	State Govt(s)	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	FIIs	-	-	-	-	79	-	79	-	-
h)	Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i)	Others (FPI)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1):-	**-**	**1,500**	**1,500**	**0.06**	**79**	**1,500**	**1,579**	**0.06**	**-**
2.	**Non-Institutions**									
a)	**Bodies Corp.**									
i)	Indian	37,169	301	37,470	1.46	46,308	301	46,609	1.82	0.36
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh	257,170	130,251	387,421	15.10	316,552	120,451	437,003	17.03	1.93
ii)	Individual shareholders holding nominal share capital in excess of Rs 1 lakh	222,640	-	222,640	8.68	160,173	-	160,173	6.24	(2.43)
c)	Others	-	-	-	-	-	-	-	-	-
	Directors and relatives	-	200	200	0.01	-	200	200	0.01	-
	Non Resident Indians	11,308	-	11,308	0.44	9,763	-	9,763	0.38	(0.06)
	NRI Non-Repartiation	-	-	-	-	4,883	-	4,883	0.19	(0.19)
	Clearing members	651	-	651	1.03	980	-	980	0.04	0.01
d)	Qualified foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2):-	**528,938**	**130,752**	**659,690**	**25.71**	**538,659**	**120,952**	**659,611**	**25.71**	**0.00**
	Total Public Shareholding (B) = (B) (1) + (B) (2)	**528,938**	**132, 252**	**661,190**	**25.77**	**538,738**	**122,452**	**661,190**	**25.77**	**0.00**
C.	**Shares held by Custodian for GDRs & ADRs**	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	**2,433,748**	**132,252**	**2,566,000**	**100**	**2,443,548**	**122,452**	**2,566,000**	**100**	**-**

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	-	-
Kagome Co. Ltd	300	0.01	-	300	0.01	-	-
Total	**1,904,810**	**74.23**	**-**	**1,904,810**	**74.23**	**-**	**-**

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
Preferred Brands Foods (India) Pvt Ltd:				
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	–	–
Kagome Co Ltd:				
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	–	–

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
K. Swapna				
At the beginning of the year	147,972	5.77	–	–
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(99,133)	--	48,839	1.90
At the end of the year	--	--	48,839	1.90

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
Rahul Kayan				
At the beginning of the year	44,701	1.74	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(10,783)	0.42	33,918	1.32
At the end of the year	--	--	33,918	1.32
Tanvi J Mehta				
At the beginning of the year	32,660	1.27	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(32,660)	1.27	--	--
At the end of the year	--	--	--	--
Tanvi Jignesh Mehta				
At the beginning of the year	--	--	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	32,850	1.28	32,850	1.28
At the end of the year	--	--	32,850	1.28
Alberta Agro Private Limited				
At the beginning of the year	19,000	0.74	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(14,000)	0.55	5,000	0.19
At the end of the year	--	--	5,000	0.19
Paulastya Sachdev				
At the beginning of the year	10,000	0.39	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(8,400)	--	1,600	0.33
At the end of the year	--	--	1,600	0.33
Sushama Ratnakar Samat				
At the beginning of the year	5,265	0.21	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(3,965)	0.16	1,300	0.05
At the end of the year	--	--	1,300	0.05
Devika Anand				
At the beginning of the year	7,197	0.28	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(447)	0.02	6,750	0.26
At the end of the year	--	--	6,750	0.26

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
Ajay Kumar Kayan				
At the beginning of the year	2,556	0.10	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	14,500	0.78	17,056	0.66
At the end of the year	--	--	17,056	0.66
Anahita Kayan				
At the beginning of the year	--	--	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	13,830	0.54	13,830	0.54
At the end of the year	--	--	13,830	0.54
Aditi Prasoon Bhatt				
At the beginning of the year	181	0.01	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	13,499	0.52	13,680	0.53
At the end of the year	--	--	13,680	0.53
Chetan Rasiklal Shah				
At the beginning of the year	--	--	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	11,371	0.44	11,371	0.44
At the end of the year	--	--	11,371	0.44
Mukul Agarwal				
At the beginning of the year	--	--	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	10,000	0.39	10,000	0.39
At the end of the year	--	--	10,000	0.39
Anant Jain				
At the beginning of the year	5,516	0.21	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	(5,515)	0.21	01	0.00
At the end of the year	--	--	01	0.00

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
Paresh Harshawardhan Vakil				
At the beginning of the year	5000	0.19	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	No Change		5000	0.19
At the end of the year	--	--	5000	0.19
Anand G. Pai				
At the beginning of the year	5000	0.19	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	No Change		5000	0.19
At the end of the year	--	--	5000	0.19
Parul Prasoon Bhat				
At the beginning of the year	720	0.03	--	--
Net Transactions (purchase / sale) during the year (April 1, 2016 - March 31, 2017)	6,339	0.24	7,119	0.28
At the end of the year	--	--	7,119	0.28

v) Shareholding of Directors and Key Managerial Personnel :

Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
***Mr. Ravi Nigam:**				
At the beginning of the year	200	0.01	--	--
Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.) :	No Change		--	--
At the end of the year	--	--	200	0.01

*100 shares held as joint / second owner with Mrs. Ruby Nigam

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

(Amount in Rs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	165,094,148.96	238,873,699.31	-	403,967,848.27
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**165,094,148.96**	**238,873,699.31**	**-**	**403,967,848.27**
Change in Indebtedness during the financial year				
Addition	56,067,750.00	428,612,939.00	-	484,680,689.00
Reduction	221,161,898.96	143,289,176.29	-	364,451,075.25
Net Change	(165,094,148.96)	571,902,115.29	-	406,807,966.33
Indebtedness at the end of the financial year				
i) Principal Amount	-	524,197,462.02	-	524,197,462.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	1,104,136.00	-	1,104,136.00
Total (i+ii+iii)	**-**	**525,301,598.02**	**-**	**525,301,598.02**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

Sr. No.	Particulars of Remuneration	Name of MD - Mr. Ravi Nigam
1	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9,886,719
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	103,750
	(c) Profits in lieu of salary under section 17(3) Income - tax Act, 1961	–
2	Stock Option	–
3	Sweat Equity	–
4	Commission	
	- as % of profit	
	- others, specify	–
5	Others, please specify –	
	Car Hire Charges	–
	Provident Fund	734,121
	Leave encashment	416,553
	Petrol reimbursement	262,506
	Total (A)	11,403,649
	Ceiling as per the Companies Act, 2013	17,340,100

B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					
		Mr. Kavas Patel	Dr. V.S. Arunachalam	Mrs. Sucharita Hegde	Mr. Masahiro Sumitomo	Mr. Ashok Vasudevan	Total Amount
1	**Independent Directors**						
	Fee for attending board & committee meetings	300,000	225,000	300,000	--	--	825,000
	Commission	--	--	--	--	--	--
	Others, please specify	--	--	--	--		
	Total (1)	**300,000**	**225,000**	**300,000**	**--**	**--**	**825,000**
2	**Other Non-Executive Directors**						
	Fee for attending board & committee meetings	--	--	--	--	--	--
	Commission	--	--	--	--	--	--
	Others, please specify(remuneration)						
	Total (2)	**--**	**--**	**--**	**--**	**--**	**--**
	Total (B)=(1+2)	**300,000**	**225,000**	**300,000**	**--**	**--**	**825,000**
	Total Managerial Remuneration	--	--	--	--	--	--
	Overall ceiling as per the Act	NA	NA	NA	NA	NA	NA

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Ms. Minal Talwar Company Secretary	Mr. Sohel Shikari Chief Financial Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	752,468	10,016,982	10,769,450
	(b) Value of perquisites u/s 17 (2) Income-tax Act, 1961	20,000	103,750	123,750
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 (provident Fund, Leave encashment, drivers salary)	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission	--	--	--
	- as % of profit	--	--	--
	- others	--	--	--
5	Others, please specify			
	- Car Hire Charges	--	--	--
	- Provident Fund	53,280	414,000	467,280
	- Leave encashment	--	408,755	408,755
	- Petrol reimbursement	15,000	262,548	277,548
	Total	**840,748**	**11,206,035**	**12,046,783**

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

Date : May 16, 2017
Place : Pune

Ashok Vasudevan
Chairman

ANNEXURE - B

CORPORATE GOVERNANCE CERTIFICATE

To

The Members

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

Re: Corporate Governance Certificate

I have examined the compliance of Corporate Governance by **Tasty Bite Eatables Limited** (the Company) for the year ended on March 31, 2017 as stipulated in SEBI (Listing Obligations and Disclosure Regulations) 2015.

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

In my opinion and to the best of my information and according to the explanations given to me and representations made by the Directors and Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated under the SEBI (Listing Obligations and Disclosure Regulations) 2015 except shorter notice to Stock Exchange for Book Closure for the purposes of Dividend and Annual General Meeting and publishing financial results of the last quarter of FY 2015-16 in the news papers beyond prescribed time.

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

Abhishek Jagdale
Company Secretary in Practice
Membership No. 25025
Certificate of Practice FCS 9073

Date: 16th May 2017
Place: Pune

ANNEXURE - C

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

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

To,
The Members,
Tasty Bite Eatables Limited

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). The 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 **Tasty Bite Eatables Limited's** books, papers, minute books, forms 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 March 31, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes 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 books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (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 ~~Foreign Direct Investment, Overseas Direct Investment and~~ 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) SEBI (Prohibition of Insider Trading) Regulations, 2015

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **-Not Applicable**

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **-Not Applicable**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **- Not Applicable**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **- Not Applicable**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;**- Not Applicable**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) Food Safety and Standards Act, 2006, rules and regulations made thereunder (law specifically applicable to Company)

Ihave also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except shorter notice to Stock Exchange for Book Closure for the purposes of Dividend and Annual General Meeting and publishing financial results of the last quarter of FY 2015-16 in the news papers beyond prescribed time. Further, the company has compounded non-compliance under Legal Metrology Packaged Commodity Rules 2011.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least 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.

Majority decision is carried through and there was no instance of capturing and recording dissenting members' views as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the Company has listed its equity shares on National Stock Exchange Limited (NSE) vide circular no. NSE/CML/34428 dated 21st March, 2017.

Abhishek Jagdale
FCS No.: 9073
C P No.: 8967

Place: Pune
Date : 16th May 2017

ANNEXURE - D

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO :

A. CONSERVATION OF ENERGY :

i) Steps taken or impact on Energy Conservation

a) Company has installed VFD (Variable Frequency drive) to drive power savings in cold store.
b) Company continues to use briquettes as a measure for energy conservation.
c) Project has been implemented to improve steam condensate recovery.
d) Biogas plant installed in factory to generate power for street light and R&D facility.

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, a non-conventional source of energy for utilization in operations of the Company.

iii) Capital investment on energy conservation equipment : Rs. 1.05 crores

B. TECHNOLOGY ABSORPTION :

i	Efforts made towards technology absorption	Company has an accredited R&D center that is (TBRC) continuously engaged in research on new and innovative products, both for export and domestic market. TBRC's research and expertise ensures that Company is able to 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 Rs. '000) Recurring (in Rs. '000) Total (in Rs. '000) Total R & D expenditure as % of total turnover	608 16,282 16,890 0.66%

C. FOREIGN EXCHANGE ACTUAL INFLOWS AND OUTFLOWS

(Rs in Lacs)

Particulars	Current Year	Previous Year
Inflows	15,147.42	12,264.78
Outflows	3,363.90	2,343.36

Date : May 16, 2017
Place : Pune

Ashok Vasudevan
Chairman

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 also available on website of the Company at www.tastybite.co.in. CSR Policy concentrates on 4 major areas- sustainable agriculture, disaster relief, education and health. During the financial year 2016-17, the Company continued to work in the field of education i.e. construction of 3 more classrooms for school in Bhandgaon village. 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	3	3
Mr. Ravi Nigam	Member	Executive	3	2
Mr. Ashok Vasudevan	Member	Non-executive	3	3*

* *Mr. Ashok Vasudevan was appointed as Member of Committee in June, 2016. Three meetings were held during his tenure as member. Mr. Sohel Shikari who acted as his alternate attended one meeting dated August 8, 2016 on his behalf.

3. Average net profit of the Company for last three financial years:

Rs. in '000

Year	Profit after tax	Add Tax	Add Interest on Tax	Net Profit as per section 198
2015-16	161,199	85,192	980	247,371
2014-15	107,937	54,603	1,742	164,282
2013-14	43,288	-	567	43,855
			Average Net Profit	**151,836**
			2% of average net profit	**3,037**

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

In FY 2016-17, total amount to be spent was Rs. 30.37 lakhs. Amount actually spent is Rs. 25.52 lakhs. Unspent amount of Rs. 4.85 lakh carried forward.

