Tasty Bite Eatables Limited

28th Annual Report
2011 - 2012

TASTY BITE EATABLES LIMITED

MISSION STATEMENT

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

CORPORATE INFORMATION

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

Registered Office
204, Mayfair Towers
Wakdewadi, Shivajinagar
Pune - 411 005
Tel : 020 - 30216000 /
25531105 / 25530801
Fax : 020 - 30216035
www.tastybite.co.in

Company Secretary
Mrs. Anuja Laturkar

Auditors
M/s Kalyaniwalla & Mistry
Chartered Accountants, Pune

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

Bankers
Axis Bank Limited
Citibank N. A.

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

Contents

28th Annual General Meeting

Date : September 6, 2012
Time : 12:00 noon
Venue : Registered Office
204, Mayfair Towers, Wakdewadi,
Shivajinagar, Pune - 411 005

A Request

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

FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

FINANCIAL HIGHLIGHTS	2011-2012	2010-2011	2009-2010	2008-09	2007-08
Months	**12**	12	12	12	12
Statement of Income					
Revenue	**8,301.72**	8,286.61	7,244.14	4,632.71	3,698.90
Cost of Revenue	**4,830.58**	5,015.13	4103.45	2,388.19	1,972.48
Gross Profit	**3,471.14**	**3,271.48**	**3,140.69**	**2,244.52**	**1,726.42**
Operating Expenses	**2,902.38**	2,702.37	1,760.06	1,815.30	1,409.56
Depreciation	**211.54**	167.62	152.22	99.38	86.47
Interest	**117.27**	92.98	99.54	97.46	71.08
Provision for Tax	**73.71**	119.73	431.77	90.59	57.03
Net Profit	**166.24**	**188.78**	**696.90**	**141.03**	**116.97**
Assets Employed					
Fixed Assets - Gross	**4,462.95**	3,436.39	2,487.73	2,086.24	2,109.81
Fixed Assets - Net *	**3,143.17**	2,388.75	1,548.11	1,365.01	1,119.97
Investments	**-**	-	-	-	-
Current Assets	**2,901.21**	3,223.89	3,626.23	2,242.80	1,889.72
Current Liabilities	**(1,258.37)**	(1,387.59)	(1,405.96)	(868.06)	(916.16)
Deferred Revenue Expenditure	**-**	-	-	-	-
Deferred Tax Asset / (liability)	**(191.47)**	(137.14)	(120.53)	(83.85)	(63.40)
	4,594.54	**4,087.91**	**3,647.85**	**2,655.90**	**2,030.13**
Net Current Assets	**1,642.84**	1,836.30	2,220.27	1,374.74	973.56
Financed By					
Share Capital	**316.13**	316.13	316.13	316.13	316.13
Reserves	**1,312.92**	1,312.92	1,312.92	1,312.92	1,312.92
Profit (Loss) Carried Forward/Surplus	**816.00**	680.28	522.02	(144.25)	(285.28)
Shareholders' Funds	**2,445.05**	**2,309.33**	**2,151.07**	**1,484.80**	**1,343.77**
Loan Funds**	**2,138.02**	1,763.61	1,496.78	1,171.10	686.36
	4,583.07	**4,072.94**	**3,647.85**	**2,655.90**	**2,030.13**
Ratios					
Current Ratio	**2.31**	2.32	2.58	2.41	2.06
Working Capital Turnover	**5.05**	4.51	3.26	3.37	3.80
Gross Profit % To Revenue	**41.81%**	39.48%	43.36%	48.45%	46.67%
Net Profit % To Revenue	**2.00%**	2.28%	9.62%	3.04%	3.16%
Debt Equity Ratio	**0.87**	0.76	0.70	0.79	0.51
Capital Turnover	**1.81**	2.03	1.99	1.74	1.82
Fixed Assets to Shareholders' Funds	**1.29**	1.03	0.72	0.92	0.83
Earnings Per Share	**6.45**	7.33	27.13	5.50	4.56
Equity Dividend %	**10**	10	10	-	-
Net Worth	**2,445.05**	**2,309.33**	**2,151.07**	**1,484.80**	**1,343.77**

* includes capital work in progress

** includes current maturities of long term borrowings

Note : Figures for 2011-12 and 2010-11 are as per revised Schedule VI and for 2007-08 to 2009-10 are as per old Schedule VI.

MESSAGE FROM THE CHAIRMAN

Dear Shareholders,

It appears the world is standing still.

In last year's annual report, I had mentioned events ranging from the Arab Spring, the Euro crisis, the stubborn US economy and a slower Indian growth. I might as well be making the same observations now! Has nothing changed?

Ironically, even your company's performance has barely changed since last year. Revenues for instance, remained at around Rs.83 crores. This might appear somewhat unusual given the continuous growth your company has experienced these last several years. While much of this has been dealt with in the MD&A section of the report, let me summarize the year's highlights and our outlook moving forward.

- At first glance, it appears exports have dropped 1.5% to Rs. 59 crores from Rs. 60 crores last year.

However, shipments in the US to our Grocery customers actually increased 20% vs. last year and Australian revenues also grew 16%. More importantly, consumer offtake in the US Grocery too was up. However, lower inventory norms in the US impacted our primary sales and hence our exports.

These revenue increases are quite impressive given the soft US economy and Tasty Bite continues to be not just the market leader in its segment but also the fastest growing. Additionally, the brand continued to make significant inroads into mainstream supermarkets and total points of distribution in the US increased.

- Earnings (EBIDTA) were up 57% from Rs.5 crores to Rs.8 crores.

Gross margins were significantly better this year due to productivity gains in the factory, smarter buying of raw materials and a weakened rupee. This was helped in no small measure by our reorganization along profit centers viz. RTS, (Consumer Products) Sauces, FFP (Formed Frozen products) and the Farm. This has allowed us to focus more sharply on customers, quality and costs.

- On the domestic front our business was up 13% at Rs. 19 crores.

The TFS business (Tasty Bite Food Service) represents a strategic opportunity for the company and you might recall that we are in the midst of a large capital expenditure program to set up a new sauces and frozen products line. While some expansion happened last year, the bulk of it will now be commissioned this year. This will be a major boost to our strategy to become a partner of choice to the leaders in the Indian Food Service industry.

- TBRC (Tasty Bite Research Center) received DSIR accreditation during the year.

You may recall, I had mentioned last year that we had inaugurated the new building that housed the Tasty Bite Research Center. TBRC is designed to become a center for excellence in prepared foods R&D. As we had hoped, TBRC received its accreditation as a research center by the Department of Scientific and Industrial Research (DSIR) of the Government of India.

Apart from working on prepared shelf stable foods, TBRC has also added capabilities for research and development for intermediate and finished products for the Food Service business. This will give your company a major competitive advantage as we grow our strategic partnerships with leaders in the global food service industry.

- PAT (Profit after tax) stayed at last year's level or marginally dropped to Rs. 1.7 crores from Rs. 1.9 crores

Some of the forex gains in exports however, were offset due to revaluation of foreign currency borrowings and impact of forward contracts.

Lets take a quick look at the year ahead.

It does not appear that the global economy is set for a major revival anytime this year. The Greek crisis is still unfurling. Its impact on the rest of Europe remains unclear. Syria is in flames even as Egypt is going through democratic birth pangs. The US is heading into its Presidential election and there seems little the Government in India or the RBI can do to stimulate growth any faster.

It is not that your company is small enough not be affected by global headwinds. But despite these unsettling times, your company is probably well-poised to benefit from all the seeding work that has happened in the last 2 years and is looking to grow its volumes, revenues and profits in all three of its key markets viz. North America, Australia and India.

It often sounds like a cliché' when we say that our biggest asset is our people. But, dear shareholders, I am very proud to announce to you that yet again, your company, Tasty Bite Eatables Limited has been recognized by the Great Place to Work Institute and been awarded "TOP 50 Best Companies to Work For" for the year 2012.

Ashok Vasudevan
Chairman

NOTICE

Notice is hereby given that the Twenty-eighth Annual General Meeting of the Members of Tasty Bite Eatables Limited will be held on Thursday, 6th September 2012 at 12.00 noon at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2012, the Profit & Loss Account for the financial year ended on that date and the reports of the Directors and the Auditors thereon.
2. To declare dividend on 59,530 1% Non-Cumulative, Non convertible Redeemable Preference shares of Rs. 100/- each for the Financial Year 2011-12.
3. To declare dividend of Re. 1 per Equity Share on 25,66,000 Equity shares of Rs. 10 each for the Financial Year 2011-12.
4. To appoint a Director in place of Mr. Kavas Patel, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Mr. Ashok Vasudevan, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint Auditors and to fix their remuneration and to pass with or without modification, the following resolution as an Ordinary Resolution:

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

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

Dated : May 30, 2012 — **Anuja Laturkar**
Place : Pune — **Company Secretary**

NOTES:

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

5. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 1, 2012 to Thursday, September 6, 2012 (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 28th Annual General Meeting shall be credited / dispatched before October 5, 2012, 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 31, 2012. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, August 31, 2012. After dispatch of dividend instruments, any request for change in the Bank Account will not be entertained by the Company or its RTA.
7. Members desirous of obtaining any detailed information concerning the accounts and operations of the Company are requested to address their queries to the Managing Director or the Company Secretary so as to reach the Company at least seven days before the date of the AGM so that the required information be made available at the meeting.
8. Members are requested to bring their own copy of the Annual Report to the meeting. No extra copies of the Annual Report will be distributed at the meeting.
9. All the documents referred to in the Notice and other Statutory Registers are open for inspection at the Registered Office of the Company on all working days viz. from Monday to Friday between 10:00 am to 1:00 pm up to the date of Annual General Meeting.
10. Members are requested to notify changes, if any, in their registered addresses and all correspondences, including dividend matters to the Company's RTA.
11. The Company prefers use of ECS for payment of dividend. Considering the advantages, members are requested to enroll for ECS facility. In order to avoid loss of dividend instruments in transit, undue delay in receiving the instruments and to protect against fraudulent encashment of the same, members are requested to provide ECS Mandate on or before Friday, August 31, 2012 to the RTA, under the signature of the sole/ first joint holder, the following information which will be used by the Company for dividend payment:
    a. Name of Sole/First joint holder and Folio No.
    b. Particulars of Bank account viz.
        i. Name of the Bank
        ii. Name of the Branch
        iii. Complete address of the Bank with Pin Code
        iv. Branch Code (9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank)
        v. Account Type (Savings Bank or Current account)
        vi. Bank account number allotted by the Bank
12. The Members holding shares in physical form are requested to send their ECS Mandate to RTA. If shares are held in dematerialised form, bank particulars registered against their respective depository accounts and provided by the Depository Participants (DPs) will be used by the Company for dividend payments. Shareholders who wish to change such bank particulars may advise their DPs about such change with complete details of bank account including MICR Code before the book closure. The Company or its RTA cannot act on any request received directly from members holding shares in electronic form for any change of bank particulars or bank mandate.
13. Members who have neither received nor encashed their dividend warrant(s)/demand draft(s) for the financial years 2009-10 & 2010-11, are requested to write to the Company or RTA, mentioning the relevant folio number(s)/ DP ID and Client ID, for issuance/re-issue of demand draft.

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

15. Ministry of Corporate Affairs (MCA) vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively have clarified that a company would be deemed to have complied with the provisions of Sections 53 and 219(1) of the Companies Act, 1956, if documents like notices, annual reports, etc. are sent in electronic form to its Members. Accordingly, the said documents of the Company for the financial year ended March 31, 2012 will be sent in electronic form to those Members who have registered their e-mail address with their DP and available to the Company by the Depositories or available with the Company in case of physical holding.

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

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

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

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

Mr. Kavas D. Patel, age 65 years, is an Independent Director of the Company. He is a Bachelor of Commerce from the University of Bombay and a Fellow Member of the Institute of Chartered Accountants of England and Wales. Mr. Patel joined Polaroid Corporation in 1974 and worked with them in various internatioanl assignments in Europe, Far East, USA and India. His last assignments with Polaroid were Director of Finance, Asia Pacific Region and Country Director India. He left Polaroid in 1995 and settled in Pune. Mr. Patel presently administers Dua Associates, Advocates, Pune, established in 1998. He joined the Board of Tasty Bite Eatables Limited on May 29, 2009.

Mr. Patel is also a Director of Phil Corp. Ltd. and Chairman of their Audit, Shareholders' Grievance & Remuneration Committees, Director of Dai-ichi Karkaria Ltd. and Chairman of their Audit & Remuneration Committees, Director of Uni Klinger Ltd. and Chairman of their Audit Committee, Director of Inarco Ltd., Ari Consolidated Investments Ltd., Zinnia Properties Pvt. Ltd., Indian Oxides & Chemicals Ltd. and Champion Dai-ichi Technologies India Ltd..

He does not hold any shares of the Company.

Mr. Ashok Vasudevan, aged about 57 years, is a Non-Executive Promoter Director of the Company. His 30 plus year career has been spent almost equally between being an entrepreneur and a corporate executive for large multinationals. He has the experience and track record to structure, build and manage commercially viable and socially responsible international SMEs both in the developed and emerging economies.

Prior to co-founding Preferred Brands, he headed the India desk of Pepsi World Trade from its world beverage headquarters in Somers, New York. He received Pepsi's MVP award in 1991 for his contributions. Before joining Pepsi, Mr. Ashok Vasudevan spent 10 years with the Unilever group in India in various functions that included Management Development, Sales & Marketing and International Business.

Mr. Ashok Vasudevan regularly lectures at leading business schools in the US and India. He graduated in Agricultural Sciences from Bangalore and received his business education at the Bajaj Institute in Bombay and the Harvard Business School. He is the Chairman of the Company. He is the CEO & Director of Preferred Brands International Inc., USA which in turn is the holding company with 100% shareholding of

Preferred Brands Foods (India) Private Limited, the holding Company of Tasty Bite Eatables Limited. He is also Director of Preferred Brands Foods (India) Private Limited & ASG Omni India Private Limited, a fellow subsidiary of the Company. He is the Chairman of Preferred Brands Australia Pty Ltd, also a fellow subsidiary of the Company.

He is involved in several non-profit organizations in India and the US as:

- Executive Member of the ITC (International Trade Council), in Stamford, CT
- Member on the board of The Stamford Partnership, a public private initiative between the Government, corporates and civic leaders
- Member on the board of directors of The World Affairs Forum
- Director on the board of The Fairfield Business Council in Stamford, CT
- Visiting Professor of International Entrepreneurship and a member of the Business advisory Council of Great Lakes Institute of Management in Chennai, India.

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

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

Dated : May 30, 2012 **Anuja Laturkar**
Place : Pune **Company Secretary**

DIRECTORS' REPORT

To

The Members,

Your Directors are pleased in presenting the Twenty Eighth Annual Report together with Audited Statement of Accounts for the year ended 31st March 2012.

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

Particulars	Year Ended March 31, 2012	Year Ended March 31, 2011
Total Revenue	**8301.72**	8286.61
Profit Before Depreciation, Interest & Tax	**568.76**	569.11
Interest	**117.27**	92.98
Depreciation	**211.54**	167.62
Profit (Loss) before Tax	**239.95**	308.51
Provision for Taxation	**(19.38)**	(103.12)
Provision for Deferred Tax	**(54.33)**	(16.61)
Net Profit	**166.24**	188.78
Profit/(Deficit) in the statement of Profit & Loss	**680.28**	522.02
Appropriations		
Dividend on Preference Shares	**0.60**	0.60
Dividend on Equity shares	**25.66**	25.66
Tax on Dividend	**4.26**	4.26
Profit/ (Loss) transferred to Balance Sheet	**816.00**	680.28

FINANCIAL PERFORMANCE & OPERATIONS

On an overall basis, your Company had increased revenues from operations by 1.77% from Rs. 76.96 Cr to Rs. 78.32 Cr. The export revenues have reduced slightly from Rs. 59.76 Cr to Rs. 58.85 Cr, showing a slight reduction of 1.5%; whereas domestic revenues grew from Rs. 17.06 Cr to Rs. 19.29 Cr, an increase of 13.07%. The reduction in the export revenue was on account of lower inventory norms at Preferred Brands International Inc., USA, the parent company which impacted shipments from the Company in the first half of 2011-12.

Cost of goods sold as a percentage to Revenues from operations reduced by 4% compared to the previous year mainly due to lower cost of goods sold and high revenue realization attributable to favourable exchange rate. Also, the Company got the benefits of operating efficiencies as a result of the capex implementation and various productivity improvement initiatives. Operating margins for 2011-12 were higher at 10% of revenues compared to 6% in the previous year.

Profit after tax has reduced as compared to last year mainly on account of foreign exchange losses booked due to mark-to-market adjustment of USD denominated borrowings and expiry of certain hedged forex positions during the year. These losses have offset the gains on exports made on account of the stronger dollar.

The Company intends to expand its manufacturing assets related to its sauces and frozen products business and has initiated a capital expansion for the same. This USD 6.6 Mn expansion is expected to be completed by December 2012.

The Department of Scientific and Industrial Research Centre (DSIR), Ministry of Science and Technology, Government of India has recognized Tasty Bite Research Centre as an 'In-house R&D facility' w.e.f. June 21, 2011.

DIVIDEND

The Board of Directors at their meeting held on May 30, 2012, have recommended a final dividend of Re. 1 per Equity Share (10% on the face value of Rs. 10 each) for the financial year 2011-2012.

In addition to the above, the Company has provided for a Preference dividend of 1% aggregating to Rs. 59,530/- on its 59,530 1% Non Cumulative Non Convertible Redeemable Preference Shares of Rs. 100 each for the financial year 2011-12.

The dividend payment would involve a cash outgo of Rs. 30.52 lacs including tax on dividend being borne by the Company.

Upon declaration by the members at the 28th Annual General Meeting, the dividend shall be paid to those members, whose names appear on the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company or its Registrar & Transfer Agents on or before Friday, 31 August, 2012. In respect of shares held in dematerialised form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as on the closing hours of business on Friday, 31 August, 2012.

FINANCE

The Company obtained consent of its shareholders by Postal Ballot for borrowing up to Rs. 75 Crores and for providing security up to Rs. 75 Crores, the results of which were declared on February 2, 2012.

The Company is utilizing increased Loan Equivalent Risk (LER) limits with Axis Bank Limited to the tune of Rs 3 Cr, which earlier was a part of its Cash Credit Limit. This step was taken as a risk mitigating measure in order to cover the forex exposure of the Company towards its imports & export liability arising out of high volatility in forex.

The Company has partly availed Term Loan of Rs. 7.75 Cr from Axis Bank Limited, Pune. As on March 31, 2012, Rs. 1.39 Cr is outstanding. The Company has utilized internal accruals for funding the capital expansion program.

The first installment of USD 50,000 towards repayment of External Commercial Borrowing of USD 1 Mn has started from end of March 2012. The repayment of the Term Loan availed from Axis Bank Ltd., has also started from May 2011.

The Company has applied to Reserve Bank of India to avail External Commercial Borrowing from WorldBusiness Capital Inc., US to fund the expansion of its facilities catering to domestic market. Required approval is awaited.

ICRA Ltd. assigned long term rating of LBBB (pronounced as L triple B) with a stable outlook and short term rating as A2 (pronounced as A two) to Rs. 25 Cr credit line of the Company (including unallocated / proposed limit of Rs. 8.25 Crore) vide their letter dated May 10, 2011.

FIXED DEPOSITS

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

DIRECTORS

Mr. Ashok Vasudevan and Mr. Kavas Patel, retire by rotation at the ensuing Annual General Meeting, and being eligible, offer themselves for reappointment.

The information of these Directors retiring by rotation at the ensuing Annual General Meeting as stipulated under Clause 49 of the listing agreement is given in Notice.

Mr. Sohel Shikari has been appointed as Alternate Director to Mrs. Meera Vasudevan on September 7, 2011 and January 24, 2012 during the absence of Mrs. Meera Vasudevan from India.

CORPORATE GOVERNANCE

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Directors confirm:

(i) that in preparation of the accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

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

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

(iv) that they have prepared the annual accounts for the financial year ended March 31, 2012 on a 'going concern' basis.

MANAGEMENT DISCUSSION AND ANALYSIS

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and Generally Accepted Accounting Principles (GAAP) in India. The Company's Management accepts responsibility for the integrity and objectivity of these financial statements as well as for various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner, the Balance Sheet as on March 31, 2012, the Profits and Cash Flows for the Financial Year 2011-12.

A. INDUSTRY STRUCTURE AND DEVELOPMENTS

Tasty Bite Eatables Limited (TBEL) manufactures the "*Tasty Bite*," brand of shelf stable, all-natural, ready-to-serve (RTS) ethnic food products. As a brand, *Tasty Bite* is the No. 1 brand in the ethnic dishes, entrées and mixes category in the United States and commands a leading share (growing 22% with a market share of more than 58% in dollar sales in conventional supermarkets) .

The Company markets its products in North America and Australia through its associated enterprises Preferred Brands International and Preferred Brands Australia.

Tasty Bite is the leading brand in the prepared ready-to-eat Indian foods category in the US and amongst the top four in the Asian category and has grown its mainstream grocery business 20% over the previous year (2010-11). The brand offers a variety of shelf-stable pouches of Indian entrées and sides made with farm-fresh, natural ingredients.

The grocery segment pertaining to the Company's products, namely the international/ethnic foods category is poised to grow at a robust rate of 19% over the five years, i.e. 2010-15. The ethnic food mainly consists of Mexican/Hispanic foods, Asian and Indian Foods. Ethnic food sales in Food, Drug and Mass Merchandisers has crossed $2.5 billion. The sales data include Mexican/Hispanic, Asian, and Indian food comprising 92% of the total value.

Reasons behind the increasing popularity of ethnic foods are:

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

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

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

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

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

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

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

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

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

The Company modified its mission statement to reflect a consumer focus approach to its strategy. While the core strategy remains unchanged, the new mission statement reflects the purpose from a consumer perspective and addresses the question as to why consumers and customers would continue to seek Tasty Bite products when they look at ethnic meal solutions. The Company also continues to use the *Spice Card* approach in order to align business and functional initiatives to the overall strategy of the Company. The mission statement reads as:

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

This strategy has resulted in growth of 22.40% per annum in total revenues over the past four years with growth in export market of 18.66% per annum and domestic sales increases of 38.58% CAGR.

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

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

The Company also embarked on a new capex program at the end of FY12, of approximately $ 6.6 Mn to augment its manufacturing facilities for the food service business. This capital expansion is ongoing and expected to be commissioned by December 2012.

The Tasty Bite Research Center (TBRC) set up in the manufacturing facility in FY11 has gained recognition from the Department of Science and Industrial Research (DSIR) as an "In-house R&D facility" with effect from June 21, 2011. A strong team of highly skilled culinary professionals and food technologists work towards development of improving existing SKUs, adding new SKUs to existing product categories as well as focusing on developing new product categories. TBRC is committed towards delivering 'consumer delight' by building on the Company's strategic advantage of providing consumers' great taste, good value and a high-speed response. TBRC collaborates with global food and technology experts to develop new recipes and understand new technologies for its international and domestic markets.

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

B. FINANCIAL PERFORMANCE

Financial Highlights

Performance Indicators

Some salient features of the Company's financial performance in fiscal FY12 (2011-12) are:

Particulars	FY 12 Amt in Rs. Crs	FY 11 Amt in Rs. Crs	% Growth
Gross Revenues	83.02	82.86	0.19%
Revenue from Operations	78.32	76.96	1.77%
Earnings before interest, taxes, depreciation and amortization (EBITDA)	7.93	5.04	57.32%
Profit after tax (PAT)	1.66	1.89	-12.17%

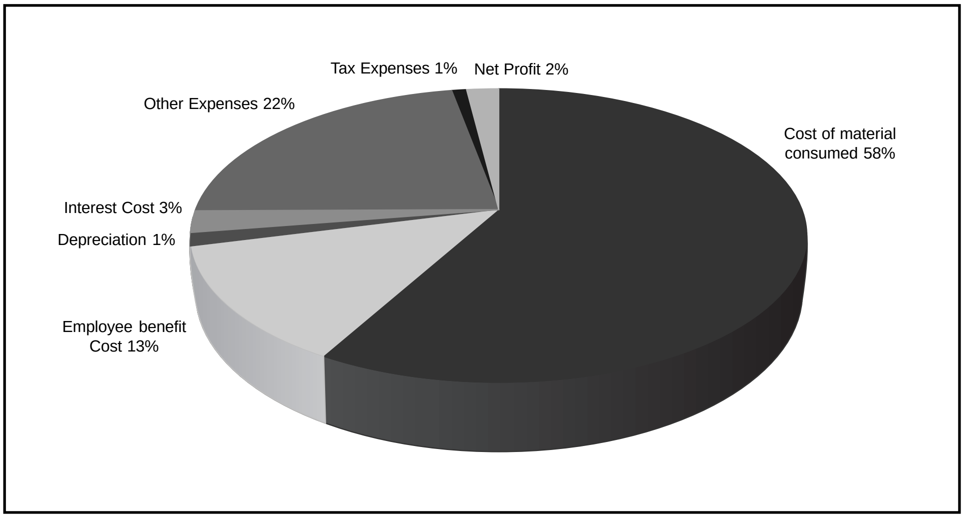
Revenues in FY12 are flat compared to year ago on account of lowering of inventory norms by the Company's US customers that impacted sales in the first half of FY12. Domestic revenues grew 13% year on year.

The Company's operating profitability expanded significantly with EBITDA growing 57.32% over last year. EBIDTA growth was mainly on account of higher revenue realization due to favorable foreign exchange rates, lower material costs through strategic sourcing initiatives and lower conversion costs resulting from productivity increases post capital expenditures done in FY11 and FY12.

PAT however at Rs. 1.66 crores is lower than last year by 12% on account of losses on revaluation of foreign exchange working capital borrowings and the impact of forward contracts taken at lower rates that expired during the period. These offset the gains made from export earnings during the year.

Chart 1 below shows the distribution of various fixed and variable costs as a percentage of the Company's revenues.