5. Details of CSR spent during the financial year:

(a) Total amount to be spent for the financial year: Rs. 30.37 lakhs

(b) Amount unspent, if any: Rs. 4.85 lakhs

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

(Rs. In lakhs)

Sr. No	CSR Project or activity identified	Sector in which activity is covered	Projects or programs 1) Local area or 2) Specify the State and district where projects or programs was undertaken	Amount outlay program wise	Amount spent on the programs Sub-heads: (I) Direct on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Direct or through implementing agency
1.	School Building project	Education	Local area-Bhandgaon	25.52	–	–	Direct

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 Rs. 30.37 Lakhs and Rs. 4.85 lakh remained unspent as on March 31, 2017. The amount remained unspent owing to pending completion of existing school building project.

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

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

Form for 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

1. Details of contracts or arrangements or transactions not at arm's length basis- NA

2. Details of material contracts or arrangement or transactions at arm's length basis

Sr. No.		Particulars
1.	**Name(s) of the related party and nature of relationship**	Preferred Brands International Inc
2	**Nature of contracts / arrangements / transactions**	Export sales
3	**Duration of the contracts / arrangements / transactions**	Purchase Order basis
4	**Salient terms of the contracts or arrangements or transactions including the value, if any**	Pricing of the products approved by the Board & Audit Committee
5	**Date(s) of approval by the Board, if any**	May 7, 2016
6	**Amount paid as advances, if any**	Nil

Date : May 16, 2017
Place : Pune

Ashok Vasudevan
Chairman

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 March 31, 2017.

Name of employee	Remuneration received (Rs. In Lakhs)	Qualification	Experience	Date of commencement of employment	Age	Last employment	% equity shares held	Whether any employee is relative of director/ Name of director
Mr. Ravi Nigam	114.04	BS in Chemistry and an MBA from The Institute of Rural Management, Anand, India (IRMA) and an OPM from the Harvard Business School.	34	20/07/2001 (Appointed as Managing Director)	57	Ballarpur Industries Limited	0.01	No
Mr. Sohel Shikari	112.06	BS in Civil Engineering from the University of Bombay and Masters in Civil and Environment Engineering from the Massachusetts Institute of Technology	23	08/05/2014 (Designated as CFO- Key Managerial Personnel)	47	ASG Omni India Pvt Ltd	NIL	No
Mr. Rajendra Jadhav	50.40	B SC Tech- food technology from Bombay University, Post Graduation in Foods, Drugs and Cosmetics from Bombay University	29	15-Nov-91	53	Kwality Candies and Sweets Limited	NIL	No
Mr. Gaurav Gupta	49.00	Chartered Accountant,CPA, CFE, CISA, B.COM (Hons)	13	09-Jul-15	35	KESORAM Industries Ltd.	NIL	No
Mr. Ankit Singhal	30.12	B. Tech from G B Pant University of Agriculture & Technology and Post Graduate Diploma in Rural Management from Institute of Rural Management, Anand.	13	31-Aug-09	37	Multi Commodity Exchange of India Ltd	NIL	No
Mr. Ujjawal Jain	31.50	B. Com (Hons) from Delhi University, Post Graduate Programme in Management from Great Lakes Inst of Management, Chennai	10	02-May-11	32	CITI Financial Consumer Finance India Ltd.	NIL	No
Mr. Ashutosh Parmar	26.50	BSC Food Tech from Delhi University	13	14-Sep-10	34	ITC Limited	NIL	No
Mr. Shashish Hodlur	30.00	Bachelor in Hotel Management and Catering Technology from Bharti Vidyapeeth, Pune University	20	16-Jul-07	41	Taj Sats Air Catering Ltd	NIL	No
Mr. Terence D'cruz	29.16	BE from Bharathiar University, Coimbatore	23	01-Mar-12	48	Innovative Foods Ltd.	NIL	No
Mr. Vaibhav Wattamvar	25.50	MTECH (FOOD Tech), Marathwada Agricultural University	13	01-Mar-17	38	Vadilal Industries Ltd	NIL	No

*All the employees mentioned above are in permanent employment of the Company

Date : May 16, 2017
Place : Pune

Ashok Vasudevan
Chairman

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

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

Your Company's governance structure comprises the Board of Directors and the Committees of the Board 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.

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, ensuring fairness in decision making process, integrity and transparency while dealing with its members and all its stakeholders.

a) Composition of Board :

The Board has an optimum combination of executive and non-executive directors. The Company is managed by the Board of Directors ;with a non-executive, non-independent promoter Chairman, an executive director, a non-executive director, three eminently qualified Independent Directors and an Alternate Director to the non-executive promoter Chairman. Amongst 3 Independent Directors one is a woman as mandated by Companies Act, 2013 and SEBI regulations.



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.

During the year, shareholders approved the appointment of Mrs. Sucharita Hegde and Mr. Masahiro Sumitomo as Directors of the Company in the Annual General Meeting held on September 19, 2016. Further, shareholders also approved the re-appointment of Mr. Ravi Nigam as the Managing Director of the Company for the period of 5 years starting from July 20, 2016.

b) Board Meetings and information placed before the Board:

There were six (6) Board Meetings held during the financial year ended March 31, 2017. These were held on May 7, 2016, August 8, 2016, November 7, 2016, January 19, 2017, January 30, 2017 and March 24, 2017. The maximum interval between any two meetings was not more than 120 days.

All the Board meetings were scheduled well in advance and the notice of the Board Meetings were sent well in advance to all the Directors. The agenda was accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations were made. The agenda and the relevant notes were too 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 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:

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
- 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 nonpayment for goods sold by the Company
- Any issue which involves public or product liability, claims of substantial nature or any judgment or adverse view regarding another enterprise that can have negative implications on the Company
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property.
- Significant labour problems and their proposed solutions.
- Significant development in Human Resources / Industrial relations front like signing of wage agreement, implementation of VRS, etc.

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

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

c) Code of Conduct for Directors and Senior Management:

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

d) Directors attendance record & directorships in other companies as on March 31, 2017 :

Sr. No.	Name of the Director	Category of Directorship	Attendance in Board Meetings during 2016-17	Attendance at last AGM held on 19.09.2016	No. of other Directorships# as on 31.03.17	No. of other Committee$ position held as on 31.03.17 (Other Companies)	No. of Shares/ convertible instruments held
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mr. Ashok Vasudevan	N.E.D.	5	Yes	1	NIL	NIL
2.	Mr. Ravi Nigam	E.D.	5	Yes	2	NIL	200 @
3.	Dr. V. S. Arunachalam	I.D.	4	No	2	NIL	NIL
4.	Mr. Kavas Patel	I.D.	6	Yes	6	3(Chairman of 3)	NIL
5.	Mrs. Sucharita Hegde	I.D.	6	Yes	5	1 (Member)	NIL
6.	Mr. Masahiro Sumitomo	N.E.D.	4	Yes	1	NIL	NIL

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

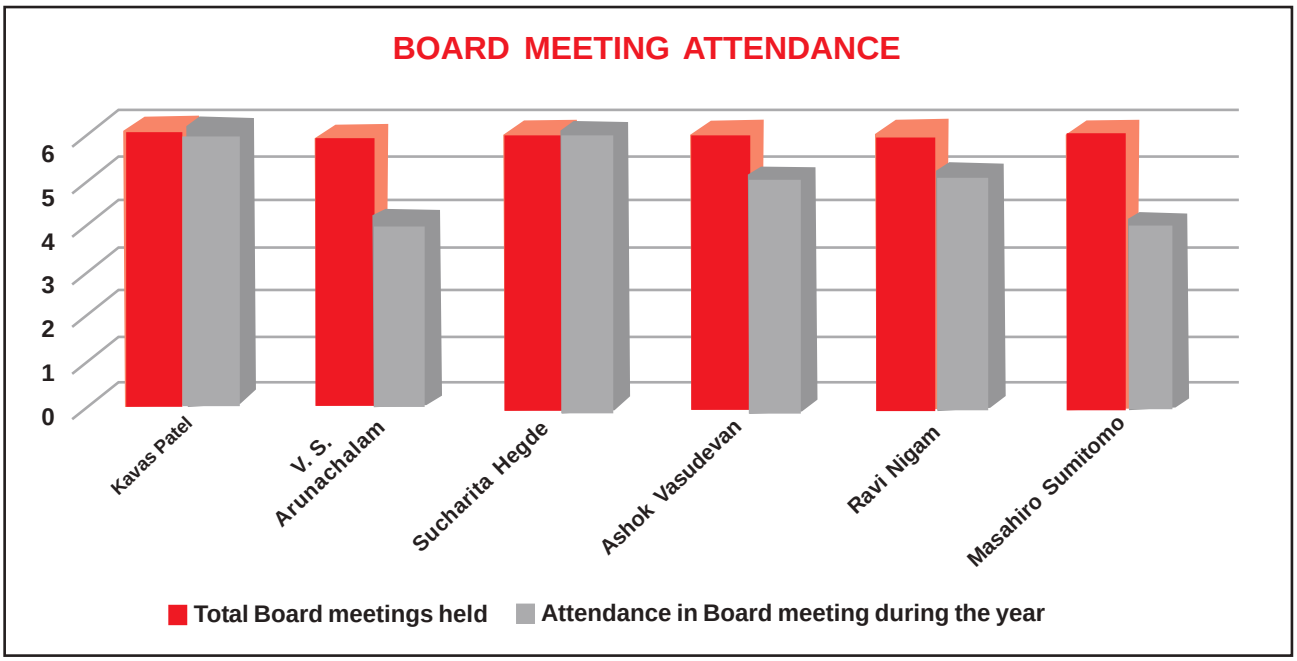
\# including Private limited companies and excluding foreign companies

$ Audit, Stakeholders' Grievance, Remuneration & Nominations and CSR Committees of Public Limited Companies are considered

@ out of which 100 as joint holder

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

Attendance in board meetings during the year:



e) Training of directors :

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

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

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. Directors also visited the school built by the Company as a part of CSR project in Bhandgaon area and interacted with school management and students.

COMMITTEES OF THE BOARD

a) AUDIT COMMITTEE:

The Audit Committee is duly constituted as per the provisions of Section 177 of the Companies Act, 2013. There were five Audit Committee meetings held during the financial year on May 7, 2016, August 8, 2016, November 7, 2016, January 30, 2017 and March 24, 2017 respectively. The Audit Committee consist four members, three being Independent Directors and one Managing Director of the Company. All the members of the Audit Committee have adequate accounting and financial knowledge to read, understand and analyse the financial statements. Mr. Kavas Patel, an Independent Director is Chairman of the Committee.

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

Name of the Director	Position	Independent/ Executive	No. of Meetings during the financial year 2016-17	
			Held	Attended
Mr. Kavas Patel	Chairman	Independent	5	5
Dr. V. S. Arunachalam	Member	Independent	5	4
Mrs. Sucharita Hegde	Member	Independent	5	5
Mr. Ravi Nigam	Member	Executive	5	4

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

All Members of the Committee have wide exposure and possess sound knowledge in the areas of accounts, finance, business and internal control. The Chairman of the Audit Committee remained present at the Annual General Meeting held on September 19, 2016. The composition of the Committee is in conformity with the Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of reference:

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

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

(b) Recommend appointment, remuneration and terms of appointment of Auditors of the Company and review and monitor Auditors independence and performance, and effectiveness of Audit Report.

(c) Approval or any subsequent modification of transactions of the Company related parties.

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

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

(f) In addition to the above, all items listed in Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177(4) of the Companies Act, 2013.

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

b) STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the financial year under consideration, there were four meetings held on May 7, 2016, August 8, 2016, November 7, 2016 and January 19, 2017. The Stakeholders Relationship Committee looks into the redressal of grievances of security holders of the Company.

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
Dr. V.S. Arunachalam	Member	Independent	4	2
Mrs. Sucharita Hegde	Member	Independent	4	4

Ms. Minal Talwar - Company Secretary is the Compliance Officer of the Company. The Chairman of the Committee or in Chairman's absence, any member of the committee attends the General Meeting of the shareholders. The Chairman of the Stakeholders Relationship Committee remained present at the Annual General Meeting held on September 19, 2016.