Chart 1: Percentage distribution of Costs

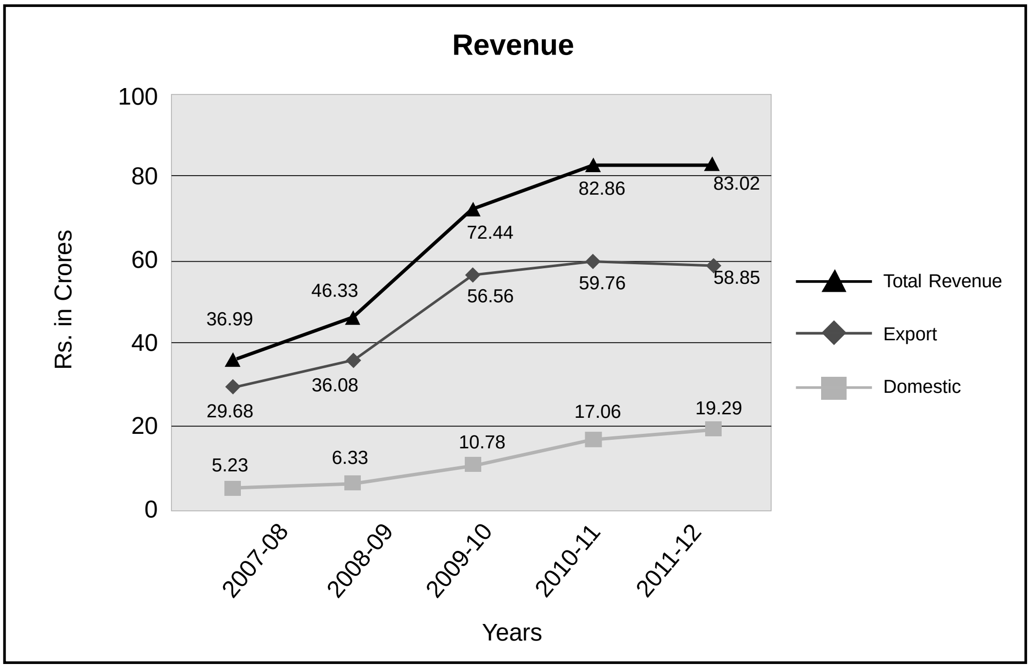


Revenue Growth

Revenue break-up across key business divisions for the financial year ended March 31, 2012 and 2011 is given below:

Particulars (Rs. in Crores)	2011-12	2010-11	% Growth
Export Sales	58.85	59.76	-1.52%
Domestic Sales	19.29	17.06	13.07%
Operational Income	4.12	4.43	-7.00%
Other Income	0.76	1.61	-52.80%
Total Revenues	83.02	82.86	0.19%

Chart 2 : Revenue Growth FY08 - FY12



Export revenues dropped by 1.52% in FY12. Export revenues comprises of sale of ready-to-eat meals in consumer packs, which continues to remain the key product line of the Company. These retail packs are distributed to consumers through mainstream supermarkets and grocery stores mainly in North America and Australia and marketed by the Company's associated enterprises in the US and Australia. The drop in export revenues was on account of reduction in inventory norms in the US that impacted export sales in the first half of FY12.

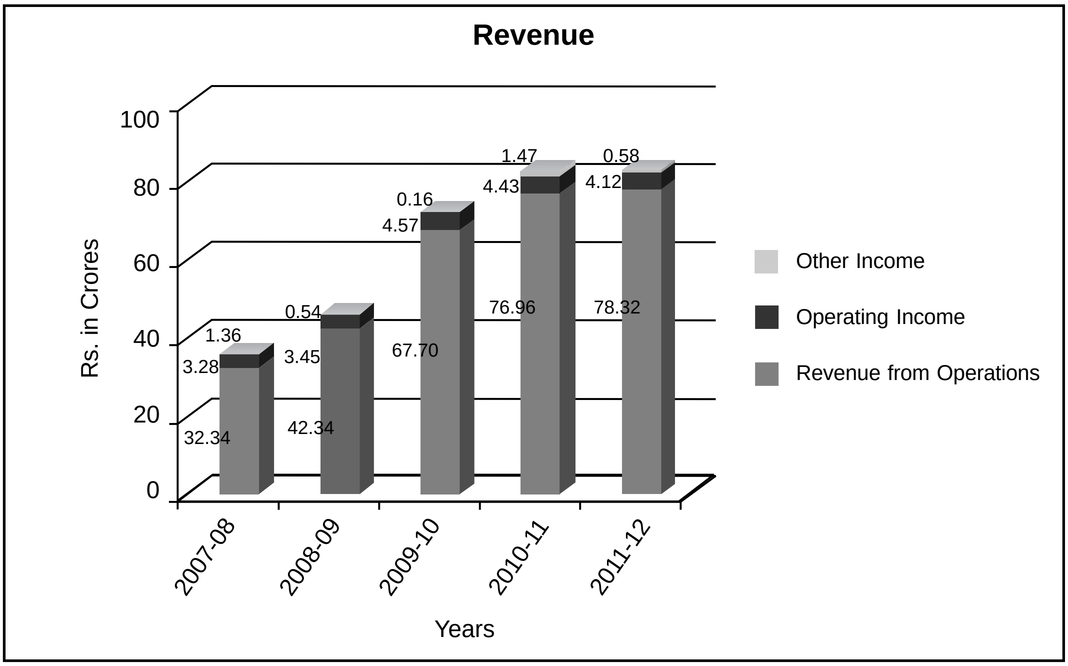
Growth of export sales over the past 5 years is summarized in Chart 2 above. These have grown at an annual compounded growth rate of 18.66%.

In India, the Company develops and manufactures a range of products for institutional users such as quick-service restaurants, hotels and other retail and corporate customers. This institutional business is known as Tasty Bite Food Service (TFS), which grew 13.07% YoY in FY12 to reach Rs. 19.29 Crores. This business accounts for 23% of the Company's total revenues. This segment will continue to grow over the next several years driven by the growth of this segment in the country, the Company's deepening relationships with its customers and a wider product offering. The Company is augmenting its current manufacturing lines relating to these products in FY12 and will commission this new capacity by December 2012. The TFS business grew at a CAGR of 38.6% for the past five years.

Revenue Analysis

Particulars (Rs. in Crores)	2011-12	% of turnover	2010-11	% of turnover
Export Sales	58.85	70.89	59.76	72.12
Domestic Sales	19.29	23.24	17.06	20.59
Operational Income	4.12	4.96	4.43	5.35
Other Income	0.76	0.92	1.61	1.94
Total Revenues	83.02	100.00	82.86	100.00

Chart 3 : 5-Year Revenue Distribution



Exports including incentives comprise the bulk of the revenues amounting to Rs. 62.96 Crores contribute over 75.85% of the Company's revenues.

The operational income comprising of export incentives reduced in FY12 to Rs. 4.12 Crores compared to Rs. 4.43 Crores in FY11. The slight reduction in the export incentive was due to higher ratio of products ineligible for incentives as compared to eligible products. The Export incentive schemes include duty drawback and the Vishesh Krishi and Gram Udyog Yojana (VKGUY) availed by the Company. The Company continues to explore applicability of the various government incentives.

Expenditure Analysis

Cost of Goods Analysis

The Company does a mix of strategic buying of commodities as well as buying raw materials from mandis and traders. Several commodities such as lentils, spices, frozen vegetables and oils and fats are bought through medium and long term contracts that reduces the volatility of these prices.

In FY12, the Company saw the prices of a few commodity classes such as vegetables and tomato paste decline over the previous year while others such as dairy and lentils increased on account of local demand and international prices. Further, higher revenue realization from exports on account of favorable forex rates resulted in lower material costs in terms as a % of sales. In this background, your Company's expense on raw and packing material costs (as a percentage of sales) was 62.04% in FY12 as compared to 66.14% in FY11.

(Rs. Crores)

PARTICULARS	2011-12	2010-11
Sales	78.32	76.96
Material Consumed	48.59	50.90
% of material consumption	62.04%	66.14%

Manufacturing and Other Expenses

The movement of major components of manufacturing expenses in FY12 as compared to FY11:

- Power and fuel costs have marginally increased to 2.68% of sales compared to 2.05% in previous year.
- Stores and spares consumed increased to 3.91% of sales compared with 3.52%.
- Payroll expenses including salaries, wages, bonus and gratuity expenses have reduced to 13.37% of sales as compared to 13.85%.

Reduction in direct wages and power cost in the second half of the year was evident on account of increase in productivity & efficiency as a result of capex program coupled with initiatives to increase the productivity. The Company continues to pursue an aggressive cost reduction program to improve manufacturing efficiency.

While FY 11 saw an increase in export freight prices due to sustained rise in crude prices and global demand, freight rates in FY12 reduced on account of a slow recovery of global economies and lower crude prices. Consequentially, export freight as a percentage of export sales was 7.87% in FY12 as compared to 9.43% in FY11.

Foreign Exchange Transactions

The Company's bulk of revenue is generated through its exports. The trend in exchange rates of Indian Rupees vis-à-vis the major currencies in which the Company does business is as follows:

Currency	FY 12 (as on March 31)	FY 11 (as on March 31)	Currency change FY12 vs. FY 11
USD	50.87	44.40	14.57 %
AUD	52.65	45.96	14.56%

The Company booked a total loss on account of various foreign exchange contracts and mark-to-market position of its foreign assets and liabilities of Rs. 2.24 Crores. The Company has exercised the option available to it under Para 46A of the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, it has adjusted Rs. 1.47 Crores to the cost of its fixed assets on account of such difference arising during the year and has provided for depreciation thereon over the balance useful life of the respective assets.

The Company could not fully utilize the benefit of a weaker rupee in FY12 on account of some of its exports hedged earlier at lower rates. The Company continues its policy in hedging part of its rolling 12-month export sales by taking forward contract covers.

EBITDA

Consequently, operating EBITDA of the Company has increased by 57.32 % to Rs. 7.93 Crores in FY12 compared to Rs. 5.04 Crores in FY11 due to higher realizations on account of favourable forex rates and lower cost of goods sold. EBITDA was 9.56% of revenues as compared to 6.08 % in FY11.

Finance Costs

Financial expenses in FY12 are at Rs. 1.17 crores, higher by 26% compared to FY11 costs.

As on March 31, 2012, total limits utilized from Axis Bank Ltd. and Citibank N.A. stood at Rs. 8.55 Crores compared to Rs. 6.46 Crores as on March 31, 2011. Majority of the facilities availed by the Company are in foreign currency and linked to LIBOR rates; and therefore any movement in exchange rates and LIBOR impacts interest costs. Interest costs as a percentage of revenues stood at 1.41% in FY12 compared to 1.12% in FY11. This was primarily on account of the utilization of Term Loan from Axis Bank (year end balance of Rs. 1.39 crores) and rupee depreciation due to which interest expenses were higher despite lower LIBOR rates vis-à-vis FY11. The Company has not hedged its borrowings against foreign exchange or interest rate movements.

Interest coverage ratio stood at 4.98 times in FY12 compared to 3.62 times in FY11.

Depreciation and Amortization

Depreciation increased to Rs. 2.11 Crores in FY12 compared to Rs. 1.68 Crores in FY11. This is on account of capex expansion and consequent capitalization of additional assets of Rs. 8.8 Crores in FY12, mainly in buildings and plant & machinery. The plant & machinery was depreciated on a two-shift basis.

Net Profit

Net profit of TBEL stood at Rs. 1.66 Crores (2% of the total revenues) in FY12 compared to Rs. 1.89 Crores (2.28% of the total revenues) in FY11.

BALANCE SHEET ANALYSIS

Share Capital

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

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

Fixed Assets

The Company added extension to its Building, Plant and Machinery, Computers, Furniture & Fixtures, Electrical Installations and Office Equipment of Rs. 8.8 Crores during the financial year as part of the planned modernization and expansion of the manufacturing facility. The total gross block of tangible fixed assets of the Company as on 31 March 2012 is Rs. 44.25 crores.

Provisions

As per the Accounting Standard relating to employee benefit, provision of Rs. 0.52 Crores towards Leave Encashment and Rs. 0.33 Crores against Gratuity existed on the financials as of March 31, 2012. The Company has funded the Tasty Bite Employees Gratuity Trust by Rs. 15.00 lacs during the financial year.

Ratio Analysis

Ratio Analysis	FY12	FY11	FY10
Ratio - Financial Performance			
Export Sales/Total Sales* (%)	75.31	77.79	83.99
Domestic Revenue/Total Sales* (%)	24.69	22.21	16.01
Gross Profit /Total Revenue (%)	41.81	39.48	43.36
Aggregate Employee Cost / Total Revenue (%)	13.02	13.13	11.35
Earnings before Depreciation, interest and taxes / Total Revenue (%)	9.56	6.08	14.83
Depreciation / Total Revenue (%)	2.54	2.02	2.10

Ratio Analysis	FY12	FY11	FY10
Interest / Total Revenue (%)	1.41	1.12	1.37
Profit Before Tax / Total Revenue (%)	2.89	3.72	15.58
Profit After Tax / Total Revenue (%)	2.00	2.28	9.62
Ratio - balance Sheet			
Debt - Equity Ratio	0.87	0.76	0.70
Current Ratio	2.31	2.32	2.58
Days Accounts Receivables	41	62	70
Days Inventory	31	35	41
Days Accounts Payable	80	68	55
Ratios - Return			
ROCE (PBIT / capital employed) (%)	7.48	9.52	32.60
Return on average invested capital (%)	6.98	8.46	38.33
Capital Output ratio	0.58	0.51	0.52
Ratios - Per Share			
Basic EPS (Rs.)	6.45	7.33	27.3
Book value (Rs.)	47.73	42.44	36.27
Price, end of year (Rs.)	127.95	134.10	166
Price / Earnings, end of year (Rs.)	19.84	18.29	6.12
Market capitalization / Total Revenue, end of year	0.40	0.42	0.59

*This does not include scrap sales

C. OPPORTUNITIES AND THREATS

The international market for convenient, natural and specialty foods especially in the Indian and Thai category continued to see robust growth in FY12. The Tasty Bite brand occupies more than a 70% market share in natural food supermarkets and approximately 58% market share in the mainstream grocery markets in US.

The institutional business for the Company in India has also grown aggressively achieving 13% growth over the previous financial year. The increase in quick-service restaurants coupled with new entrants and the increase in frozen product offerings enabled the Company to grow in this segment.