As on March 31, 2017, 95.23% shares of the Company were traded in dematerialized form. To expedite the transfer, transmission, removal, deletion of name, issue of duplicate share certificate, etc a Committee of executives of Company have been formed. The Committee comprises the following executives:

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

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

At beginning of the year under review, there were no investor complaints that remained unresolved. During the year, the Company received 21 (twenty one) complaints which were resolved. One complaint amongst 21 was resolved after March 31, 2017, rest were resolved before March 31, 2017.

c) NOMINATION AND REMUNERATION COMMITTEE :

Terms of reference :

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

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

Three meetings of Remuneration & Nomination Committee were held during the year on May 7, 2016, January 19, 2017 and March 24, 2017.

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	3	3
Dr. V. S. Arunachalam	Member	Independent	3	2
Mrs. Sucharita Hegde	Member	Independent	3	3

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 and/or Central Government, wherever necessary and in compliance with the provisions of applicable laws. Details of remuneration paid to the executive and non executive directors for the year 2016-17 are as follows:

(Rs.)

Name of the Director	Basic Salary	Allowance & Perquisites*	Performance linked Incentive / Commission / Bonus	Company Contribution to Provident Fund & Pension	Sitting fees**	Total
Mr. Ashok Vasudevan	–	–	–	–	–	–
Mr. Masahiro Sumitomo	–	–	–	–	–	–
Dr. V.S. Arunachalam	–	–	–	–	225,000	225,000
Mr. Kavas Patel	–	–	–	–	300,000	300,000
Mrs. Sucharita Hegde	–	–	–	–	300,000	300,000
Mr. Ravi Nigam	9,886,719	782,809	–	734,121	–	11,403,649
Mr. Sohel Shikari	–	–	–	–	–	–

* Perquisites include leave encashment

** excluding service tax

Notes :

1. Mr. Ravi Nigam was re-appointed as Managing Director of the Company w.e.f. July 20, 2016 for a period of 5 years. The agreement with Mr. Ravi Nigam, Managing Director is for a period of five years which will expire on July 19, 2021.
2. Remuneration of Mr. Nigam as Managing Director is fixed for a period of 3 years from July 20, 2016 till July 19, 2019 by the shareholders.
3. Agreement with the Managing Director can be terminated by giving three months notice in writing by either party. He is not eligible for any commission or performance bonus as per the terms of appointment.
4. No stock option scheme has been framed by the Company for directors and other executives.
5. There is only fixed component criteria in the Company for directors and employees.
6. No other director including any non-executive director receives any remuneration, commission or any other incentive from the Company.
7. Mr. Sohel Shikari receives remuneration as Chief Financial Officer of the Company.

Remuneration Policy :

The Board adopted Remuneration & 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 & Remuneration Committee to satisfy themselves before recommending any person for directorship that he 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 for independent directors was revised w.e.f. May 7, 2016 by Board of Directors in their meeting. Sitting fee is paid only to independent directors and was increased to Rs. 75,000/- per quarter for Board meetings only. Sitting fee paid is within statutory limits.

7. The remuneration of Key Managerial Personnel and Senior Managerial Personnel shall also be reviewed by the Committee. The remuneration of employees largely consist basic remuneration, perquisites and allowances. The components of the total remuneration may vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, individual performances, short and long term performance objectives appropriate to the working of the Company, etc.

The Board of Directors revised the remuneration of the Managing Director as recommended by the Remuneration & Nominations Committee in their meetings held on January 19, 2017. The revised remuneration is within the limit approved by shareholders in their meeting held on September 19, 2016. The revision is based on various factors such as qualification, experience, expertise and contribution of Managing Director, prevailing remuneration in the industry, financial position of the Company, etc.

The Board of Directors on recommendation of Remuneration & Nominations Committee/ Audit Committee also revised the remuneration of Mr. Sohel Shikari - Chief Financial Officer of the Company. w.e.f. January 1, 2017.

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

Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Stakeholders Relationship, Nomination & Remuneration and Corporate Social Responsibility Committee. A structured questionnaire was prepared covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture and performance of duties and governance.

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

d) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

Three meetings of CSR Committee were held during the year on August 8, 2016, November 7, 2016 and January 19, 2017.

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	3	3
Mr. Ravi Nigam	Member	Executive	3	2
Mr. Ashok Vasudevan*	Member	Non Executive	3	3*

*Mr. Ashok Vasudevan was appointed as Member of Committee in June, 2016. Three meetings were held during his tenure as member. Mr. Sohel Shikari who acted as his alternate attended one meeting dated August 8, 2016 on his behalf.

e) SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of independent directors was held on March 24, 2017 for evaluation of performance of entire Board and Chairman of the Company. All Independent Directors attended the meeting. They also assessed the quality, contents and timeline of flow of information between the management and the Board.

GENERAL BODY MEETINGS

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

Financial year ended	Date & Time	Venue	Special Resolution
2015-16	September 19, 2016 at 11.00 a.m.	Hotel Le Meridien Pune, RBM Road, Pune- 411001	1. Re-appointment of Mr. Ravi Nigam as Managing Director for a period of 5 years. 2. Fixation of remuneration of Mr. Ravi Nigam as Managing Director for a period of 3 years. 3. Ratification of remuneration of Mr. Ravi Nigam as Managing Director for a period from April 1, 2016 till July 19, 2016.
2014-15	September 14, 2015 at 11.00 a.m.	Hotel Le Meridien Pune, RBM Road, Pune- 411001	Approval for related party transactions
2013-14	September 10, 2014 11.00 a.m.	Registered Office	1. Authority to Board of Directors to borrow money. 2. Authority to Board of directors for creation of charges. 3. Approval of remuneration of Mr. Ravi Nigam, Managing Director of the Company for 2 years

- The Registered Office of the Company is situated at 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005 (registered office changed w.e.f. January 22, 2016. Previously based in 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005)
- All resolutions moved in the last three Annual General Meetings were passed through e-voting facility and Poll by way of Ballot Papers at meeting made available to the shareholders.
- No special resolution through postal ballot was passed in previous financial year.

DISCLOSURES

1. The transactions with related parties do not have potential conflict with the interests of the Company at large. A comprehensive list of related party transactions as required by the Accounting Standards (AS) 18 issued by Institute of Chartered Accountants of India, forms part of Note no. 37 of the Accounts in the Annual Report.
2. The Company has complied with the formalities as laid down by, National Stock Exchange of India Limited (NSE), BSE Ltd, SEBI and other statutory authorities on matter related to capital market. There were no penalties, strictures laid down on the Company relating to capital market during last three years.
3. The Company is committed to high standard of Corporate Governance and stakeholder's responsibility. The Company has framed Whistle Blower and Vigilance Mechanism Policy to enable reporting unethical or improper activity to the Management/ Board. The Whistle Blower Policy and the Vigilance Mechanism are available at Company's website www.tastybite.co.in. Every employee/ whistle blower has access to the Chairman of the Audit Committee. Details of Chairman of Audit Committee are as under -

   Name- Mr. Kavas Patel
   Address- C-33, RIVERNEST, 311 NORTH MAIN ROAD, KOREGOAN PARK, PUNE 411011
   Phone: +91 020 26154921; E-mail: kavasp@hotmail.com

   During the year, no event or protected disclosure from any employee or person was received by the Chairman of the Committee or management.
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. Company does not have any 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.
7. As required by Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained a certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure A to the Directors' Report.
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)

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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.
- All the non - executive directors have requisite qualification, rich experience and expertise in their respective functional areas. They attend various programmes in the personal capacities which keep them abreast of relevant developments. There is formal system of evaluating them.
- In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015, 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 Code of Fair Disclosure is available on the Company's website www.tastybite.co.in. Ms. Minal Talwar, Company Secretary, is Compliance Officer under the Code. 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 make disclosure of holding and trading of securities to the Company.

MEANS OF COMMUNICATION

- The annual, half-yearly and quarterly results of the Company are published in National newspapers viz. Asian Age and local newspaper viz. Punyanagari; or any other equivalent newspaper.
- These newspapers are selected on the basis of having reasonable circulation in the areas where majority of our shareholders are located and also on the basis of cost effectiveness.
- The Company provides information to National Stock Exchange of India Limited 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 which provides all information as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The website of the Company also contains presentations made to institutional investors and other official news releases, if any.
- Management Discussion and Analysis forms part of this Annual Report.

GENERAL SHAREHOLDER INFORMATION

a)	**Annual General Meeting** - Date, Time and Venue	:	September 20, 2017 at 11.00 a.m. at the Hotel Sheraton Pune, RBM Road, Pune- 411001
b)	**Financial Calendar** Tentative Financial reporting for - the quarter ending June 30, 2017 - the half year ending September 30, 2017 - the quarter ending December 31, 2017 - year ending March 31, 2018	:	 Second week of August 2017 Second week of November 2017 Second week of February 2018 Second Week of May 2018
	Annual General Meeting for the year ending March 31, 2018	:	September 2019
c)	**Financial Year**	:	April 1 to March 31
d)	**Dates of Book Closure**	:	August 26, 2017 to September 20, 2017 (both days inclusive)
e)	**Dividend Payment**	:	Rs. 2 on each equity share of Rs. 10 & Re. 1 on 1% non-cumulative, non-convertible redeemable preference shares of Rs. 100 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting.
f)	**Listing on Stock Exchange, Address and Stock Code**	:	BSE Limited (BSE) Code : 519091 Address: 1st Floor, New Trading Ring, Rotunda Bldg., P.J. Towers, Dalal Street, Mumbai 400 001
			National Stock Exchange of India Limited (NSE) Symbol: TASTYBITE Address: Corporate Services, Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051
g)	**Demat ISIN Number for NSDL & CDSL**	:	INE 488B01017
h)	**Registrar & Share Transfer Agent**	:	M/s Karvy Computershare Pvt. Ltd. Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Ph: 040-44655116 Fax: 040-23420814 e-mail: ramesh.desai@karvy.com; ravi.shukla@karvy.com
i)	**Share Transfer System**	:	In respect of transfer of shares, shareholders are advised to contact M/s. Karvy Computershare Pvt. Ltd. directly. All transfer request received are processed by the Registrar and Transfer Agent and are approved by the Committee of executives constituted by the Company. Share transfers are registered and returned within maximum of 15 days from date of lodgment, if complete in all aspects.
j)	**Plant location**	:	At Post 490, Village Bhandgaon, Taluka- Daund, Dist- Pune - 412214, Maharashtra
k)	**Registered Office and Correspondence address**	:	201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune- 411005

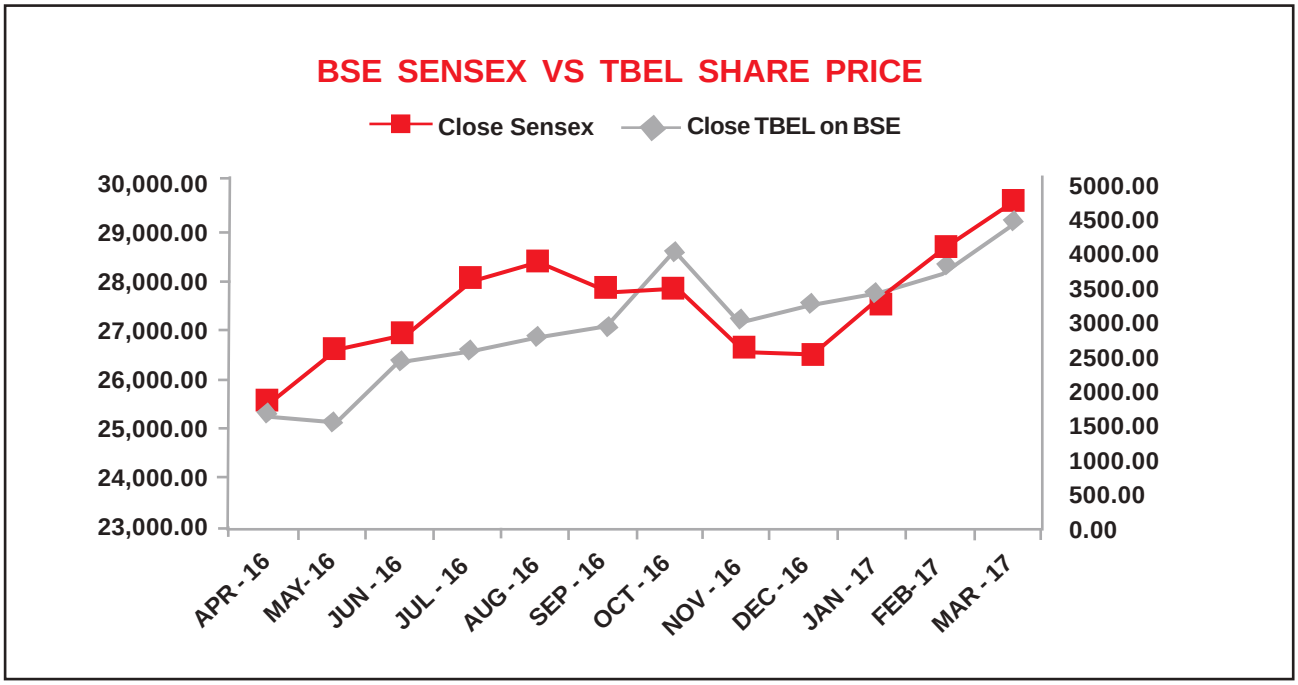
I) Stock Market data

The market price and volume of the Company's Equity Shares traded on the BSE Limited; Mumbai during the year 2016-17 is as follows;