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

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

D. RISKS, CONCERNS & RISK MITIGATION

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

Since exports continue to be a dominant part of the Company's revenues, volatility of the Indian rupee vis-à-vis the US dollar and Australian dollar will have a positive or adverse impact on the revenues and profitability of the business. An appreciating Indian rupee vis-à-vis the USD and AUD will have a negative impact to the Company's bottom line. Further, depreciation of the Indian rupee may yield better returns from exports but has an inflationary impact on many of the commodities that the Company purchases as well as freight costs. This also increases the cost of our foreign exchange borrowings for working capital and term loans for capital expansion. The Company hedges its foreign exchange risk using forward contracts in accordance with its risk management policies and procedure. The Company also has partial natural hedge against currency risks because of its use of certain raw and packaging materials that are imported and priced in US dollars.

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

The Company exports by sea to various global markets and any change in oil costs or supply and demand can lead to increased shipping costs which would have an impact on our margins. In FY12, the average cost of freight had been at comparatively lower levels compared to FY11.

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

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

E. HUMAN RESOURCES, INDUSTRIAL RELATIONS, SAFETY AND ENVIRONMENT

Human Resources and Industrial Relations

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

Tasty Bite believes in achieving Organizational excellence through Human Resources. It follows 'People first' approach to leverage the potential of its 154 employees. Professional training programs, recognition systems and skill enhancement initiatives make Tasty Bite a learning Organization and one of the Great Places to Work for in India. The Company yet again has been ranked 'Top 50' in "India's Best Companies to work for" in India in 2011 study done jointly by the Economic Times of India and Great Places to Work Institute, India.

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

Industrial relations at the plant continued to be cordial. The beginning of the year witnessed successful negotiations resulting in signing of 3 year wage settlement with the Union. The committed efforts of the team and the sustained motivation of the employees have resulted in the Company posting significant productivity gains and achieving several production records.

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

Quality

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

- ISO-9001/2000, HACCP (Hazard Analysis & Critical Control Points);
- ISO-14001 (Environmental Management Systems);
- ISO 22000 (Integrated Food Safety) ;
- OHSAS 18001 (Occupational Health and Safety) &
- BRC Food Certificate : Global Standard for Food Safety Issue 5 : January 2008

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

Environment:

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

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

Community Development:

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

Education Initiatives:

- Our program to provide a suitable education grant for children of the factory employees is going successfully. About 15-20 employees' children avail this facility every year.
- The Company is working with a school in the local Bhandgaon village to aid the education of primary and secondary children. Last year, the Company started with setting up the school's first Science Laboratory by refurbishing an unused store room and converting the same into a Science Lab. This is truly a case of public-private partnership that is impacting the lives of young children and giving them access to the world of science.

  The current batch of grade 10 students gave their final practical exams in the above lab. Students expressed their happiness for having actual practical exam, which was not available earlier.
- The Company, with help of the Durga Devi Charitable Trust, introduced the concept of an E-learning system in the local school. The system comprises of a kit that comprises of a LCD projector, a screen and a software system. This system has eight pre-loaded knowledge modules that covers grade 1 to grade 12 syllabus, knowledge suite, creative art, multimedia, internet knowledge, educational games, language & vocabulary building tools, and basic learning tools.

  This interactive system helps children learn and study their school syllabus in interesting ways. This system also simplifies teaching for teachers at the same time making it more interactive and interesting for the children. This software was installed and inaugurated in February 2012.

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

Environmental Initiative:

- Use of ETP water, factory and agricultural waste by the Company in composting for the farm, increasing the farm cultivation area five-fold in less than a year. Water from our factory is 100% cleaned and recycled for use in our agricultural farms. The Farmers Meet program was organized on December 19th, 2011 to demonstrate effective use of our ETP water on our light sandy soil type farm to grow various crops such as tomatoes, sweet corn, bitter gourd, onion etc. These types of interactive meetings allow best farming practices to be shared by the Company with the farmers resulting in better yields and benefits to the local farmers.

Promoting entrepreneurship:

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

Tasty Bite's Green Initiative:

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

Tasty Bite Meal support program:

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

F. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

G. CAUTIONARY STATEMENT

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

AUDITORS

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

AUDITORS' REPORT

The Directors wish to state that the observations referred in Point no. 4 of the Auditors' Report for the year ended on March 31, 2012 and Point no. 17 of the Annexure to the Auditors' Report are self explanatory and therefore do not call for further comments or elaboration.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE

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

PERSONNEL

During the year under review, the industrial relations of the Company continued to be cordial and peaceful. Three year wage settlement has been signed with the Union.

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

IMPLEMENTATION OF "GREEN INITIATIVES IN CORPORATE GOVERNANCE"

The Company has continued its endeavour of implantation of the 'Green Initiative' taken by the Ministry of Corporate Affairs to enable electronic delivery of notices/documents and annual reports to shareholders.

ACKNOWLEDGEMENT

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

Your Directors also place on record their deep sense of appreciation for the efforts and contribution of the executives, staff and workers of the company during 2011-12.

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

Date : May 30, 2012	**Ravi Nigam**	**Sohel Shikari**
Place : Pune	**Managing Director**	**Alternate Director**

ANNEXURE TO DIRECTORS' REPORT

Annexure A

The Members
Tasty Bite Eatables Limited

Re: Corporate Governance Certificate

I have examined the compliance of conditions of Corporate Governance by Tasty Bite Eatables Limited (the Company) for the year ended on March 31, 2012 as stipulated in Clause 49 of the Listing Agreement entered into with Bombay Stock Exchange Limited.

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

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

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

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

Date : 30 May 2012
Place : Pune

Annexure B

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO :

A. CONSERVATION OF ENERGY :

a) Energy Conservation measures taken

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

ii. Company has incurred Rs. 67 Lacs on modification to the refrigeration system and cold storage to improve on the operational efficiency

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

c) Impact of measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods - Due to modification in the refrigeration, there has been a reduction in the refrigeration cost by 15% (units consumed per ton of production).

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

B. TECHNOLOGY ABSORPTION

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Total foreign exchange used & earned

	Current year	Previous Year
Used (Rs. lacs) (including CIF value of imports)	**1208.27**	1367.92
Earned (Rs. lacs)	**5490.80**	5506.76

FORM A

Disclosure of particulars with respect to Conservation of Energy :

(A) Power and Fuel Consumption:

		Current Year	Previous Year
1.	Electricity		
a)	Purchased Unit (in KWH)	**31,44,020**	27,41,570
	Total Amount (in Rupees)	**2,04,30,770**	1,57,40,954
	Rate/Unit (In Rupees)	**6.50**	5.74

b) Own Generation :

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

2.	Others (Briquettes)		
	Qty. (in ton)	**2268.50**	2334.69
	Total Amount (In Rupees)	**1,06,66,122**	1,04,63,299
	Avg. Rate (in Rs./ton)	**4,701.84**	4,481.66

(B) Consumption Per Unit Production:

Standard products (with details) unit		
Electricity : KWH/KG	**0.347**	0.336
Furnace oil : KG/ KG	**–**	–
Briquettes : KG/ KG	**0.251**	0.252

FORM B

(A) RESEARCH & DEVELOPMENT (R & D)

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

   Company has focused on development of innovative new product categories using the latest thermal processing technologies to impart great taste, consistency and the real convenience to our consumers. Also expanded the Research and Development capabilities in frozen processing technologies and products.

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

   Commercialized new sauces and frozen products being supplied to the Company's international and domestic institutional customers.

3. Future plan of action

   Company will continue to focus on Research and Development of retort and frozen processing technologies, including shelf stable meals, sauces and formed frozen products.

4. Expenditure on R & D

a)	Capital (in Rs.)	1,133,1700
b)	Recurring (in Rs.)	8,483,482
c)	Total (in Rs.)	9,616,652
d)	Total R & D expenditure as a percentage of total turnover	1.16%

(B) TECHNOLOGY, ABSORPTION, ADAPTATION AND INNOVATION

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

CORPORATE GOVERNANCE REPORT

GOVERNANCE PHILOSOPHY

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

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

BOARD OF DIRECTORS

a) Composition of Board

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

b) Board Meetings

There were five Board Meetings during the year ended March 31, 2012. These were on May 02, 2011, August 11, 2011, November 11, 2011, December 19, 2011, and February 13, 2012 and the maximum interval between any two meetings was not more than 4 months.

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

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

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

c) Directors attendance record & directorships held

Sr. No. (1)	Name of the Director (2)	Category Of Directorship (3)	Attendance in Board Meetings during 2011-12 (4)	Attendance at last AGM held on 05.09.11 (5)	No. of other Directorships# as on 31.03.12 (6)	No. of other Committee $ position held as on 31.03.12 (Other Companies) (7)	No.of Shares held (8)
1.	Mr. Ashok Vasudevan	N.E.D.	1	Yes	2	NIL	NIL
2.	Mrs. Meera Vasudevan	N.E.D.	1	Yes	2	NIL	NIL
3.	Mr. Ravi Nigam	E.D.	4	Yes	1	NIL	200@
4.	Mr. K. P. Balasubramaniam	I.D.	2	Yes	5	2 (member)	1500^
5.	Dr. V. S. Arunachalam	I.D.	3	Yes	2	NIL	NIL
6.	Mr. Kavas Patel	I.D.	4	Yes	8	4 (Chairman of 4)	NIL
7.	Mr. Sohel Shikari*	A.D.	4	N.A.	2	NIL	NIL

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

Mrs. Meera Vasudevan is wife of Mr. Ashok Vasudevan.

*Mr. Sohel Shikari, Group CFO is an Alternate Director to Mrs. Meera Vasudevan.

including Private limited and Section 25 companies and excluding foreign companies

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

@ out of which 100 as joint holder

^ as joint holder

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

COMMITTEES OF THE BOARD

a) AUDIT COMMITTEE

There were four Audit Committee meetings during the relevant year viz. on April 25, 2011, August 11, 2011, November 11, 2011, and February 13, 2012. The Audit Committee consists of four members, three being Independent, Non-Executive Directors and one Executive Director i.e. the Managing Director of the Company. All the members of the Audit Committee have adequate accounting and financial knowledge.

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

Name of the Director	Position	Independent/ Executive	No. of Meetings	
			Held	Attended
Mr. K. P. Balasubramaniam	Chairman	Independent	4	3
Dr. V. S. Arunachalam	Member	Independent	4	2
Mr. Ravi Nigam	Member	Executive	4	3
Mr. Kavas Patel	Member	Independent	4	3

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

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

Terms of reference

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

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

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

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

(d) Reviewing performance of Statutory / Internal Auditors.

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

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

(g) Review any change in Accounting Policies and Practices.

(h) Compliance with stock exchange - listing requirements.

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

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

(k) Discussion with Internal Auditors regarding any significant findings and follow up thereon.

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

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

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

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

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

b) SHAREHOLDERS' GRIEVANCE COMMITTEE

During the relevant financial year, there were three meetings held on August 11, 2011, November 11, 2011 and February 13, 2012. The Shareholders' Grievance Committee of the Board looks into the redressal of shareholder complaints like share transfers, non-receipt of Annual Reports, issue of duplicate shares non-receipt declared dividends etc. and redressal thereof. The Committee comprises of:

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

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

At the beginning of the year under review, there were no investor complaints that remained unresolved. During the year, the Company has received 8 (Eight) complaints which were resolved and no complaint is pending as on March 31, 2012.

c) REMUNERATION COMMITTEE

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

The Committee was constituted in the Board Meeting held on 02nd May 2011 consisting of following independent non-executive directors:

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

The remuneration proposed for the Managing Director and the Alternate Director designated as Group CFO and detailed in the notice and explanatory statement of the Annual General Meeting held on September 5, 2011 was approved by the Remuneration Committee on August 11, 2011 by way of circular resolution.

DETAILS OF REMUNERATION OF THE BOARD OF DIRECTORS

All decisions related to the remuneration of the Directors, both Executive & Non Executive as recommended by the Remuneration Committee are taken by the Board of Directors of the Company in accordance with the shareholders' and/or Central Governments' approvals, wherever necessary and in compliance with the applicable provisions of Companies Act, 1956. The details of remuneration paid to the Directors for the year 2011-12 are as follows:

(Rs.)