Period	TBEL share prices on BSE		BSE Sensex	
	High (Rupees)	Low (Rupees)	High	Low
April, 2016	1,810.00	1,650.00	26,100.54	24,523.20
May, 2016	2,799.95	1,591.00	26,837.20	25,057.93
June, 2016	2,800.00	2,456.00	27,105.41	25,911.33
July, 2016	3,195.00	2,600.00	28,240.20	27,034.14
August, 2016	3,174.00	2,799.00	28,532.25	27,627.97
September, 2016	4,320.00	2,920.05	29,077.28	27,716.78
October, 2016	4,830.00	4,030.00	28,477.65	27,488.30
November, 2016	4,849.00	3,070.00	28,029.80	25,717.93
December, 2016	3,687.90	3,251.35	26,803.76	25,753.74
January, 2017	4,239.00	3,401.20	27,980.39	26,447.06
February, 2017	5,600.00	3,820.10	29,065.31	27,590.10
March, 2017	4,970.00	4,410.00	29,824.62	28,716.21

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

Stock performance Vs BSE Sensex:



k) Reconciliation of Share Capital Audit Report

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

l) Distribution of Shareholding as on 31st March 2017

As of March 31, 2017, the distribution of the Company's shareholding was as follows:

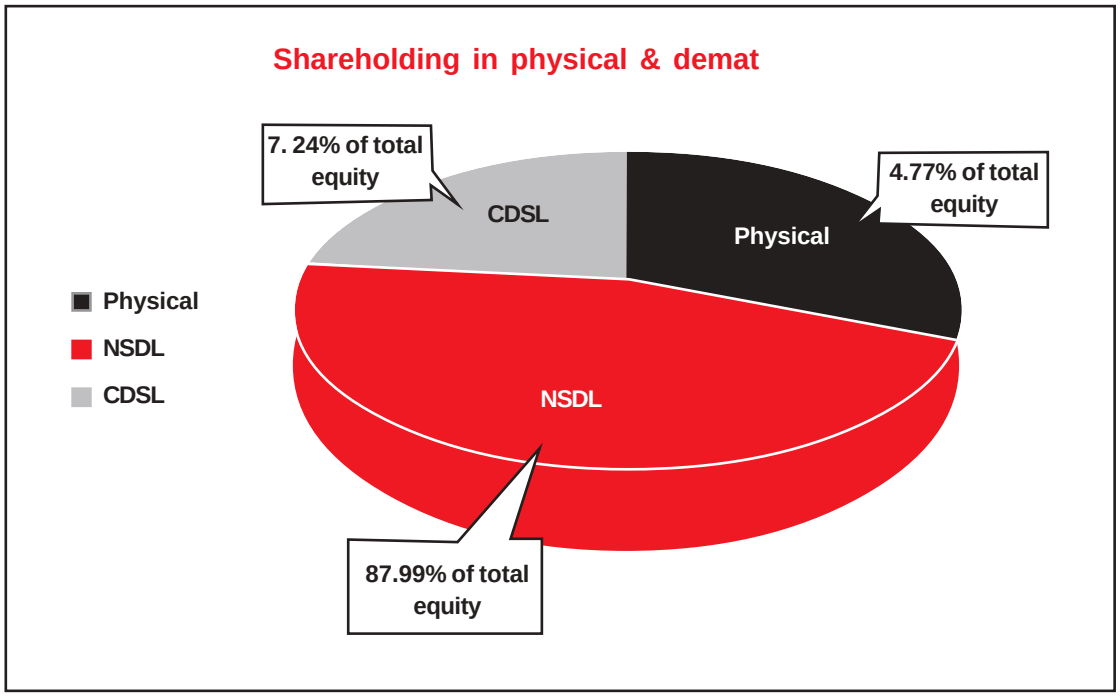
Category (Amount)	No. of Cases	% of Cases	Amount (Rs.)	% of Amount
1 - 5000	3866	96.12	2,574,010	10.03
5001 - 10000	71	1.77	537,260	2.09
10001 - 20000	47	1.17	679,660	2.65
20001 - 30000	15	0.37	358,140	1.40
30001 - 40000	5	0.12	166,570	0.65
40001 - 50000	5	0.12	241,640	0.94
50001 - 100000	6	0.15	455,890	1.78
100001 & Above	7	0.17	20,646,830	80.46
Total	**4022**	**100**	**25,660,000**	**100**

m) Shareholding Pattern as on March 31, 2017

Category	No. of Holders	Total Shares	% To Equity
Banks	1	1,500	0.06
Clearing Members	28	980	0.04
Directors and their Relatives	2	200	0.01
H U F	145	13,220	0.52
Bodies Corporates	145	46,609	1.82
Non Resident Indians	62	9,763	0.38
Non Resident Indians (Non-Repatriation)	23	4,883	0.19
Promoter Companies	1	19,04,510	74.22
Foreign Promoter	1	300	0.01
Foreign Portfolio Investor	1	79	0.00
Resident Individuals	3613	5,83,956	22.76
Total	**4022**	**25,66,000**	**100.00**

n) Dematerialization of shares and liquidity as on March 31, 2017

Description	No. of cases	Total Shares	% to equity
Physical	625	1,22,452	4.77
NSDL	2,051	22,57,829	87.99
CDSL	1,346	1,85,719	7.24
Total	**4,022**	**25,66,000**	**100.00**



o) Outstanding GDR/ADR/Warrants or any :

Not Applicable

convertible instruments

No securities were suspended from trading during the year.

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

q) Commodities price risk and commodity hedging activities:

Strategic buying, alternate vendor development, medium to long term rate contracts. Company does not undertake commodity hedging activities.

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

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

Year	Dividend per share in Rs	Date of declaration*	Due date of transfer to IEPF**	Amount outstanding as on March 31, 2017 (Rs)
2009-10	1.00	16-09-2010	22-10-2017	77,792
2010-11	1.00	05-09-2011	11-10-2018	74,207
2011-12	1.00	06-09-2012	12-10-2019	83,423
2012-13	1.00	10-09-2013	16-10-2020	94,522
2013-14	1.00	10-09-2014	16-10-2021	97,976
2014-15	1.00	14-09-2015	20-10-2022	90,602
2015-16	2.00	19-09-2016	25-10-2023	169,826

*Date of declaration is date of AGM

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

The Company will transfer amount for the year 2009-10 that remained unpaid at the end of 7 years from the date of declaration of dividend on October 22, 2017 to the Investor Education and Protection Fund (IEPF) account as required under Section 124 of the Companies Act, 2013.

CEO/ CFO CERTIFICATION

A declaration by Mr. Ravi Nigam, CEO/Managing Director in terms of Schedule V (D) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board at its meeting held on May 16, 2017.

Declaration stating compliance with Code of Conduct

I, declare that all Directors and members of the Senior Management have affirmed compliance with the code of conduct for the year ended March 31, 2017.

Ravi Nigam
Managing Director
DIN: 00024577

Date: May 16, 2017
Place: Pune

INDEPENDENT AUDITOR'S REPORT

TO

THE MEMBERS OF TASTY BITE EATABLES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TASTY BITE EATABLES LIMITED** ("the Company"), which comprises the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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 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 March 31, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure B"**; and

   g) With respect to the other matters to be included in the Auditor's 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 on its financial position in its financial statements - refer note 32 to the financial statements.

      ii. The Company does not have any material foreseeable losses on long term contracts including derivative contracts requiring provision under the applicable law or accounting standards.

      iii. There are no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

      iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. However, we are unable to obtain sufficient and appropriate audit evidence in respect of certain transactions to report on whether the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management - Refer note 20.1 to the financial statement. Further, as stated in note 20.1 to the financial statements amounts aggregating to Rs. 36 thousand as represented to us by the Management have been utilized for other than permitted transactions and received amount aggregating Rs. 25 thousand from transactions which are not permitted.

FOR KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
(Firm Registration No. 104607W/100166)

Ermin K. Irani
Partner
M. No : 35646

Place : Pune
Date : May 16, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in in Para 1 'Report on Other Legal and Regulatory Requirements' in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2017

Statement on Matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016:

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

(b) As explained to us, the Company has a programme for physical verification of fixed assets at periodic intervals. In our opinion, the period of verification is reasonable having regard to the size of the Company and nature of its assets. The discrepancies noticed on such verification 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 immovable properties are held in the name of the Company, except:

Sr. No.	Type of Asset	Gross Block as on March 31, 2017 (Rupees)	Net Block as on March 31, 2016 (Rupees)	Remarks
1.	Free Hold Land - Gut No. 503	27,591	27,591	The Company has filed a legal suit for illegal occupation of Company land.
2.	Free Hold Land - Gut No. 505, 506, 507	125,586	125,586	Appeal for correction of land records has been rejected by Additional Commissioner, Pune. Appeal is being filed with the Commissioner, Pune.

ii. In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. The discrepancies noticed on physical verification have been properly dealt with in the books of account.

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. Therefore, the provisions of sub-clause (a), (b) and (c) of paragraph 3(iii) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us and the records examined by us, the Company has not advanced any loans or made any investments or provided any guarantees or security to the parties covered under section 185 and 186. Therefore, the provisions of Clause 3 (iv) of the Order are not applicable to the Company.

v. In our opinion and according to the information and explanations given to us, the Company has not accepted any Deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Rules framed thereunder are not applicable.

vi. In our opinion and according to the information and explanations given to us, the maintenance of cost records under sub-section (1) of 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, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues to the appropriate authorities. According to the information and explanations given to us, there are no arrears of outstanding statutory dues in respect of above as on the last day of the financial year for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records examined by us, there are no dues of Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise and Value added tax outstanding on account of any dispute, other than the following:

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Sales Tax Act, 1956	Sales Tax, Interest and Penalty	788,036	1999-2000	The Sales Tax Tribunal
The Bombay Sales Tax Act, 1959	Interest and Penalty	41,778	1999-2000	The Sales Tax Tribunal
The Delhi Sales Tax Act, 1975	Sales Tax, Interest and Penalty	48,702	2003-2004	The Deputy Commissioner of Sales Tax (Appeal)
The Central Excise Act, 1944	Duty, Interest and Penalty	9,883,269	2010-2011	The Commissioner of Central Excise (Appeals)
The Income Tax Act, 1961	Tax and Interest	24,504,930	2007-2008	The Income Tax Appellate Tribunal
The Income Tax Act, 1961	Tax and Interest	22,412,640	2008-2009	The Income Tax Appellate Tribunal
The Income Tax Act, 1961	Tax and Interest	23,881,580	2010-2011	The Income Tax Appellate Tribunal

Of the above, the Company has deposited Rupees 491,778 towards sales tax, Rupees 233,240 towards excise duty and Rupees 8,080,000 towards income tax.

Further, the Company has disputed certain additions and disallowances under the Income Tax Act, 1961 for the years 2003-2004, 2004-2005 and 2005-2006 before the Commissioner of Income Tax (Appeals) and for the year 2012-2013 before the Dispute Resolution Panel. There is no demand for these cases.

viii. The Company has not defaulted in repayment of any dues to financial institutions, banks and government. There are no dues to debenture holders.

ix. The Company has not raised money through initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us and based on the documents and records examined by us on an overall basis, the term loans obtained by the Company were applied for the purpose for which the loans were obtained.

x. During the course of our examination of the books of account and records of the Company, and according to the information and explanation given to us and representations made by the Management, no material fraud by or on the Company by its officers or employees,has been noticed or reported during the year.

xi. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with 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 explanation given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable.

xiii. According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with sections 177 and 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv. According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with them. Hence, the provisions of section 192 of the Act are not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 hence the provisions of paragraph 3 (xvi) of the Order are not applicable.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
(Firm Registration No. 104607W/W100166)

Ermin K. Irani
Partner
M. No.: 35646

Place : Pune
Date : May 16, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Para 2 (f) 'Report on Other Legal and Regulatory Requirements' in our Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2017.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **TASTY BITE EATABLES LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. 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 over financial reporting was established and maintained and if 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 system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting 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.