Name of the Director	Basic Salary	Allowance & Perquisites*	Performance linked Incentive / Commission / Bonus	Company Contribution to Provident Fund & Pension	Sitting fees	Total
Mr. Ashok Vasudevan	—	—	—	—	—	—
Mrs. Meera Vasudevan	—	—	—	—	—	—
Mr. K. P. Balasubramaniam	—	—	—	—	1,20,000	1,20,000
Dr. V. S. Arunachalam	—	—	—	—	1,20,000	1,20,000
Mr. Kavas Patel	—	—	—	—	1,70,000	1,70,000
Mr. Ravi Nigam	36,42,492	1,01,400	—	4,37,099	—	41,80,991
Mr. Sohel Shikari	3,60,000	35,67,726	—	43,200	—	39,70,926

*****Perquisites include leave encashment

Notes :

1. Mr. Ravi Nigam was re-appointed as Managing Director of the Company w.e.f. July 20, 2011 for a period of 5 years. The agreement with Mr. Ravi Nigam, Managing Director is expiring on July 19, 2016. The shareholders have approved the remuneration payable to Mr. Ravi Nigam up to July 19, 2011 at the AGM held on September 5, 2011 which is approved by Central Government vide its letter dated May 17, 2012 and further for a period of 3 years up to July 19, 2014 which is approved by Central Government vide its letter dated May 1, 2012.
2. Mr. Sohel Shikari receives salary as Group Chief Financial Officer. The shareholders, subject to the approval of the Central Government, have approved the remuneration payable to Mr. Sohel Shikari as Alternate Director designated as Group CFO for a period of 3 years from April 01, 2011 to March 31, 2014 at the AGM held on September 5, 2011. The application for approval of the remuneration is pending with the Central Government.
3. Agreement with the Managing Director can be terminated by giving three month notice in writing by either party. Appointment of Group CFO can be terminated by giving one month notice in writing by either party.
4. Whole-time Directors are not eligible for any commission or performance bonuses as per their terms of appointment.
5. No stock option scheme has been framed by the Company till now for directors and other executives.

b) Remuneration Policy

The Board of Directors has fixed the remuneration of the Whole-time Director, subject to the approval of the shareholders as recommended by the Remuneration Committee. Due to inadequacy of profits, the Company applied to the Central Government for approval of the remuneration, which was approved by the shareholders in the Annual General Meeting held on September 5, 2011. The Central Government approval for remuneration of Mr. Ravi Nigam has been obtained on above-mentioned dates. The approval for remuneration of Mr. Sohel Shikari is awaited. The remuneration is fixed considering various factors such as qualification, experience, expertise, prevailing remuneration in the Indian corporates, financial position of the Company etc. The non-executive directors do not draw any remuneration from the Company except sitting fees for each meeting of the Board & the Committees thereof paid to the Independent Directors.

CODE OF CONDUCT

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

GENERAL BODY MEETINGS

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

Financial year ended	Date & Time	Venue	Special Resolution
2010-11	05.09.2011 12.30 p.m.	Registered Office	1. Waiver of excess remuneration to Managing Director for FY 10-11 2. Waiver of excess remuneration to Alternate Director, Group CFO for FY 10-11 3. Approval of Remuneration to Managing Director for his balance tenure up to July 19, 2011 4. Appointment of Managing Director for 5 years and approval of remuneration for 3 years w.e.f. July 20, 2011 5. Appointment & remuneration of Alternate Director, Group CFO for 3 years w.e.f. April 1, 2011
2009-10	16.09.2010 03.00 p.m	Hotel Le Meridien Pune, RBM Road, Pune 411 001	None
2008-09	27.08.2009 11.00 a.m.	Registered Office	None

- The Registered Office of the Company is situated at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune- 411005.
- All resolutions moved at the last Annual General Meeting were passed by a show of hands by the members present at the meeting.
- Postal Ballot :
  - During the previous year, the Company did not pass any special resolution through postal ballot. The Company passed the following Ordinary Resolutions by Postal Ballot as set out in Notice dated 19 December 2011 and the results were declared on 02 February 2012:

- Authorizing the Board of Directors or its Committee thereof to borrow up to an amount not exceeding Rs. 75 Crores under Section 293(1)(d) of the Companies Act, 1956 though the borrowing may exceed the paid-up capital and free reserves.
- Authorizing the Board of Directors to create mortgage and/or charge on the assets of the Company for securing borrowings up to an amount not exceeding Rs. 75 Crores in accordance with Section 293(1)(a) of the Companies Act, 1956.

- Both the resolutions were passed by requisite majority with 1917667 no. of votes in favour and 305 no. of votes against first resolution and with 1917367 no. of votes in favour and 305 no. of votes against second resolution.
- Mr. J N Mavji, Practising Company Secretary was appointed as scrutinizer for conducting the process in fair and transparent manner and Mr. Ravi Nigam and / or Mr. Sohel Shikari were authorized to supervise and control the entire postal ballot process.

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. 33 of the Accounts in the Annual Report.
2. There has been no instance of non- compliance by the Company on any matter related to capital markets. Hence the question of penalties or strictures being imposed by SEBI or the Stock exchanges or any other statutory authority does not arise.
3. The Company has laid down procedures to inform Board members about the risk assessment and risk minimization procedures. The Company has identified major and minor risks like market risk, fluctuation in foreign exchange, interest rate, commodity (raw material etc.) price risks and packaging material prices and other business risks and these risks are analyzed from time to time by the executive management team and reviewed by the Audit Committee and the Board.
4. There has been no public, rights or preferential issues of shares and debentures during the year.
5. As required by Clause 49 of the listing Agreement, the Company has obtained a certificate from Practising Company Secretary regarding compliance of conditions of Corporate Governance. The certificate is given as Annexure A to the Directors' Report.

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

- **Whistle Blower Policy** :

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

- The quarterly un-audited results of the Company after being subjected to Limited review by the Statutory Auditors are published in newspapers. These results are not sent to shareholders individually. The same are uploded on the Company's website.
- The Auditors have issued an unqualified report on the statutory financial statements of the Company.
- Training of Board Members/ Mechanism for evaluating non-executive directors.

  All the non - executive directors have requisite qualification, rich experience and expertise in their respective functional areas. They attend various programmes in their personal capacities which keep them abreast of relevant developments. There is no formal system of evaluating them.

MEANS OF COMMUNICATION

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

ICRA ratings

In May 2011, ICRA Limited has assigned a long term rating of LBBB (pronounced L Triple B) with a stable outlook and a short term rating of A2 (pronounced A Two), to the Company's Rs. 25 Crore Line of Credit.

GENERAL SHAREHOLDER INFORMATION

a)	**Annual General Meeting**		
	- Date and Time	:	September 6, 2012 at 12.00 noon
	- Venue	:	Registered Office at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005
b)	**Financial Calendar (tentative)**		
	Financial reporting for		
	- the quarter ending June 30, 2012	:	Second week of August, 2012
	- the half year ending September 30, 2012	:	Second week of November, 2012
	- the quarter ending December 31, 2012	:	Second week of February, 2013
	- year ending March 31, 2013	:	May, 2013
	Annual General Meeting for the year ending March 31, 2013	:	September, 2013
c)	**Financial Year**	:	April 1 to March 31
d)	**Dates of Book Closure**	:	September 1, 2012 to September 6, 2012 (both days inclusive)
e)	**Dividend Payment**	:	Re. 1 per each equity share of Rs. 10 & Re. 1 per each preference share of Rs. 100 within 30 days from the date of declaration of dividend by the shareholders in the Annual General Meeting
f)	**Listing on Stock Exchange**	:	BSE Limited (BSE) Code : 519091 ISIN : INE 488B01017 Group : B
g)	**Registrar & Share Transfer Agent**	:	M/s Karvy Computershare Pvt. Ltd. 17-24, Vithal Rao Nagar, Madhapur, Hyderabad - 500 081 Ph : 040 - 44655116, Fax : 040 - 23420814 e-mail : mahendra.singh@karvy.com

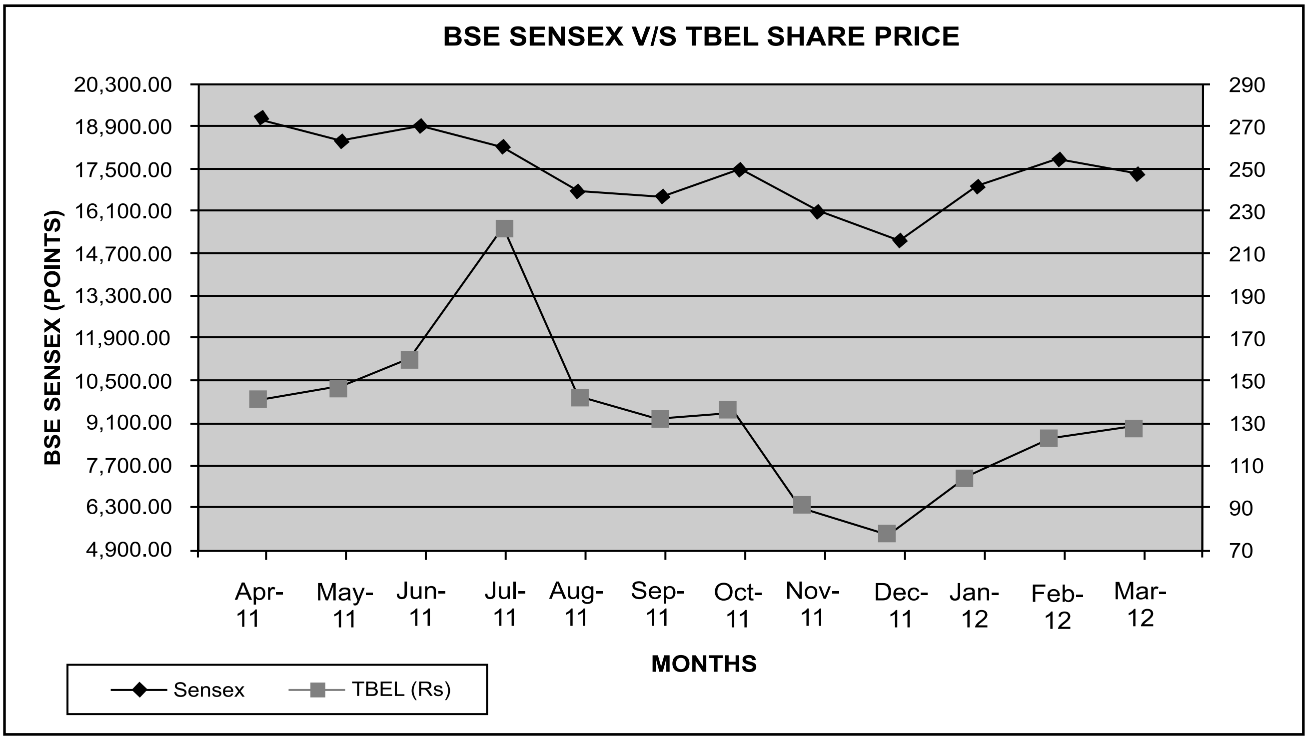
h) Stock Market data

The Market Price and Volume of the Company's Equity Shares traded on the BSE Limited (BSE); Mumbai during the year 2011-12 is as follows:

Month	High (Rs.)	Low (Rs.)	Volume (Nos.)	Spread (Rs.) H-L
April 11	175.2	131.05	20,100	44.15
May 11	160	126.55	19,529	33.45
June 11	172	118.5	33,005	53.5
July 11	239	157.1	85,984	81.9
August 11	238.65	140	49,860	98.65
September 11	149	110.5	64,846	38.5
October 11	142.5	117	9,457	25.5
November 11	133	85	33,723	48
December 11	98	70.75	1,05,652	27.25
January 12	109.5	76.3	14,534	33.2
February 12	140.9	96.8	12,881	44.1
March 12	138	111	3,748	27

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

Stock performance Vs BSE Sensex :



The graph relates to the monthly closing price/ indices.

i) Share Transfer System

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

Reconciliation of Share Capital Audit Report

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

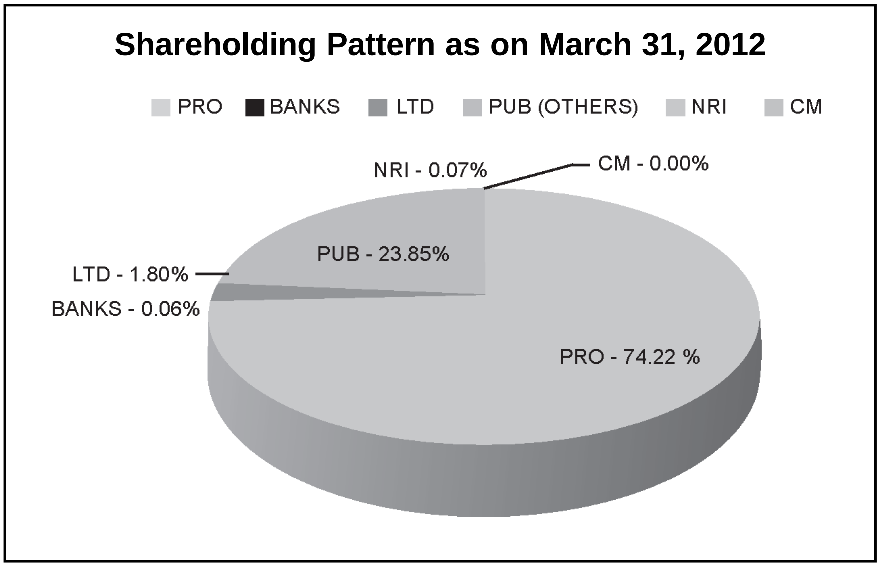
j) Distribution of Shareholding as on 31st March, 2012

As of March 31, 2012, the distribution of the Company's shareholding was as follows:

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount(Rs.)	% of Amount
1 - 5000	1790	92.99 %	221937	2219370	8.65 %
5001 - 10000	65	3.38 %	52273	522730	2.04 %
10001 - 20000	37	1.92 %	54115	541150	2.11 %
20001 - 30000	6	0.31 %	16066	160660	0.62 %
30001 - 40000	6	0.31 %	21293	212930	0.83 %
40001 - 50000	7	0.36 %	32825	328250	1.28 %
50001 - 100000	9	0.47 %	55706	557060	2.17 %
100001 & Above	5	0.26 %	2111785	21117850	82.30 %
Total	1925	100.00 %	2566000	25660000	100.00 %

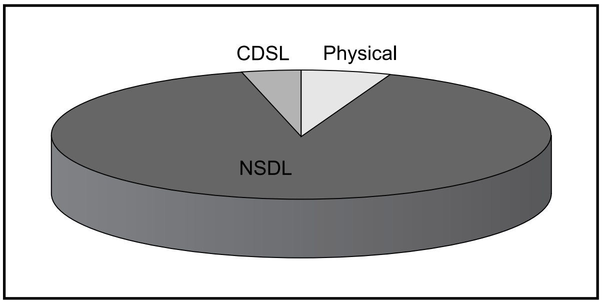
k) Shareholding Pattern as on March 31, 2012

Category	No. of Holders	Total Shares	% To Equity
PROMOTERS	1	1904510	74.22%
BANKS	1	1500	0.06%
BODIES CORPORATES	66	46148	1.80%
PUBLIC	1837	612064	23.85%
NON RESIDENT INDIANS	18	1733	0.07%
CLEARING MEMBERS	2	45	0.00%
Total	1925	2566000	100.00%



l) Dematerialization of shares and liquidity as on March 31, 2012

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



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

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

o) Investors Correspondence : Anuja Laturkar
Company Secretary
204, Mayfair Towers, Wakdewadi,
Shivajinagar, Pune - 411005, Maharashtra
Ph: 91-020-25510685 Fax: 91-020-25512695
anuja@tastybite.com or
secretarial@tastybite.com

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

To the Board of Directors of

Tasty Bite Eatables Limited

We certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year 2011-12 and that to the best of our knowledge and belief:

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

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

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

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

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

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

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

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

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

Place : Pune	**Ravi Nigam**	**Sohel Shikari**
Date : May 30, 2012	**Managing Director**	**CFO**

Certificate for compliance with Code of Conduct

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

Ravi Nigam
Managing Director

Place : Pune
Date : May 30, 2012

AUDITORS' REPORT

TO

THE MEMBERS OF TASTY BITE EATABLES LIMITED

1. We have audited the attached Balance Sheet of **TASTY BITE EATABLES LIMITED** as at March 31, 2012 and also the Profit and Loss Statement of the Company for the year ended as on that date annexed thereto and the Cash Flow Statement for the year ended on that date. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Without qualifying our report, we draw attention to note no. 43, wherein, it has been stated that the Company has made an application to the Central Government for the approval of the excess remuneration paid to the whole time directors as per the limits laid down under section 198 of the Companies Act, 1956 read with Schedule XIII to the said Act.
5. Further to our comments in the Annexure referred to above, we report that:
   a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
   b) In our opinion, proper books of account as required by law, have been kept by the Company so far as appears from our examination of these books.
   c) The Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
   d) In our opinion, the Balance Sheet, the Profit and Loss Statement and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   e) On the basis of the written representations received from the Directors as on March 31, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2012, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
      ii) in the case of the Profit and Loss Statement, of the Profit of the Company for the year ended on that date; and
      iii) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

Anil A. Kulkarni
Partner
Membership No.47576
Date : May 30, 2012
Place : Pune

ANNEXURE TO THE AUDITORS' REPORT

Referred to in Paragraph (3) of our report of even date on the accounts of **Tasty Bite Eatables Limited** for the year ended March 31, 2012.

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

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

   (iii) In our opinion, there was no significant disposal of fixed assets during the year to affect the going concern assumption.

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

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

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

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

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

   (iii) The Company has taken loans from one party listed in the register maintained under section 301 of the Companies Act, 1956. The total loan amount outstanding at the year end is Rs.114,457 thousand.

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

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

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

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

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

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

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

8) According to the information and explanations given to us, the maintenance of cost records has not been prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956, for any of the activities of the Company.

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

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

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

Name of Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Tax, Interest and Penalty	788,036	1999-2000	Sales Tax Tribunal
Bombay Sales Tax Act, 1959	Interest and Penalty	41,778	1999-2000	Sales Tax Tribunal
Delhi Sales Tax Act, 1975	Tax, Interest and Penalty	48,702	2003-2004	Deputy Commissioner of Sales Tax (Appeal)
The Finance Act, 1994 (Service Tax)	Tax and Penalty	2,716,214	2005 to 2010	The Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Fine and Penalty	950,000	1987-1988	High Court
The Income Tax Act, 1961	Tax	5,183,624	2006-2007	The Income Tax Appellate Tribunal

Of the above, the Company has deposited Rs.491,778 towards sales tax, Rs.800,000 towards service tax and Rs.1,000,000 towards income tax.

Further, the Company has disputed certain additions and disallowances under the Income Tax Act, 1961 for the years 2003-2004 and 2004-2005 before the Commissioner of Income Tax (Appeals) and for the year 2007-2008 before the Dispute Resolution Panel. The Company has received an order from the Commissioner of Income Tax (Appeals) for the year 2005-2006 and as informed to us, the Company is awaiting the order giving effect to the said order from the assessing officer.

There is no demand for these cases.

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

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

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

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

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

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

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

17) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, funds amounting to Rs.37,699 thousand raised on short term basis (primarily represented by changes in working capital) have been used for long term investment (primarily represented by fixed assets). Further, the Company has explained that steps are being taken to augment the long term funds.

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

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

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

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

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

Anil A. Kulkarni
Partner
Membership No.: 47576
Date : May 30, 2012
Place : Pune

BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note	As at 31st March, 2012	As at 31st March, 2011
		Rs. '000	Rs. '000
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUNDS			
(a) Share Capital	3	**31,613**	31,613
(b) Reserves and Surplus	4	**212,892**	199,320
(2) NON-CURRENT LIABILITIES			
(a) Long-term borrowings	5	**105,746**	99,900
(b) Deferred tax liabilities (Net)	6	**19,147**	13,714
(c) Long term provisions	7	**5,479**	8,363
(4) CURRENT LIABILITIES			
(a) Short-term borrowings	8	**85,462**	64,631
(b) Trade payables	9	**104,509**	92,886
(c) Other current liabilities	10	**37,616**	43,187
(d) Short-term provisions	11	**6,306**	14,516
Total		**608,770**	568,130
II. ASSETS			
(1) NON-CURRENT ASSETS			
(a) Fixed assets			
(i) Tangible assets	12	**305,974**	223,663
(ii) Intangible assets	13	**1,656**	2,406
(iii) Capital work-in-progress		**6,687**	12,806
(b) Long term loans and advances	14	**4,332**	6,866
(2) CURRENT ASSETS			
(a) Inventories	15	**67,342**	73,308
(b) Trade receivables	16	**93,017**	141,481
(c) Cash and cash equivalents	17	**61,604**	20,274
(d) Short-term loans and advances	18	**68,141**	84,373
(e) Other current assets	19	**17**	2,953
Total		**608,770**	568,130

See accompanying notes (1 to 28) to the financial statements

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

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

Anil A. Kulkarni
PARTNER

Date : May 30, 2012
Place : Pune

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

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

Date : May 30, 2012
Place : Pune

PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2012

	Particulars	Note	**For the Year Ended 31st March, 2012**	For the Year Ended 31st March, 2011
			Rs. '000	Rs. '000
I	Revenue from Operations (Gross)	20	**785,411**	769,846
	Less: Excise Duty		**2,171**	188
	Revenue from Operations (Net)		**783,240**	769,658
II	Other Operating Income	21	**41,166**	44,278
III	Other Income	22	**5,766**	14,725
IV	**Total Revenue**	(I + II + III)	**830,172**	828,661
V	Expenses:			
	(a) Cost of raw materials including packaging materials consumed	23	**485,939**	509,049
	(b) Changes in Inventories of Finished Goods and Work-in-Progress	24	**(2,881)**	(7,536)
	(c) Employee Benefit Expenses	25	**108,069**	108,823
	(d) Interest and Finance Costs	26	**11,727**	9,298
	(e) Depreciation and Amortization Expenses	27	**21,154**	16,762
	(f) Other Expenses	28	**182,169**	161,414
	Total Expenses		**806,177**	797,810
VI	**Profit before tax**	(IV - V)	**23,995**	30,851
VII	Tax expense:			
	(a) Current tax		**1,938**	10,312
	(b) Deferred tax		**5,433**	1,661
VIII	**Profit/(Loss) for the period**	(VI - VII)	**16,624**	18,878
IX	Earning per equity share : (Face value: Rs.10 per share)			
	– Basic		**6.45**	7.33
	– Diluted		**6.45**	7.33

See accompanying notes (1 to 28) to the financial statements.

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

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

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

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

Date : May 30, 2012
Place : Pune

Date : May 30, 2012
Place : Pune

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

		For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
	Rs. '000	**Rs. '000**	Rs. '000
A. CASH FLOW FROM OPERATING ACTIVITIES:			
Net Profit Before Tax		**23,995**	30,851
Adjustment for:			
Depreciation and Amortisation	**21,154**		16,762
Interest and Finance Costs	**11,727**		9,298
Interest Income	**(1,479)**		(845)
Loss / (Gain) on Foreign Exchange Transactions	**466**		(2,360)
(Profit) / Loss on fixed assets sold / written off (Net)	**1**		(1,067)
		31,869	21,788
Operating Profit Before Working Capital Changes		**55,864**	52,639
Changes in Working Capital			
Increase / (Decrease) in Trade Payables	**11,203**		21,987
Increase / (Decrease) in Other Current Liabilities	**(18,350)**		16,682
Increase / (Decrease) in Provisions	**(5,008)**		39,396
(Increase) / Decrease in Loans and Advances	**18,766**		(3,161)
(Increase) / Decrease in Inventories	**5,966**		2,660
(Increase) / Decrease in Trade Receivables	**49,622**		(3,853)
(Increase) / Decrease in Other Current Assets	**2,936**		6,188
		65,135	79,899
Cash Generated from Operations		**120,999**	132,538
Income Tax Paid		**(8,024)**	(42,295)
Net Cash Flow from Operating Activities		**112,975**	90,243
B. CASH FLOW FROM INVESTING ACTIVITIES:			
Purchase of Fixed Assets	**(81,913)**		(119,588)
Sale of Fixed Assets	**84**		1,106
Net Cash Used in Investing Activities		**(81,829)**	(118,482)
Balance carried forward		**31,146**	(28,239)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

			For the Year Ended 31st March, 2012	For the Year Ended 31st March, 2011
		Rs. '000	Rs. '000	Rs. '000
	Balance Brought Forward		31,146	(28,239)
C.	CASH FLOW FROM FINANCING ACTIVITIES:			
	Change in Borrowings			
	(net of Government Grant recognised)	22,137		33,857
	Interest and Finance Costs	(11,727)		(9,298)
	Interest Income	1,479		845
	Dividend Paid on Equity Shares	(2,491)		(2,486)
	Dividend Paid on Redeemable Preference Shares	(60)		(60)
	Dividend Distribution Tax Paid	(426)		(436)
	Net Cash Used in Financing Activities		8,912	22,422
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		40,058	(5,817)
	CASH AND CASH EQUIVALENTS AS AT THE BEGINNING		20,274	26,091
	CASH AND CASH EQUIVALENTS AS AT THE ENDING		61,604	20,274
	Unrealised Foreign Exchange Restatement in Cash and Cash Equivalents		(1,272)	-
			60,332	20,274
	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:		40,058	(5,817)
	Cash and Cash equivalents comprise of:			
	Cash on hand		77	169
	Balances with banks*		61,527	20,105
			61,604	20,274
	* includes following balances which are not available for use by the Company			
	- Unpaid dividend account		156	80
	- Margin money deposit		2,586	2,388
	- Deposits held as security against borrowings		15,653	8,856
	- Deposits held as lien		9,418	-

NOTES

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

For and on behalf of
KALYANIWALLA & MISTRY
CHARTERED ACCOUNTANTS

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

Anil A. Kulkarni
PARTNER

Ravi Nigam
Managing Director

Sohel Shikari
Alternate Director

Anuja Laturkar
Company Secretary

Date : May 30, 2012
Place : Pune

Date : May 30, 2012
Place : Pune

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

Note : 1 General Information

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

Note : 2 Significant Accounting Policies

a) **Basis of Accounting:**

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

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

b) **Use of Estimates:**

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

c) **Fixed Assets and Depreciation:**

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

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

d) **Inventories:**

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

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

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

e) **Investments:**

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

f) **Borrowing Costs:**

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

g) **Foreign Exchange Transactions:**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities related to foreign currency transactions, remaining unsettled at the year-end, are stated at the year-end rates. Forward exchange contracts, remaining unsettled at the year end, backed by underlying assets or liabilities are also translated at the year end exchange rates. Exchange gains / losses are recognized in the Profit and Loss Account 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 Profit and Loss Account 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 profit and loss account. The liability in respect of defined benefit schemes like gratuity and leave encashment benefit 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.

m) **Taxes on income:**

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (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 profit and loss account 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) **Earnings Per Share**

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

		As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 3 Share Capital			
(a)	AUTHORISED SHARE CAPITAL :		
	4,400,000 (Previous Year : 4,400,000) Equity Shares of Rs. 10/- each	**44,000**	44,000
	60,000 (Previous Year: 60,000) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each.	**6,000**	6,000
		50,000	50,000
(b)	ISSUED, SUBSCRIBED AND PAID UP CAPITAL :		
	2,566,000 (Previous Year : 2,566,000) Equity shares of Rs. 10/- each fully paid up	**25,660**	25,660
	59,530 (Previous Year: 59,530) 1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares of Rs. 100/- each fully paid up.	**5,953**	5,953
	Total Issued, Subscribed and Fully Paid-up Share Capital	**31,613**	31,613

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

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

Equity Shares	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	2,566,000	25,660	2,566,000	25,660
Issues during the year	-	-	-	-
Outstanding at the end of the year	2,566,000	25,660	2,566,000	25,660

1% Non-Cumulative, Non-Convertible, Redeemable Preference Shares	As at 31st March, 2012		As at 31st March, 2011	
	No. of shares	Rs. in '000	No. of shares	Rs. in '000
At the beginning of the year	**59,530**	**5,953**	59,530	5,953
Issues during the year	**-**	**-**	-	-
Outstanding at the end of the year	**59,530**	**5,953**	59,530	5,953

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

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

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

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	% holding	No. of shares	% holding	No. of shares
Preferred Brands Foods (India) Private Limited	**74.22**	**1,904,510**	74.22	1,904,510
K. Swapna	**6.15**	**157,900**	-	-

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

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

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

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 4 Reserve and Surplus			
(a)	**Securities Premium Account**	**9,475**	9,475
(b)	**Capital Reserve**	**5,734**	5,734
(c)	**Reserve for Premium of Preference Share Capital**	**116,083**	116,083
(d)	**Surplus / (deficit) in the Statement of Profit and Loss**		
	Balance as per last financial statements	**68,028**	52,202
	Add : Transferred from Statement of Profit and Loss	**16,624**	18,878
	Less : Appropriations		
	Proposed Dividend on Equity Shares	**2,566**	2,566
	Dividend on Redeemable Preference Shares	**60**	60
	Tax on dividend	**426**	426
	Net surplus in the statement of profit and loss	**81,600**	68,028
	Total Reserves and Surplus	**212,892**	199,320

Note : 5 Long-Term Borrowings

Secured Loans			
(a)	**Term Loans**		
	- from Banks	**1,463**	-
	- from Related Parties	**104,283**	99,900
	Total Long-Term Borrowings	**105,746**	99,900

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

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

The Company has taken External Commercial Borrowing (ECB) of USD 1,300 thousand from PBI, for capacity expansion and modernisation of the existing manufacturing infrastructure. The Company has received the Reserve Bank of India (RBI) approval ref. FED.CO.ECBD./03.02.766/2005-06 dated November 9, 2005. The loan carried interest at LIBOR plus 3.5%. First draw down date was December 30, 2005. As per the terms of the loan agreement, the loan is repayable at any time after the third anniversary of the date of first disbursement upon written demand by the lender. In absence of a written demand, the Company has to repay the principal sum in approximately eight quarterly installments commencing with the first payment date occurring eight years after the date of drawdown.