For KALYANIWALLA & MISTRY LLP
CHARTERED ACCOUNTANTS
(Firm Registration No. 104607W/W100166)

Ermin K. Irani
Partner
M. No.: 35646

Place : Pune
Date : May 16, 2017

BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Note	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	3	**31,613**	31,613
(b) Reserves and Surplus	4	**832,010**	576,802
(2) NON-CURRENT LIABILITIES			
(a) Long-term Borrowings	5	**360,370**	197,435
(b) Deferred Tax Liabilities (Net)	6	**35,135**	39,723
(c) Other Long Term Liabilities	7	**–**	2,161
(d) Long Term Provisions	8	**27,247**	23,160
(3) CURRENT LIABILITIES			
(a) Short-term Borrowings	9	**136,185**	168,402
(b) Trade Payables	10		
(A) Total outstanding dues of micro enterprises and small enterprises		**–**	–
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		**200,753**	195,874
(c) Other Current Liabilities	11	**62,036**	62,583
(d) Short-term Provisions	12	**12,018**	11,435
	Total	**1,697,367**	1,309,188
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed Assets			
(i) Tangible Assets	13	**651,827**	612,406
(ii) Intangible Assets	14	**1,778**	342
(iii) Capital Work-in-Progress		**85,966**	1,779
(b) Long Term Loans and Advances	15	**67,383**	16,253
(c) Other Non-current Assets	16	**2,306**	–
(2) CURRENT ASSETS			
(a) Current Investments	17	**–**	19,000
(b) Inventories	18	**275,829**	190,177
(c) Trade Receivables	19	**329,904**	233,218
(d) Cash and Bank Balances	20	**62,652**	72,945
(e) Short-term Loans and Advances	21	**176,498**	153,219
(f) Other Current Assets	22	**43,224**	9,849
	Total	**1,697,367**	1,309,188

See accompanying notes 1 to 50 to the financial statements.

The notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W/W100166)

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

Ermin K. Irani
PARTNER
Membership No. 35646

Date : May 16, 2017
Place : Pune

Ravi Nigam
Managing Director
DIN: 00024577

Date : May 16, 2017
Place : Pune

Sohel Shikari
Alternate Director
DIN: 00024466

Minal Talwar
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

	Particulars	Note	For the Year Ended 31st March, 2017 Rs. '000	For the Year Ended 31st March, 2016 Rs. '000
I	Revenue from Operations (Gross)	23	2,387,103	1,972,244
	Less: Excise Duty		15,041	13,286
	Revenue from Operations (Net)		2,372,062	1,958,958
II	Other Operating Income	24	150,642	124,252
III	Other Income	25	30,737	4,413
IV	**Total Revenue**	(I +II + III)	2,553,441	2,087,623
V	**Expenses:**			
	(a) Cost of Raw Materials / Packaging			
	Materials Consumed	26	1,483,610	1,247,560
	(b) Changes in Inventories of Finished Goods and			
	Work-in-Progress	27	(5,606)	(12,952)
	(c) Employee Benefit Expenses	28	281,618	212,093
	(d) Interest and Finance Costs	29	16,016	24,007
	(e) Depreciation and Amortization Expenses	30	90,787	73,775
	(f) Other Expenses	31	340,214	297,426
	Total Expenses		2,206,639	1,841,909
VI	**Profit before tax**	(IV - V)	346,802	245,714
VII	**Tax expense:**			
	(a) Current tax		120,328	87,260
	(b) Deferred tax		(4,588)	(677)
	(c) Prior Year Tax Adjustments		3,500	(2,068)
VIII	**Profit for the year**	(VI - VII)	227,562	161,199
IX	**Earning per equity share**			
	Basic and Diluted (Face value: Rs.10 per share)		88.68	62.79
	See accompanying notes 1 to 50 to the financial statements			

The notes referred to above form an integral part of the Financial Statements.

As per our report of even date
For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W/W100166)

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

Ermin K. Irani
PARTNER
Membership No. 35646

Date : May 16, 2017
Place : Pune

Ravi Nigam
Managing Director
DIN: 00024577

Date : May 16, 2017
Place : Pune

Sohel Shikari
Alternate Director
DIN: 00024466

Minal Talwar
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the Year Ended 31st March, 2017		For the Year Ended 31st March, 2016
	Rs. '000	Rs. '000	Rs. '000
A. CASH FLOW FROM OPERATING ACTIVITIES :			
Net Profit Before Tax		346,802	245,714
Adjustment for :			
Depreciation and Amortisation	90,787		73,775
Interest and Finance Costs	16,016		24,007
Interest Income on Bank deposits shown in Finance Activities	(4,317)		(2,364)
Gain on Sale of Investments	(982)		(511)
Loss / (Gain) on Foreign Exchange Transactions	(7,060)		(5,299)
(Profit) / Loss on fixed assets sold / written off (Net)	2,768		1,246
		97,212	90,854
Operating Profit Before Working Capital Changes		444,014	336,568
Changes in Working Capital			
Increase / (Decrease) in Trade Payables	5,592		27,940
Increase / (Decrease) in Other Liabilities	9,775		15,626
Increase / (Decrease) in Provisions	7,395		10,249
(Increase) / Decrease in Loans and Advances	(87,451)		(41,467)
(Increase) / Decrease in Inventories	(85,652)		(49,705)
(Increase) / Decrease in Trade Receivables	(102,531)		(54,464)
(Increase) / Decrease in Other Current Assets	(1,950)		(723)
		(254,822)	(92,544)
Cash Generated from Operations		189,192	244,024
Income Tax Paid		(117,987)	(95,234)
Net Cash Flow from Operating Activities		71,205	148,790
B. CASH FLOW FROM INVESTING ACTIVITIES :			
Purchase of Fixed Assets	(217,447)		(64,433)
Sale of Fixed Assets	–		702
Investments made during the year	(138,800)		(51,500)
Investments sold during the year	158,782		41,511
Cash Flow from Investing Activities		(197,465)	(73,720)
Balance carried forward		(126,260)	75,070

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	For the Year Ended 31st March, 2017		For the Year Ended 31st March, 2016
	Rs. '000	Rs. '000	Rs. '000
Balance Brought Forward		(126,260)	75,070
C. CASH FLOW FROM FINANCING ACTIVITIES :			
Increase / (Decrease) in Borrowings	134,430		(40,125)
Interest and Finance Costs	(14,391)		(23,027)
Interest Income	4,317		2,364
Dividend Paid on Equity Shares	(4,966)		(2,478)
Dividend Paid on Redeemable Preference Shares	(60)		(60)
Dividend Distribution Tax Paid	(1,057)		(525)
Cash Flow from Financing Activities		118,273	(63,851)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :		(7,987)	11,219
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING		72,945	61,726
CASH AND CASH EQUIVALENTS AS AT THE ENDING		64,958	72,945
Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		–	–
		64,958	72,945
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS :		(7,987)	11,219
Cash and Cash equivalents comprise of :			
Cash on hand		289	180
Balances with banks*		64,669	72,765
		64,958	72,945
* includes following balances which are not available for use by the Company			
- Unpaid dividend account		685	519
- Margin money deposit		1,961	1,800
- Deposits held as lien		399	–
- Deposits with more than three months maturity but less than twelve months maturity		27,992	26,451

NOTES

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

As per our report of even date

For **KALYANIWALLA & MISTRY LLP**
CHARTERED ACCOUNTANTS
(Firm Registration No.: 104607W/W100166)

Ermin K. Irani
PARTNER
Membership No. 35646

Date : May 16, 2017
Place : Pune

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

Ravi Nigam
Managing Director
DIN: 00024577

Date : May 16, 2017
Place : Pune

Sohel Shikari
Alternate Director
DIN: 00024466

Minal Talwar
Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017

Note 1 : General Information

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

Note 2 : Significant Accounting Policies

a) Basis of Accounting :

The financial statements of the Company have been prepared on accrual basis under the historical cost convention and on going concern basis in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under section 133 of The Companies Act, 2013 ('the Act'), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013.

b) Use of Estimates :

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

c) Property, Plant and Equipments:

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

Depreciation is provided under the straight-line method as per useful life specified in Schedule II to the Companies Act, 2013 except as stated below:

i. Assets installed on leasehold premises are depreciated over the period of lease.

ii. Assets costing less than Rupees five thousand are depreciated fully in the year of capitalisation.

iii. Form plates are depreciated over the useful life of 2 years.

iv. Computer software is amortised over its estimated useful economic life of five years.

d) Inventories:

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

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

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

e) Investments:

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016 (Contd.)

f) Borrowing Costs:

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

g) Foreign Exchange Transactions:

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

h) Revenue Recognition:

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

Interest income is recognised on the time proportion method.

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

i) Research and Development Expenditure:

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

j) Export Incentives:

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

k) Government Grants:

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

l) Employee Benefits:

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

m) Taxes on income:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

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

n) Impairment of Assets:

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

o) Provisions and Contingencies:

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

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

p) Derivative Financial Instrument and Hedging:

The Company enters into derivative financial instruments to hedge foreign currency risk of firm commitments and highly probable forecast transactions and interest rate risk. The method of recognising the resultant gain or loss depends on whether the derivative is designated as a hedging instrument and if so the nature of item being hedged. The carrying amount of derivative designated as hedge is mark to market. The Company does not enter into any derivatives for trading purpose.

Cash Flow Hedge:

Forwards exchange contracts entered into to hedge foreign currency risk of firm commitments or highly probable future forecast transactions and interest rate swaps, that qualify as cash flow hedges are recorded in accordance with the principles of hedge accounting enunciated in the Guidance Note on Accounting for Derivative Contracts as issued by The Institute of Chartered Accountants of India. The gains and losses on designated hedging instruments that qualify as effective hedges are recorded in Hedging Reserve and are recorded in Statement of Profit and Loss in the same period or periods during which the hedged transactions affect the Statement of Profit and Loss. Gains or losses on ineffective hedged transactions are immediately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gains or losses that were previously recognised in the Hedging Reserve are transferred to Statement of Profit and Loss immediately.

q) Earnings Per Share

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 3 : Share Capital		
(a) AUTHORISED SHARE CAPITAL :		
4,400,000 (Previous Year : 4,400,000) Equity Shares of Rs.10/- each	44,000	44,000
60,000 (Previous Year : 60,000) 1% Non-Cumulative, Non-Convertible,		
Redeemable Preference Shares of Rs. 100/- each.	6,000	6,000
	50,000	50,000
(b) ISSUED, SUBSCRIBED AND PAID UP CAPITAL :		
2,566,000 (Previous Year : 2,566,000) Equity shares of Rs. 10/- each		
fully paid up	25,660	25,660
59,530 (Previous Year : 59,530) 1% Non-Cumulative, Non-Convertible,		
Redeemable Preference Shares of Rs. 100/- each fully paid up.	5,953	5,953
Total Issued, Subscribed and Fully Paid-up Share Capital	31,613	31,613

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

Equity Shares	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	2,566,000	25,660	2,566,000	25,660
Issued during the year	–	–	–	–
Outstanding at the end of the year	2,566,000	25,660	2,566,000	25,660

1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	As at 31st March, 2017		As at 31st March, 2016	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	59,530	5,953	59,530	5,953
Issued during the year	–	–	–	–
Outstanding at the end of the year	59,530	5,953	59,530	5,953

(d) Details of shares held by Holding Company

Out of above, 1,904,510 (Previous Year: 1,904,510) Equity shares and 59,530 (Previous Year: 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares are held by Preferred Brands Foods (India) Private Limited, the immediate holding company, the subsidiary of Preferred Brands International Inc., USA, the subsidiary of Kagome Co. Ltd., the Ultimate Holding Company. In addition to this, 300 (Previous year: 300) Equity Shares are held by the Ultimate Holding Company.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

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

Name of the Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	% holding	No. of shares	% holding	No. of shares
Preferred Brands Foods (India) Private Limited	74.22	1,904,510	74.22	1,904,510
K. Swapna			5.77	147,972

(f) Terms attached to Equity Shares

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

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

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

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 4 : Reserves and Surplus		
(a) **Securities Premium Account**		
Balance as per last financial statement	9,475	9,475
(b) **Capital Reserve**		
Balance as per last financial statement	5,734	5,734
(c) **Reserve for Premium on Preference Share Capital**		
Balance as per last financial statement	116,083	116,083
(d) **Cash Flow Hedge Reserve**		
Balance as per last financial statement	5,994	–
Additions during the year	27,646	5,994
Balance as at the end of the year	33,640	5,994
(e) **Surplus in the Statement of Profit and Loss**		
Balance as per last financial statement	439,516	284,566
Add : Transferred from Statement of Profit and Loss	227,562	161,199
Less : Appropriations		
Proposed Dividend on Equity Shares	–	5,132
Dividend on Redeemable Preference Shares	–	60
Tax on dividend	–	1,057
Net surplus in the statement of profit and loss	667,078	439,516
Total Reserves and Surplus	832,010	576,802

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 5 : Long-Term Borrowings		
Unsecured Loans		
- from Banks		
- External Commercial Borrowings	344,191	197,435
- Buyers Credit	16,179	–
Total Long-Term Borrowings	360,370	197,435

(a) The Company had replaced Foreign Currency Term Loan (FCTL) taken from an Indian Bank by availing External Commercial Borrowing (ECB) from Japanese Bank in the previous year. Replacement of FCTL has been approved by the Reserve Bank of India (RBI) vide its letter No. FED.CO.ECBD/8388/03.02.766/2015-16 dated January 22, 2016. ECB carries interest at 3 months LIBOR plus 0.90 bps per annum. The loan is repayable in 8 years by way of 32 quarterly equal installments commencing from June, 2016. This ECB is fully unsecured.