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

Above ECBs are not pre-payable.

(d) There is no default as on March 31, 2012 and as on March 31, 2011 in repayment of principal and interest.

	As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 6 Deferred Tax Liability		
In accordance with Accounting Standard 22 on Accounting for Taxes on Income, the Company has made adjustments in its accounts for deferred tax liabilities / assets. The tax effects of significant temporary differences that resulted in deferred tax assets and liabilities are :		
Deferred Tax Liability		
Depreciation on fixed assets	**24,987**	20,071
Deferred Tax Asset		
Provision for employee benefits	**3,197**	3,962
Others	**2,643**	2,395
Deferred Tax Liability (Net)	**19,147**	13,714
Note : 7 Long-Term Provisions		
Provision for Employee Benefits (Also refer note no. 25)		
- Gratuity	**1,012**	2,781
- Leave Encashment	**4,467**	5,582
Total Long-Term Provisions	**5,479**	8,363
Note : 8 Short Term Borrowings		
Secured Loans		
Working Capital Loans repayable on demand from banks		
Cash Credit	**85,462**	64,631
	85,462	64,631

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

(a) Cash credits have been taken from two banks. Cash credits taken from both banks are secured by first pari passu hypothecation charge on present and future current assets of the company. Cash credit taken from one bank is collaterally secured by hypothecation of second pari passu charge on existing movable fixed assets of the Company alongwith other bank, extension of hypothecation first charge over specific movable fixed assets to be purchased out of term loans, negative lien over land and buildings and deposits with bank. Cash credit of other bank is collaterally secured by second pari passu charge on existing plant and machinery, second charge on plant and machineries purchased out of the term loan of other bank. Cash credits of both banks are also secured by corporate guarantee of the Ultimate Holding Company. Cash credits are repayable on demand and carry interest rate of base rate plus 3.5% in case of one bank whereas in case of other bank the rate is mutually agreed.

(b) There is no default as on March 31, 2012 and as on March 31, 2011 in repayment of principal and interest.

	As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 9 Trade Payable		
(a) Trade Payables	**104,509**	92,886
Total Trade Payables	**104,509**	92,886

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

Dues remaining unpaid Principal Interest	 Nil Nil	 Nil Nil
Interest paid in terms of Section 16 of MSMED Act	Nil	Nil
Amount of payments made to supplier beyond the appointed day	920	1,851
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, 2012 (Contd.)

		As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 10 Other Current Liabilites			
(a)	Current maturities of long term borrowings	**22,594**	11,830
(b)	Interest accrued and due on borrowings	**159**	-
(c)	Unpaid dividends	**155**	80
(d)	Other payables		
	- Statutory dues payable	**3,546**	11,388
	- Employee dues payable	**1,787**	2,500
	- Overdrawn bank balances in ordinary course of business	**6,051**	14,022
	- Related parties	**1,291**	-
	- Others	**2,033**	3,367
	Total Other Current Liabilites	**37,616**	43,187
Note : 11 Short-Term Provisions			
(a)	Provision for Employee Benefits		
	- Gratuity	**2,352**	1,916
	- Leave Encashment	**758**	433
(b)	Provision for Taxation	**144**	6,230
(c)	Provision for Mark to Market Losses on Derivatives	**-**	2,885
(d)	Proposed Dividend on Equity Shares	**2,566**	2,566
(e)	Proposed Dividend on Redeemable Preference Shares	**60**	60
(f)	Tax on Dividend	**426**	426
	Total Short-Term Provisions	**6,306**	14,516

Note 12 - Tangible Assets

Rs. '000

ASSET	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 01-Apr-11	Additions	Adjust-ments	Deductions	**As at 31-Mar-12**	Upto 31-Mar-11	For the Year	On Deductions	**Upto 31-Mar-12**	**As at 31-Mar-12**	As at 31-Mar-11
Freehold Land	1,255	-	-	-	**1,255**	-	-	-	**-**	**1,255**	1,255
Buildings	58,668	19,438	2,336	-	**80,442**	14,496	2,285	-	**16,781**	**63,661**	44,172
Plant and Machinery	243,684	64,544	12,125	-	**320,353**	89,707	15,952	-	**105,659**	**214,694**	153,977
Office Equipment	5,631	448	-	54	**6,025**	951	274	1	**1,224**	**4,801**	4,680
Computers	7,025	289	-	90	**7,224**	5,203	473	58	**5,618**	**1,606**	1,822
Furniture and Fixtures	8,668	657	-	-	**9,325**	3,517	643	-	**4,160**	**5,165**	5,151
Vehicles	75	-	-	-	**75**	43	4	-	**47**	**28**	32
Electrical Installations	14,892	2,656	307	-	**17,855**	2,318	773	-	**3,091**	**14,764**	12,574
TOTAL	**339,898**	**88,032**	**14,768**	**144**	**442,554**	**116,235**	**20,404**	**59**	**136,580**	**305,974**	
Previous Year	*245,032*	*116,270*	*4,384*	*17,020*	*339,898*	*117,194*	*16,022*	*16,981*	*116,235*		*223,663*

(a) Adjustments for the current year 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. (Previous Year: Adjustments include government grant recognised.)

(b) During the year, the Company has exercised the option available to it under Para 46A of Accounting Standard 11 The Effects of Changes in Foreign Exchange Rates as per the Companies (Accounting Standards) (Second Amendment) Rules, 2011 in respect of accounting for fluctuations in foreign exchange relating to "Long Term Foreign Currency Monetary Items". Accordingly, it has adjusted Rs.14,768 thousand for the year ended March 31, 2012 to the cost of its fixed assets on account of such difference arising during the year and has provided for depreciation thereon amounting to Rs.1,278 thousand over the balance useful life of the respective assets. Consequently, the charge to the Profit and Loss Account is lower to that extent.

(c) Depreciation charged to the profit and loss statement for the year ended 31st March, 2012 on availment of above option is Rs.1,278 thousand.

(d) Amount of foreign exchange remaining to be amortised as on March 31, 2012 is Rs.13,490 thousand.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

Note 13 - Intangible Assets

Rs. '000

ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01-Apr-11	Additions	Deductions	**As at 31-Mar-12**	Upto 31-Mar-11	For the Year	On Deductions	**Upto 31-Mar-12**	**As at 31-Mar-12**	As at 31-Mar-11
Computer Softwares	3,741	-	-	**3,741**	1,335	750	-	**2,085**	**1,656**	2,406
TOTAL	**3,741**	**-**	**-**	**3,741**	**1,335**	**750**	**-**	**2,085**	**1,656**	
Previous Year	*3,741*	-	-	*3,741*	*595*	*740*	-	*1,335*		*2,406*

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 14 Long-Term Loans and Advances			
	(Unsecured, considered good unless otherwise stated)		
(a)	Security Deposits	**2,093**	381
(b)	Capital Advance	**1,949**	6,485
(c)	Prepaid Expenses	**290**	-
	Total Long-Term Loans and Advances	**4,332**	6,866
Note : 15 Inventories			
(a)	Raw Material	**27,134**	33,400
(b)	Stores and Spares	**150**	501
(c)	Packing Material	**24,353**	26,583
(d)	Work in Progress	**5,064**	4,532
(e)	Finished Goods		
	- Finished Goods on hand	**10,641**	5,810
	- Finished Goods in transit	**-**	2,482
	Total Inventories	**67,342**	73,308
(f)	**Details of inventory**		
	(i) Finished Goods		
	- Ready to Serve	**7,456**	3,501
	- Frozen Formed Products	**2,382**	659
	- Sauces	**803**	4,132
		10,641	8,292
	(ii) Work in Progress		
	- Ready to Serve	**2,603**	3,712
	- Frozen Formed Products	**208**	-
	- Sauces	**2,253**	820
		5,064	4,532
Note : 16 Trade Receivables			
	(Unsecured, considered good unless otherwise stated)		
(a)	Outstanding for a period exceeding 6 months from the date they are due for payment	**2,515**	657
(b)	Others	**90,502**	140,824
	Total Trade Receivables	**93,017**	141,481

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		As at 31st March, 2012 Rs. '000	As at 31st March, 2011 Rs. '000
Note : 17 Cash and Bank Balances			
(a)	Cash and Cash Equivalents		
	(i) Cash on hand	**77**	169
	(ii) Balances with banks	**30,692**	792
	(iii) Deposits with less than three months maturity	**3,022**	7,158
		33,791	8,119
(b)	Other Bank Balances		
	(i) Margin Money	**2,586**	2,388
	(ii) Deposits held as security against borrowings	**15,653**	8,856
	(iii) Deposits with bank held as lien	**9,418**	-
	(iv) Deposits with more than three months maturity but less than twelve months maturity	**-**	831
		27,657	12,075
(c)	Earmarked Balances	**156**	80
	Total Cash and Bank Balances	**61,604**	20,274
Note : 18 Short-term Loans and Advances			
	(Unsecured, considered good unless otherwise stated)		
(a)	Security Deposits	**7,143**	16,038
(b)	Loans and Advances to Related Parties (includes Rs.493 thousand receivable from Preferred Brands International Inc., Ultimate Holding Company; Previous Year: Rs.98 thousand receivable from Preferred Brands Foods (India) Private Limited, Holding Company)	**493**	98
(c)	Others		
	- Considered Good	**60,505**	68,237
	- Considered Doubtful	**1,348**	-
	Less : Provision for doubtful advances	**1,348**	-
	Total Short-term Loans and Advances	**68,141**	84,373
Note : 19 Other Current Assets			
	(Unsecured, considered good unless otherwise stated)		
	Others	**17**	2,953
	Total Other Current Assets	**17**	2,953

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		Year ending 31st March, 2012 Rs. '000	Year ending 31st March, 2011 Rs. '000
Note : 20 Revenue from Operations			
(a)	Sales (Gross)	**785,411**	769,846
	Less : Excise Duty	**2,171**	188
	Total Revenue from Operations	**783,240**	769,658
(b)	Details of sales		
	Finished Goods		
	- Ready to Serve	**588,475**	597,616
	- Frozen Formed Products	**95,072**	97,122
	- Sauces	**97,833**	73,527
	Others		
	- Scrap sales	**1,860**	1,393
		783,240	769,658
Note : 21 Other Operating Income			
	Export Incentives	**41,166**	44,278
	Total Other Operating Income	**41,166**	44,278
Note : 22 Other Incomes			
(a)	Interest	**1,479**	845
(b)	Sundry balances written back (Net)	**2,198**	-
(c)	Gain on Foreign Exchange (Net)	**-**	6,549
(d)	Miscellenoues income	**1,946**	3,419
(e)	Profit on fixed assets sold / written off (Net)	**-**	1,067
(f)	Prior period items (Net)	**143**	2,845
		5,766	14,725
(g)	Prior period items include		
	- Excess provision for expenses	**669**	4,641
	- Short / non provision for expenses	**(526)**	(1,796)
		143	2,845

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		Year ending 31st March, 2012 Rs. '000	Year ending 31st March, 2011 Rs. '000
Note : 23 Cost of raw materials including packaging materials consumed			
(a)	Opening Stock	**59,983**	70,256
(b)	Purchases (Net)	**477,443**	498,776
		537,426	569,032
(c)	Less : Closing Stock	**51,487**	59,983
	Total Cost of Materials Consumed	**485,939**	509,049
Note : 24 Changes in inventories of finished goods and work-in-progress			
(a)	Opening Stock of :		
	Finished Goods	**8,292**	2,694
	Work in Progress	**4,532**	2,594
		12,824	5,288
(b)	Closing Stock of :		
	Finished Goods	**10,641**	8,292
	Work in Progress	**5,064**	4,532
		15,705	12,824
	Changes in inventories of finished goods and work-in-progress	**(2,881)**	(7,536)
Note : 25 Employees Benefit Expenses			
(a)	Salaries, Wages, Bonus and Gratuity	**100,997**	103,600
(b)	Contribution to Provident and Other Funds	**3,704**	3,008
(c)	Workmen and Staff Welfare Expenses	**3,368**	2,215
		108,069	108,823