(b) During the year, the Company had taken ECBs from a Japanese bank for capacity expansion and modernisation of the existing manufacturing infrastructure. ECB of USD 2,500 thousand is approved by the RBI vide its letter reference number DSIM/BPSD/3730/04.61.19/2015-16 dated April 4, 2016. ECB carries interest at 3 months LIBOR plus 0.90 bps per annum. First drawdown date was April 11, 2016. As per the loan agreement terms, moratorium period is two years and the loan is repayable in 6 years by way of 24 quarterly equal installments commencing from July, 2018. Prepayment of the loan shall be permitted, whether in full or partly, without any prepayment penalty or charges. Prepayment is allowed only on an interest payment date.

ECB of USD 900 thousand is approved by the RBI vide its letter reference number DSIM/BPSD/3299/04.61.19/2016-17 dated March 8, 2017. ECB carries interest at 3 months LIBOR plus 0.75 bps per annum. First drawdown date was March 10, 2017. As per the loan agreement terms, moratorium period is for one year and the loan is repayable in 4 years by way of 16 quarterly equal installments commencing from June 10, 2018. Prepayment of the loan shall be permitted, whether in full or partly, without any prepayment penalty or charges. Prepayment is allowed only on an interest payment date. This ECB is fully unsecured.

(c) During the year, the Company had availed Buyers Credit facility from a Japenese bank for import of capital goods and components in USD and JPY currencies only. The Company had drawn down USD 249 thousand from bank. This facility is fully unsecured. The maximum tenor is 3 years from the date of each drawdown. Facility carries interest at 3 months LIBOR plus 0.75 bps per annum. Interest is payable on quarterly basis from the date of drawdown. As per the sanction terms repayment must be made in full in the same currency on the maturity date. Prepayment of the loan shall be permitted, whether in full or partly, without any prepayment penalty or charges. Prepayment is allowed only on an interest payment date.

(d) There is no default as on 31st March, 2017 and as on 31st March, 2016 in repayment of principal and interest.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 6 : Deferred Tax Liabilities		
In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities / assets. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are:		
Deferred Tax Liability		
Depreciation on fixed assets	51,458	51,727
Deferred Tax Asset		
Provision for employee benefits	13,931	9,851
Others	2,392	2,153
Deferred Tax Liabilities (Net)	35,135	39,723
Note 7 : Other Long-Term Liabilities		
Derivative Liabilities	–	2,161
Total other Long-Term Liabilities	–	2,161
Note 8 : Long-Term Provisions		
Provision for Employee Benefits (Refer note no. 28)		
- Gratuity	16,016	13,785
- Leave Encashment	11,231	9,375
Total Long-Term Provisions	27,247	23,160
Note 9 : Short Term Borrowings		
Secured Loans		
Working Capital Loans repayable on demand from banks		
Cash Credit	–	155,168
Unsecured Loans		
Working Capital Loans repayable on demand from banks		
Cash Credit	136,185	13,234
Total Short Term Borrowings	136,185	168,402

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

(a) Secured loans were taken from two banks. Cash credit from one bank is secured by first pari passu hypothecation charge on present and future current assets of the Company. Cash credits are collaterally secured by hypothecation of second pari passu charge on movable fixed assets of the Company both present and future, negative lien over land and buildings of the Company and corporate guarantee of Preferred Brands International Inc., the Holding Company. Cash credit include facilities of working capital demand loan, pre and post shipment credit, export packing credit, Letter of Credit and Buyers Credit. Cash Credit from another bank is secured by way of first priority charge over all present and furture current assets and movable fixed assets of the Company and collaterally secured by present and future immovable properties and corporate guarantee issued by Preferred Brands International Inc., the Holding Company and personal guarantees of directors of Preferred Brands Foods (India) Private Limited, the Immediate Holding Company. Cash credit include facilities of Export packing credit, Packing credit in foreign currency, Foreign bill discounting, Letter of credit, Buyers Credit, Bank Gurantee.

(b) Unsecured loans are taken from two Japenese banks and these facilities are obtained in the form of overdraft, working capital demand loans, export credit facility. Export Packing Credit (EPC), Export Bill Discounting (EBD), Pre-Shipment Credit in Foreign Currency (PCFC), Post-Shipment Credit in Foreign Currency (PSFC) carries interest rate of LIBOR plus 40 bps per annum. Overdraft facility carries interest rate of MCLR + 3% p.a. (presently MCLR is 6.50% p.a.).

(c) There is no default as on 31st March, 2017 and as on 31st March, 2016 in repayment of principal and interest.

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 10 : Trade Payables		
(a) Trade Payables		
(A) Total outstanding dues of micro enterprises and small enterprises	–	–
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	200,753	195,874
Total Trade Payables	200,753	195,874

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 11 : Other Current Liabilites			
(a)	Current maturities of long term borrowings (Refer Note no. 5)	**27,642**	38,130
(b)	Interest accrued but not due on borrowings	**1,104**	206
(c)	Unpaid dividends	**685**	519
(d)	Payables for fixed assets	**13,606**	7,489
(e)	Other payables		
	- Statutory dues payable	**3,174**	3,197
	- Employee dues payable	**7,840**	5,737
	- Others	**7,985**	7,305
	Total Other Current Liabilities	**62,036**	62,583
Note 12 : Short-Term Provisions			
(a)	Provision for Employee Benefits (Also refer note no. 28)		
	- Gratuity	**6,153**	3,036
	- Leave Encashment	**2,341**	2,150
(b)	Provision for Taxation	**3,524**	–
(c)	Provision for Mark to Market Losses on Derivatives	**–**	–
(d)	Proposed Dividend on Equity Shares*	**–**	5,132
(e)	Proposed Dividend on Redeemable Preference Shares*	**–**	60
(f)	Tax on Dividend*	**–**	1,057
	* (Refer note no. 44)		
		12,018	11,435

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Note 13 : Tangible Assets

Rs. '000

ASSET	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1st April 2016	Additions	Adjustments	Deductions	As at 31st March 2017	As at 1st April 2016	For the Year	On Deductions	Upto 31st March 2017	As at 31st March 2017	As at 31st March 2016
Freehold Land	1,364	–	–	–	1,364	–	–	–	–	1,364	1,364
Buildings	172,313	18,628	(917)	1,359	188,665	40,409	9,988	845	49,552	139,113	131,904
Plant and Machinery	680,711	101,997	(5,110)	11,727	765,871	245,295	69,810	6,580	308,525	457,346	435,416
Office Equipments	9,814	1,954	(23)	185	11,560	5,711	1,439	185	6,965	4,595	4,103
Computers	9,107	654	–	326	9,435	7,623	734	326	8,031	1,404	1,484
Furniture and Fixtures	18,445	7,441	(133)	–	25,753	6,972	2,233	–	9,205	16,548	11,473
Vehicles	75	–	–	24	51	67	5	24	48	3	8
Electrical Installations	33,942	11,440	(272)	188	44,922	14,247	5,122	188	19,181	25,741	19,695
Laboratory Equipments	4,509	29	–	109	4,429	1,409	463	95	1,777	2,652	3,100
Leasehold Improvements	3,990	–	–	–	3,990	131	798	–	929	3,061	3,859
Total	**934,270**	**142,143**	**(6,455)**	**13,918**	1,056,040	**321,864**	**90,592**	**8,243**	404,213	651,827	
Previous year	859,574	63,101	15,895	4,300	934,270	250,700	73,756	2,592	321,864		612,406

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

(b) Depreciation charged to the statement of profit and loss for the year on availment of above option is Rs.8,775 thousand (Previous Year: Rs.7,949 thousand).

(c) Amount of foreign exchange remaining to be amortised as at March 31, 2017 is Rs.48,067 thousand (Previous Year: Rs.63,297 thousand).

(d) Deductions include decapitalisation of duties of excise and customs amounting to Rs.2,907 thousand (Previous Year: Nil). Corresponding depreciation thereon is Rs.432 thousand (Previous Year: Nil).

Note 14 : Intangible Assets

Rs. '000

ASSET	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1st April 2016	Additions	Deductions	Adjustments	As at 31st March 2017	Upto 1st April 2016	For the Year	On Deductions	Upto 31st March 2017	As at 31st March 2017	As at 31st March 2016
Computer Softwares	4,102	1,631	-	-	5,733	3,760	195	-	3,955	1,778	342
TOTAL	**4,102**	**1,631**	**-**	**-**	5,733	**3,760**	**195**	**-**	3,955	1,778	
Previous year	3,741	361		-	4,102	3,741	19	-	3,760		342

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 15 : Long-Term Loans and Advances			
	(Unsecured, considered good unless otherwise stated)		
(a)	Security Deposits		
	- Considered Good	3,768	3,766
	- Considered Doubtful	2,357	2,357
(b)	Capital Advances	62,871	7,446
(c)	Prepaid Expenses	744	1,099
(d)	Advance to suppliers		
	- Considered Doubtful	1,252	930
(e)	Advance taxes	–	3,942
(f)	Less: Provision for doubtful receivables and advances	3,609	3,287
	Total Long-Term Loans and Advances	67,383	16,253
Note 16 : Other Non-current Assets			
	(Unsecured)		
	Trade receivables		
(a)	Outstanding for a period exceeding		
	6 months from the date they are due for payment		
	- Considered doubtful	522	646
(b)	Others		
	- Considered doubtful	692	–
		1,214	646
	Less : Provision for doubtful debts	1,214	646
		–	–
	Other bank balances		
(a)	Margin Money	1,961	–
(b)	Deposits with bank held as lien	345	–
	Total Other Non-current Assets	2,306	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 17 : Current Investments		
At Cost		
Investment in Mutual Funds		
Unquoted		
Nil (Previous Year: 78,470.542) units of		
Birla Sun Life Cash Plus - Growth - Direct Plan	–	19,000
Total Current Investments	**–**	19,000
Aggregate amount of unquoted investments	–	19,000
Note 18 : Inventories		
(a) Raw Material	**140,177**	92,461
(b) Stores and Spares	**5,534**	5,171
(c) Packing Material	**63,989**	32,022
(d) Work in Progress	**21,884**	27,539
(e) Finished Goods		
- Finished Goods on hand	**31,877**	20,091
- Finished Goods in transit	**12,368**	12,893
Total Inventories	**275,829**	190,177
18.1 Details of inventory		
(i) Finished Goods		
- Ready to Serve	**18,536**	19,187
- Frozen Formed Products	**11,472**	6,875
- Sauces	**14,237**	6,922
	44,245	32,984
(ii) Work in Progress		
- Ready to Serve	**17,829**	22,485
- Frozen Formed Products	**1,410**	760
- Sauces	**2,645**	4,294
	21,884	27,539

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 19 : Trade Receivables		
(Unsecured, considered good)		
(a) Outstanding for a period exceeding 6 months		
from the date they are due for payment		
- Considered good	–	51
(b) Others		
- Considered good	329,904	233,167
Total Trade Receivables	329,904	233,218
Note 20 : Cash and Bank Balances		
(a) Cash and Cash Equivalents		
(i) Cash on hand	289	180
(ii) Balances with banks	33,632	43,995
	33,921	44,175
(b) Other Bank Balances		
(i) Margin Money	–	1,800
(ii) Deposits with bank held as lien	54	–
(iii) Deposits with more than three months maturity		
but less than twelve months maturity	27,992	26,451
	28,046	28,251
(c) Earmarked Balances with Banks	685	519
Total Cash and Bank Balances	62,652	72,945

20.1 During the year, the Company had specified bank notes or other denominations note as defined in the Ministry of Corporate Affairs notification G.S.R 308 (E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank Notes* Rs. '000	Other Denomination Notes Rs. '000
Closing cash in hand as on November 8, 2016	45	32
Transactions between November 9, 2016 and		
December 30, 2016:		
(+) Permitted Receipts	–	8
(+) Not permitted Receipts	25	–
(+) Withdrawl from bank account	–	480
(-) Permitted Payments	–	460
(-) Not permitted Payments	36	–
(-) Amount deposited in bank	34	–
Closing cash in hand as on December 30, 2016	–	**60**

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

* for the purposes of this clause, the term "Specified Bank Notes" shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated 8th November, 2016.

	As at 31st March, 2017 Rs. '000	As at 31st March, 2016 Rs. '000
Note 21 : Short-term Loans and Advances		
(Unsecured, considered good unless otherwise stated)		
(a) Balances with Government Authorities	**62,736**	43,474
(b) Prepaid expenses	**3,753**	3,385
(c) Export Incentives Receivables	**102,843**	101,857
(d) Employee Advances	**160**	255
(e) Advance to suppliers	**7,006**	4,248
Total Short-term Loans and Advances	**176,498**	153,219
Note 22 : Other Current Assets		
(a) Derivative asset	**39,580**	8,155
(b) Interest accrued on deposits	**869**	932
(c) Others	**2,775**	762
Total Other Current Assets	**43,224**	9,849

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 23 : Revenue from Operations			
(a)	Sales (Gross)	2,387,103	1,972,244
	Less : Excise Duty	15,041	13,286
	Total Revenue from Operations	2,372,062	1,958,958
23.1	**Details of sales**		
	Finished Goods		
	- Ready to Serve	1,601,292	1,307,809
	- Frozen Formed Products	381,664	336,063
	- Sauces	386,986	313,168
	Others	2,120	1,918
		2,372,062	1,958,958
Note 24 : Other Operating Income			
	Export Incentives	145,016	119,386
	Scrap Sales	5,626	4,866
	Total Other Operating Income	150,642	124,252
Note 25 : Other Incomes			
(a)	Interest		
	- on Bank Deposits	4,317	2,364
	- on Others	1,149	559
(b)	Gain on Foreign Exchange (Net)	22,454	–
(c)	Gain on Sale of Investments	982	511
(d)	Sundry Balances Written Back	1,615	576
(e)	Miscellenoues Income	220	403
	Total Other Income	30,737	4,413

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 26 : Cost of raw materials / packaging materials consumed			
(a)	Opening Stock	124,483	90,255
(b)	Purchases (Net)	1,563,293	1,281,788
		1,687,776	1,372,043
(c)	Less : Closing Stock	204,166	124,483
	Total Cost of raw materials / packaging materials consumed	1,483,610	1,247,560
Note 27 : Changes in inventories of finished goods and work-in-progress			
(a)	Opening Stock of :		
	Finished Goods	32,984	29,883
	Work in Progress	27,539	17,688
		60,523	47,571
(b)	Closing Stock of :		
	Finished Goods	44,245	32,984
	Work in Progress	21,884	27,539
		66,129	60,523
	Changes in inventories of finished goods and work-in-progress	(5,606)	(12,952)
Note 28 : Employee Benefit Expenses			
(a)	Salaries, Wages, Bonus and Gratuity	168,813	132,427
(b)	Contribution to Provident and Other Funds	9,304	7,267
(c)	Labour cost	98,733	68,812
(d)	Workmen and Staff Welfare Expenses	4,768	3,587
	Total Employee Benefit Expenses	281,618	212,093

28.1 Defined Contribution Plan:

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

28.2 Defined Benefit Plan:

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

	Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	**29,981**	20,993
Current Service Cost	**3,061**	2,247
Interest Cost	**2,337**	1,682
Contribution by Plan Participants	**–**	–
Actuarial (Gain) / Loss on Obligation	**9,222**	5,365
Foreign Currency exchange rate changes	**–**	–
Benefits Paid	**(1,134)**	(306)
Past Service Cost	**–**	–
Amalgamations/ Curtailments/ Settlements	**–**	–
Present value of the obligation at the end of the year	**43,467**	29,981
Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	**13,160**	12,574
Expected return on Plan Assets	**1,052**	1,007
Actuarial Gain / (Loss) on Plan Assets	**1,086**	(421)
Foreign Currency exchange rate changes	**–**	–
Contributions by the Employer	**6,000**	–
Contributions by Plan Participants	**–**	–
Benefits Paid	**–**	–
Amalgamations/ Settlements		
Fair value of Plan Assets at the end of the year	**21,298**	13,160
Amounts Recognized in the Balance Sheet:		
Present value of Obligation at the end of the year	**43,467**	29,981
Unrecognized Past Service Cost	**–**	–
Fair value of Plan Assets at the end of the year	**21,298**	13,160
Net Obligation at the end of the year	**22,169**	16,821
Amounts Recognized in the statement of Profit and Loss:		
Current Service Cost	**3,061**	2,247
Interest cost on Obligation	**2,337**	1,682
Expected return on Plan Assets	**(1,052)**	(1,007)
Expected return on Reimbursement Right recognised as an asset	**–**	–
Net Actuarial (Gain) / Loss recognised in the year	**8,136**	5,786
Past Service Cost	**–**	–
Effect of Curtailment or Settlement	**–**	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Expenses recognized in the statement of profit and loss	**12,482**	8,708
Actual return on Plan Assets	**2,138**	587
Actuarial Assumptions:		
Discount Rate	**7.00%**	7.80%
Expected Rate of Return on Plan Assets	**7.50%**	8.00%
Salary Escalation Rate	**7.50%**	7.50%
Employee Turnover	**10.50%**	10.50%
Mortality	**Indian Assured Lives Mortality (2006-08) Ultimate**	Indian Assured Lives Mortality (2006-08) Ultimate

Note:

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

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

(iii) Plan assets are insurer managed fund.

28.3 The liability for leave encashment as at the year end is **Rs. 13,572 thousand** (Previous Year: Rs.11,525 thousand).

		Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 29 : Interest and Finance Cost			
(a)	Interest		
	- Long Term Borrowings from Banks	**8,665**	11,341
	- Long Term Borrowings from Others	**150**	454
	- Short Term Borrowings from Banks	**4,262**	4,811
	- Interest on Income Tax	**1,625**	980
	- Others	**10**	341
(b)	Other Finance Cost	**1,304**	6,080
	Total Interest and Finance Costs	**16,016**	24,007

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 30 : Depreciation and Amortisation Expenses			
(a)	Depreciation on tangible assets	90,592	73,756
(b)	Depreciation on intangible assets	195	19
	Total Depreciation and Amortisation Expenses	90,787	73,775
Note 31 : Other Expenses			
(a)	Stores, Spares and Consumables	46,845	26,908
(b)	Power and Fuel	73,745	61,546
(c)	Corporate Social Responsibility Expenses	2,552	3,068
(d)	Repairs and Maintenance:		
	- Plant and Machinery	3,776	8,457
	- Buildings	8,799	3,451
	- Others	2,056	1,876
(e)	Rent, Rates and Taxes	10,741	8,765
(f)	Telephone and Postage	4,788	4,183
(g)	Travelling and Conveyance	13,651	15,395
(h)	Legal and Professional Charges	23,164	17,218
(i)	Printing and Stationary	8,623	6,517
(j)	Insurance	4,170	3,599
(k)	Freight	102,654	97,819
(l)	Selling Expenses	2,789	1,557
(m)	Bad Debts Written Off	522	691
(n)	Provision for Doubtful Debts / (Reversal)	568	(261)
(o)	Provision for Doubtful Advances / (Reversal)	322	(1,265)
(p)	Loss on Fixed Assets Sold / Written Off (Net)	2,768	1,246
(q)	Loss on Foreign Exchange (Net)	–	4,032
(r)	Auditor's Remuneration (Refer note. 45)	2,148	1,807
(s)	Miscellaneous Expenses	25,533	30,817
	Total Other Expenses	340,214	297,426

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

	Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 32 : Contingent Liabilities		
(a) Sales Tax demands disputed by the Company and under appeal	930	930
(b) Income tax liability towards additions / disallowances under dispute	100,475	115,807
(c) Excise duty demand contested by the Company	9,650	3,110
(d) Labour case disputed by the Company under appeal	224	92

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

Note 33 : Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs. 68,089 thousand** (Previous Year: Rs. 29,978 thousand)

Note 34 : Derivative Contracts

Interest Rate Swap Contracts

Particulars	Current Year	Previous Year
Total No. of contracts outstanding	1	1
Principal Notional Amount (USD in Thousands)	2,984	3,410
Amount recognized in hedging reserve (loss)/gain INR in thousands	3,414	(2,161)
Maturity Period	7 Years	8 Years

Particulars	Current Year	Previous Year
Total No. of contracts outstanding	1	–
Principal Notional Amount (USD in Thousands)	2,500	–
Amount recognized in hedging reserve (loss)/gain INR in thousands	3,719	–
Maturity Period	8 Years	–

Particulars	Current Year	Previlous Year
Total No. of contracts outstanding	1	–
Principal Notional Amount (USD in Thousands)	900	–
Amount recognized in hedging reserve (loss)/gain INR in thousands	(508)	–
Maturity Period	5 Years	–

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Forward Contracts

Particulars	Current Year	Previous Year
Total No. of contracts outstanding	57	84
Principal Notional Amount (USD in Thousands)	6,810	6,305
Amount recognized in hedging reserve (loss)/gain INR in thousands)	27,015	8,155
Maturity Period	Upto 1 Year	Upto 1 Year

Note 35 :

Preferred Brands International Inc., holding company of immediate holding company has paid Rs.3,519 thousand (Previous Year: 21,783 thousand) to employees of the Company under the Value Pool Creation Agreement based on the options vested as per Employees Stock Option Equity Plan.

Note 36 :

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

Note 37 : Related Party Disclosures

(a) Relationships :

(i) HOLDING COMPANY

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

(ii) ULTIMATE HOLDING COMPANY

Kagome Co Ltd.

(iii) FELLOW SUBSIDIARY

Preferred Brands Australia Pty. Ltd.
ASG Omni India Private Limited
Preferred Brands UK Ltd.
Kagome Australia Pty. Ltd
Kagome Foods India Private Limited (formerly known as Ruchi Kagome Foods India Private Ltd.)
United Gentics India Private Limited

(iv) KEY MANAGEMENT PERSONNEL

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

(v) RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Ruby Nigam
Mrs. Reshma Shikari

(vi) ENTERPRISE WHICH EXERCISES SIGNIFICANT INFLUENCE

ASG OMNI L.L.C.