(d) **Defined Contribution Plan:**

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

(e) **Defined Benefit Plan:**

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

	2011-12 Rs. '000	2010-11 Rs. '000
Change in Present Value of Obligation		
Present value of the obligation at the beginning of the year	**11,811**	5,547
Current Service Cost	**1,206**	677
Interest Cost	**946**	513
Contribution by Plan Participants	**-**	-
Actuarial (Gain) / Loss on Obligation	**(1,693)**	4,429
Foreign Currency exchange rate changes	**-**	-

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	2011-12 Rs. '000	2010-11 Rs. '000
Benefits Paid	**(73)**	-
Past Service Cost	**-**	645
Amalgamations/ Curtailments/ Settlements	**-**	-
Present value of the obligation at the end of the year	**12,197**	11,811
Change in Plan Assets		
Fair value of Plan Assets at the beginning of the year	**7,048**	4,065
Expected return on Plan Assets	**564**	541
Actuarial Gain / (Loss) on Plan Assets	**(206)**	(258)
Foreign Currency exchange rate changes	**-**	-
Contributions by the Employer	**1,500**	2,700
Contributions by Plan Participants	**-**	-
Benefits Paid	**(73)**	-
Amalgamations/ Settlements	**-**	-
Fair value of Plan Assets at the end of the year	**8,833**	7,048
Amounts Recognized in the Balance Sheet :		
Present value of Obligation at the end of the year	**12,197**	11,811
Unrecognized Past Service Cost	**-**	-
Fair value of Plan Assets at the end of the year	**8,833**	7,048
Net Obligation at the end of the year	**3,364**	4,763
Amounts Recognized in the statement of Profit and Loss :		
Current Service Cost	**1,206**	677
Interest cost on Obligation	**946**	513
Expected return on Plan Assets	**(564)**	(541)
Expected return on Reimbursement Right recognised as an asset	**-**	-
Net Actuarial (Gain) / Loss recognised in the year	**(1,487)**	4,687
Past Service Cost	**-**	645
Effect of Curtailment or Settlement	**-**	-
Expenses recognized in the statement of profit and loss	**101**	5,981
Actual return on Plan Assets	**320**	283
Estimated contribution to be made in next financial year	**2,352**	1,916
Actuarial Assumptions :		
Discount Rate	**8.25%**	8.00%
Expected Rate of Return on Plan Assets	**8.60%**	8.00%
Salary Escalation Rate	**7.50%**	9.25%
Employee Turnover	**8.60%**	8.00%
Mortality	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate

Note :

(i) The estimates of future salary increases, considered in actuarial valuation, have been done on the basis of current salary suitably projected for future taking into consideration the general trend in salary rise and inflation rates.

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

(iii) Plan assets are insurer managed fund.

(f) The liability for leave encashment as at the year end is **Rs. 5,225 thousand** (Previous Year: Rs.6,015 thousand).

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		Year ending 31st March, 2012 Rs. '000	Year ending 31st March, 2011 Rs. '000
Note : 26 Interest and Finance Cost			
(a)	Interest		
	- Long term borrowings from banks	**1,858**	154
	- Long term borrowings from others	**3,927**	3,429
	- Short term borrowings from banks	**866**	2,828
	- Others	**1,681**	-
(b)	Other Finance Charges	**3,395**	2,887
		11,727	9,298
Note : 27 Depreciation and Amortisation Expense			
(a)	Depreciation on tangible assets	**20,404**	16,022
(b)	Depreciation on intangible assets	**750**	740
		21,154	16,762
Note : 28 Other Expenses			
(a)	Stores and Spares Consumed	**30,589**	27,111
(b)	Power and Fuel	**21,021**	15,792
(c)	Repairs and Maintenance:		
	- Plant and Machinery	**7,708**	3,767
	- Buildings	**2,479**	3,777
	- Others	**1,060**	1,114
(d)	Rent, Rates and Taxes	**3,794**	3,736
(e)	Telephone and Postage	**3,729**	3,371
(f)	Travelling and Conveyance	**10,991**	10,058
(g)	Legal and Professional Charges	**10,825**	12,498
(h)	Printing and Stationary	**4,057**	4,116
(i)	Insurance	**2,130**	1,766
(j)	Freight	**48,216**	56,648
(k)	Sales Promotion	**2,407**	624
(l)	Bad Debts Written Off	**136**	1,556
(m)	Provision for Doubtful Advances	**1,348**	-
(n)	Loss on fixed assets sold / written off (Net)	**1**	-
(o)	Loss on Foreign Exchange (Net)	**22,450**	-
(p)	Auditor's Remuneration	**989**	1,050
(q)	Sundry Balances Written Off	**-**	4,579
(r)	Miscellaneous Expenses	**8,239**	9,851
		182,169	161,414

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

		Year ending 31st March, 2012 Rs. '000	Year ending 31st March, 2011 Rs. '000
Note : 29 Contingent Liabilities			
(a)	Sales Tax demands disputed by the Company and under appeal	**930**	930
(b)	Custom duty demand disputed by the Company and under appeal	**950**	950
(c)	Service tax demand disputed by the Company and under appeal	**2,716**	-
(d)	Income tax liability towards additions / disallowances under dispute	**24,983**	22,351
(e)	Guarantees given by banks counter guaranteed by the Company in respect of item (b) above.	**950**	950

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

Note : 30 Capital Commitments

Estimated amount of contracts remaining to be executed on Capital Account and not provided for **Rs.32,102 thousand** (Previous Year : Rs. 18,865 thousand)

Note : 31 Derivative Instruments

The derivative instruments outstanding as at March 31, 2012 are as under :

(a) Forward contracts USD-INR for the purpose of hedging its exposure to foreign currency receivables: **USD 4,467 thousand** (Previous Year: USD 7,493 thousand).

(b) Forward contracts AUD-INR for the purpose of hedging its exposure to foreign currency receivables: **AUD 240 thousand** (Previous Year: AUD 700 thousand)

The Company has provided for the losses on derivative instruments by marking them to market.

Note : 32

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

Note : 33 Related Party Disclosures

(a) Relationships :

(i) HOLDING COMPANY

Preferred Brands Foods (India) Private Limited

(ii) ULTIMATE HOLDING COMPANY

Preferred Brands International, Inc. USA

(iii) FELLOW SUBSIDIARY

Preferred Brands Australia Pty. Ltd.

ASG Omni India Private Limited

(iv) KEY MANAGEMENT PERSONNEL

Mr. Ravi Nigam - Managing Director

Mr. Sohel Shikari - Alternate Director

(v) RELATIVES OF KEY MANAGEMENT PERSONNEL

Mrs. Ruby Nigam

Mrs. Reshma Shikari

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

M/s. K. S. Shikari & Associates

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

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

Sr. No.	Particulars	Holding Company		Ultimate Holding Company		Fellow Subsidiary	
		2011-12	*2010-11*	**2011-12**	*2010-11*	**2011-12**	*2010-11*
1	Sales	**-**	-	**468,644**	512,706	**119,380**	84,728
2	Expenses Charged to Other Companies	**4**	8	**5,471**	6,176	**566**	274
3	Expenses Charged by Other Companies	**-**	-	**2,892**	578	**282**	-
4	Interest on Loan Taken	**-**	-	**3,927**	3,429	**-**	-
5	Loans taken during the year	**-**	-	**-**	23,250	**-**	-
6	Advance given	**-**	-	**493**	-	**-**	-
7	Outstanding receivables net of payables	**1**	98	**22,539**	94,256	**33,938**	26,325
8	Loan Outstanding	**-**	-	**114,457**	102,120	**-**	-

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

Sr. No.	Particulars	Key Management Personnel		Relatives of Key Management Personnel		Enterprises over which Key Management Personnel exercise significant influence	
		2011-12	*2010-11*	**2011-12**	*2010-11*	**2011-12**	*2010-11*
1	Remuneration	**8,152**	7,702	**-**	-	**-**	-
2	Receiving of Services	**-**	-	**480**	480	**222**	852

Note : 34 Segment Reporting

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

(a) Information about Primary Segments

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

(b) Information about Secondary Segments

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

Particulars	India		Outside India		Total	
	2011-12	2010-11	**2011-12**	2010-11	**2011-12**	2010-11
Revenue	**241,697**	227,670	**588,475**	600,999	**830,172**	828,661
Carrying amount of segment assets	**547,975**	446,683	**60,795**	121,447	**608,770**	568,130
Capital Expenditure	**81,913**	115,204*	**-**	-	**81,913**	115,204

* net of government grant.

(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 : 35 Consumption of materials and stores

Item		Year ended 31st March, 2012		Year ended 31st March, 2011	
		Rs. '000	**%**	Rs. '000	%
a)	Raw Materials including Packing Material				
	- Imported	**106,248**	**22%**	110,005	22%
	- Indigenous	**379,691**	**78%**	399,044	78%
		485,939	**100%**	509,049	100%
b)	Stores and Spare Parts				
	- Imported	**2,988**	**10%**	962	4%
	- Indigenous	**27,601**	**90%**	26,149	96%
	TOTAL	**30,589**	**100%**	27,111	100%

		Year ending 31st March, 2012 Rs. '000	Year ending 31st March, 2011 Rs. '000
Note : 36 Value of imports on C.I.F. basis			
a)	Raw Materials and Packing Materials	**80,034**	75,618
b)	Plant and Machinery	**29,742**	55,432
c)	Stores and Spares	**3,132**	962
	TOTAL	**112,908**	132,012
Note : 37 Expenditure in foreign currency			
a)	Travel	**818**	773
b)	Interest	**3,927**	3,429
c)	Others	**3,174**	578
	TOTAL	**7,919**	4,780
Note : 38 Earnings in foreign currency			
a)	F.O.B. Value of Exports	**549,080**	547,301
b)	Other income	**-**	3,375
		549,080	550,676
Note : 39 Amounts paid to Auditors (Excluding Service Tax)			
a)	Audit Fees	**550**	550
b)	Audit under other statutes	**150**	250
c)	Certificates	**242**	250
d)	Out of Pocket Expenses	**47**	-
	TOTAL	**989**	1,050

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012 (Contd.)

	Year ending 31st March, 2012 Rs. '000	Year ending 31st March, 2011 Rs. '000
Note : 40 Leases		
The Company has operating leases for office space which will expire over next 1-3 years. The total of future minimum lease payments under non-cancelable operating leases:		
a) Not later than one year	**303**	400
b) Later than one year and not later than five years	**-**	138
c) Later than five years	**-**	-

Note : 41 Earnings per Share

Net Profit as per Profit and Loss Account	**16,624**	18,878
Less : Preference share dividend (including dividend distribution tax)	**70**	70
Amount available for Equity shareholders	**16,554**	18,808
Weighted Average No. of Equity shares outstanding	**2,566,000**	2,566,000
Earning per share - Basic and Diluted (Rs.)	**6.45**	7.33
Face Value per Equity share (Rs.)	**10**	10

Note : 42 Research and Development Expenditure

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

Revenue expenditure amounting to Rs.8,483 thousand on research and development is charged to the Profit and Loss Account. Further, capital expenditure amounting to Rs.1,133 thousand is mainly on extension of building and other miscellaneous equipments and is included in company's assets.

Note : 43 Managerial remuneration

The Company has made an application to the Central Government for approval of payment of remuneration to the whole time directors in excess of the limits laid down in section 198 of the Companies Act, 1956 read with Schedule XIII to the said Act. The Central Government has approved the remuneration of Mr. Ravi Nigam for the period April 1, 2011 to July 19, 2011 vide letter dated May 17, 2012 and for the period of three years commencing from July 20, 2011 vide letter dated May 1, 2012. Further, approval of the Central Government for payment of remuneration to Mr. Sohel Shikari for the year is awaited.

Note : 44 Previous Year Figures

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

PROXY FORM

TASTY BITE EATABLES LIMITED

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

I/We………………………………………………………………… of…………………………. in the State of …………………………. being a Member/Members of the above named Company hereby appoint Mr./Ms. …………………………………….. of ……………………. in the State of ………………………or failing him/ her ………………… of …………………as my/our proxy to vote for me/us on my/our behalf at the 28th Annual General Meeting of the Company, to be held on September 6, 2012 at 12.00 noon at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005 and at any adjournment thereof.

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

Affix One Rupee Revenue Stamp here

* Applicable if shares are held in electronic form

____

Signature of Registered Holder

____

Signature of Proxy holder

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

ATTENDANCE SLIP

TASTY BITE EATABLES LIMITED

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

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

* Applicable if shares are held in electronic form

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the 28th Annual General Meeting on September 6, 2012 at 12.00 noon at the Registered Office of the Company at 204, Mayfair Towers, Wakdewadi, Shivajinagar, Pune 411 005.

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

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

Tasty Bite Eatables Limited

204, Mayfair Towers, Shivajinagar, Pune

TASTY BITE EATABLES LIMITED

MISSION STATEMENT

Purpose To be a socially-responsible company that will delight consumers by offering

Advantage Great taste, Good value and Real Convenience achieved through

Scope Manufacturing & Marketing Natural, Convenient & Specialty Foods in a

Environment knowledge driven, energetic and fun work environment