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

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

Sr. No.	Particulars	Preferred Brands Foods (India) Private Limited		Preferred Brands International, Inc. USA		Preferred Brands Australia Pty. Ltd.		Preferred Brands United Kingdom Ltd.		ASG Omni India Private Limited		Kagome Company Limited		Kagome Foods India Private Limited		Kagome Foods Australia Pty. Ltd.		United Gentics India Private Limited	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Sales	–	–	1,552,924	1,277,713	31,581	28,567	13,760	–	–	–	–	–	–	–	–	–	–	–
2	Purchases	–	–	–	–	–	–	–	–	–	–	–	–	2,398	–	15,661	1,922	–	–
3	Expenses Charged to Other Companies	93	20	1,389	4,014	411	48	–	–	–	–	10,819	2,192	116	–	–	–	102	–
4	Expenses Charged by Other Companies	–	–	2,837	721	13	511	–	–	–	–	–	–	–	–	–	–	–	–
5	Interest on Loan Taken	–	–	150	454	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Write back of balances	–	–	–	–	–	–	–	–	–	215	–	–	–	–	–	–	–	–
7	Dividend Paid	3,869	1,964	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Outstanding receivables net of payables	–	–	243,372	137,208	5,747	2,364	1,844	-	–	–	2,583	508	(1,462)	–	–	–	–	–
9	Loan Outstanding	–	–	–	9,926	–	–	–	–	–	–	–	–	–	–	–	–	–	–

(ii) Details relating to parties referred to in items (a) (iv) above (Rupees in Thousand):

Sr. No.	Particulars	Ravi Nigam		Sohel Shikari		Minal Talwar	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Remuneration	11,404	7,857	11,206	7,665	841	794
2	Payment under employees stock option equity plan by the Holding Company (Refer note no. 35)	–	–	–	–	138	135

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Note 38 : Segment Reporting

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

(a) Information about Primary Segments

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

(b) Information about Secondary Segments

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

Particulars	India		Outside India		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Revenue	948,803	778,360	1,604,638	1,309,263	2,553,441	2,087,623
Carrying amount of segment assets	1,415,381	1,158,508	281,986	150,680	1,697,367	1,309,188
Capital Expenditure	221,504	64,433	–	–	221,504	64,433

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

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

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

Note 39 : Consumption of materials and stores

Item	Year ended 31st March, 2017		Year ended 31st March, 2016	
	Rs. '000	%	Rs. '000	%
a) Raw Materials and Packing Material				
- Imported	314,733	21%	258,122	21%
- Indigenous	1,168,877	79%	989,438	79%
	1,483,610	100%	1,247,560	100%
b) Stores, Spares and Consumables				
- Imported	5,447	12%	2,108	8%
- Indigenous	41,398	88%	24,800	92%
TOTAL	46,845	100%	26,908	100%

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 40 : Value of imports on C.I.F. basis			
a)	Raw Materials and Packing Materials	271,921	207,800
b)	Plant and Machinery	48,542	17,437
c)	Stores and Spares	4,930	3,596
	TOTAL	325,393	228,833
Note 41 : Expenditure in foreign currency			
a)	Travel	648	2,492
b)	Interest	8,815	661
c)	Professional fees	1,084	1,357
d)	Others	450	993
	TOTAL	10,997	5,503
Note 42 : Earnings in foreign currency			
a)	F.O.B. Value of Exports	1,514,742	1,226,478
Note 43 : Proposed Dividend			
a)	On Equity Shares of Rs. 10 each		
	Amount of Dividend Proposed	5,132	5,132
	Dividend Per Equity Share	Rs 2 per share	Rs 2 per share
b)	On Preference Shares of Rs. 100 each		
	Amount of Dividend Proposed	60	60
	Dividend Per Preference Share	Re 1 per share	Re 1 per share
c)	There are no arrears of dividends relating to preference shares.		

Note 44 :

As per Accounting Standard 4 - Contingencies and Events Occurring after the Balance Sheet Date notified under the Companies (Accounting Standards) Amendmend Rules, 2016, dividend payable to shareholders shall be accounted as and when declared by the Company. Consequently, tax on dividend shall be accounted as and when dividend is accounted.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

		Year ending 31st March, 2017 Rs. '000	Year ending 31st March, 2016 Rs. '000
Note 45 : Amounts paid to Auditors (Excluding Service Tax)			
a)	Audit Fees	**900**	847
b)	Audit under other statutes	**215**	165
c)	Certificates	**752**	633
d)	Out of Pocket Expenses	**281**	162
	Total	**2,148**	1,807
Note 46 : Leases			
	The Company has operating leases for office space which will expire over next 1-5 years. The total of future minimum lease payments under non-cancelable operating leases:		
a)	Not later than one year	**6,225**	6,000
b)	Later than one year and not later than five years	**3,225**	9,450
c)	Later than five years	–	–
Note 47 : Earnings per Share			
	Net Profit as per the Statement of Profit and Loss	**227,562**	161,199
	Less: Preference share dividend (including dividend distribution tax)	**–**	72
	Amount available for Equity shareholders	**227,562**	161,127
	Weighted Average No. of Equity shares outstanding	**2,566,000**	2,566,000
	Earning per share - Basic and Diluted (Rs.)	**88.68**	62.79
	Face Value per Equity Share (Rs.)	**10**	10

Note 48 : Corporate Social Responsibility

Section 135 of the Companies Act, 2013 and Rules made therunder prescribe that every company having net worth of Rs 500 crore or more, or turnover of Rs.1000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the Company spends, in every financial year, at lease 2% of the average net profits made during the three immediately preceeding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2017 (Contd.)

Gross amount required to be spent by the Company during the year Rs. 3,037 thousand (Previous Year: Rs.2,004 thousand).

Amount spent during the current year towards corporate social responsibility for the current year and previous year are as under:

Rs. in '000

		In Cash	Yet to be spent in cash	Total
(i)	Construction/acquisition of any asset			
	Current Year	**2,532**	**–**	**2,532**
	Previous Year	–	1,918**	–
(ii)	On purposes other than (i) above			
	Current Year	**20**	**–**	**20**
	Previous Year	1,150*	–	3,068

* Expenditure in form of food relief and not in cash.

** Expenditure booked in the previous year, however actual payment made in the current year on account of pending documentation.

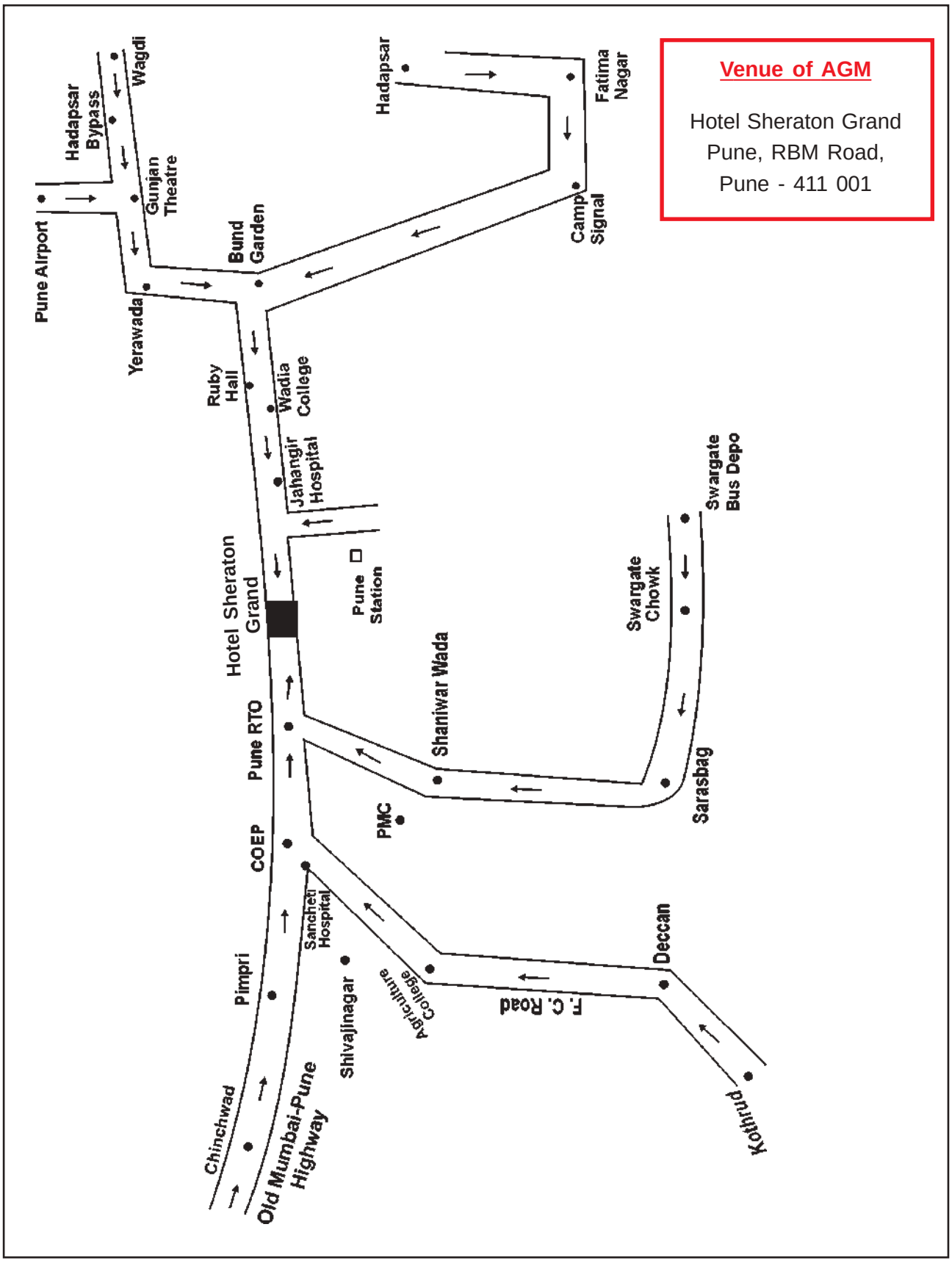
Note 49 : Research and Development Expenditure

The Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India has recognized Tasty Bite Research Center ('TBRC') as an "In-house R&D facility" with effect from June 21, 2011. The Department had granted approval to TBRC upto March 31, 2016 for the purpose of section 35 (2AB) of the Income Tax Act, 1961. The recognition of TBRC has been renewed with effect from April 1, 2016 till March 31, 2019.

The revenue expenditure amounting to Rs.16,282 thousand (Previous Year: Rs.16,458 thousand) on research and development is charged to the Statement of Profit and Loss. Further, the Company has incurred capital expenditure of Rs.608 thousand (Previous Year: Rs.549 thousand) for research and development facility and is included in company's assets.

Note 50 : Previous Year Figures

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


Venue of AGM
Hotel Sheraton Grand
Pune, RBM Road,
Pune - 411 001
Pune Airport
Hadapsar Bypass
Wagdi
Gunjan Theatre
Yerawada
Bund Garden
Hadapsar
Fatima Nagar
Camp Signal
Ruby Hall
Wadia College
Jahangir Hospital
Hotel Sheraton Grand
Pune Station
Swargate Bus Depo
Swargate Chowk
Shaniwar Wada
Pune RTO
COEP
PMC
Sarasbag
Sancheti Hospital
Pimpri
Shivajinagar
Agriculture College
F. C. Road
Deccan
Kothrud
Chinchwad
Old Mumbai-Pune Highway

TASTY BITE EATABLES LIMITED

CIN : L15419PN1985PLC037347
stered Office: 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005
E-mail : info@tastybite.com Website: www.tastybite.co.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

33rd Annual General Meeting - September 20, 2017

Name of the Member(s)		E-mail id
Registered address		Folio no. / *Client ID * DP ID

* Applicable for Investors holding shares in electronic form.

I/ We being the Member(s) of ……..... .....shares of the above named Company, hereby appoint:

1.……..…….....of .....having e-mail id:.....or failing him

2.……..…….....of ..... having e-mail id:.....or failing him

3.……..…….....of .....having e-mail id:.....or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 33rd Annual General Meeting of the Company, to be held on Wednesday, September 20, 2017 at 11.00 a.m. at Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001, and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	Resolution	Vote *(Optional See Note 2)		
		For	Against	Abstain
	ORDINARY BUSINESS:			
1	Adoption of Financial Statements and Report of the Directors and Auditors thereon.			
2.	Declaration of dividend of Re. 1 per share on 59,530 1% Non-Cumulative, Non-Convertible Redeemable Preference shares of Rs. 100/- each for the financial year 2016-17.			
3.	Declaration of dividend of Rs.2 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the financial year 2016-17.			
4.	Re-appointment of Mr. Masahiro Sumitomo, as Director who retires by rotation.			
5.	Appointment of M/s. BSR & Associates LLP, Chartered Accountant, Pune as Statutory Auditors for a period of 5 years, subject to ratification and to fix their remuneration.			
	SPECIAL BUSINESS:			
6.	Approval of Material Related Party Transaction with Preferred Brands International Inc. for 3 years.			

Signed this..... day of 2017

Affix One Rupee Revenue Stamp here

Signature of the Member Signature of the Proxy holder(s)

Notes:

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

2. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

3. A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

TASTY BITE EATABLES LIMITED

CIN L15419PN1985PLC037347

Registered Office: 201-202, Mayfair Towers, Wakdewadi, Shivajinagar, Pune - 411 005

E-mail info@tastybite.com Website: www.tastybite.co.in

ATTENDANCE SLIP

(33rd Annual General Meeting - September 20, 2017)

Folio no. / Client ID/DP ID:.....

No. of Shares:.....

Name of the Member/ Proxyholder (in BLOCK letters):

.....

I certify that I am a Member / Proxyholder for the Member of the Company.

I hereby record my presence at the 33rd Annual General Meeting of the Company, to be held on Wednesday, September 20, 2017 at 11.00 a.m. at Hotel Sheraton Grand Pune, RBM Road, Pune - 411 001.

_____

Signature of the Member/Proxyholder

(** Strike out whichever is not applicable.)

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

Accolades

Achievements recognized by various industry analysts, forums and clients













TASTY BITE EATABLES LIMITED

201-202, Mayfair Towers, Wakdewadi, Shivajinagar,
Pune- 411 005, Maharashtra, INDIA

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