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Volume expansion in tasty bites will be due to new product additions, new geographical expansions due to Mars supply chain and distribution network and volume expansion in all those geographies. With current low turnover base growth could be huge in next 8-10 years.

Management Discussion and Analysis (Contd.)

technologists, makes your company extremely strong in innovation. In addition, the innovation team leverages our Research and Development center equipped with latest technology & state-of-the-art equipment.

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

Competition

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

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

Likewise, in our food service business, there are international and domestic players that have the technology and capability to manufacture similar products. Many of them have international relationships, well recognized consumer brands in India and extensive distribution networks. This is also a highly price sensitive market and industry and the Company needs to continuously innovate, enhance its procurement strategies and make its manufacturing more efficient in order to remain ahead of its competition. With a significant drop in demand there is excess capacity in the country. This will result in many companies dropping prices to retain existing businesses and gain new ones.

Outlook, Risks and Concerns

Your company intends to continue focusing on both the consumer as well as the food service business. While in 2020, we witnessed an increased demand for the consumer business and decline in the food service business, over the longer term we are confident about the growth prospects for both these verticals.

For the consumer business, following is our growth strategy:

- **Improve Distribution Points** – Our focus will continue to be increasing reach by adding new channels as well as expand to newer geographies
- **Lead Innovation** – We would continue to be leaders in category innovation through transition to organic, new line extensions and new formats.
- **Manufacturing partner for Mars** – We will continue to explore opportunities to manufacture different products for Mars Food.
- **Increase conversion** – Product sampling and demonstrations, use of focused digital media will increase the consumer base of Tasty Bite brand lovers.

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

- Value Leadership
- Innovation
- Superior Customer Service

The food service industry is driven by innovation, value consciousness and customer-supplier partnership. Covid-19 increased the emphasis on the value-conscious lever far more than the others. During the year under review, with tremendous profitability pressure many brands had a ruthless focus on cost reduction. This resulted in varying strategies from insourcing to different sourcing models focused on reducing taxation impact. These changes in sourcing strategies impacted several suppliers who have been long-term partners to these brands. The coming few years will continue to witness such moves from all QSR brands. Your Company will continue to explore every opportunity and figure out ways to operate effectively in this new normal.

On the other hand, brands have also realized the importance that their consumers are placing on trust, safety & hygiene. This will make them shift towards supply partners who can offer them innovative solutions both in terms of new products as well as standardized supply chain solutions. Your company has been a preferred partner for many customers and will strive harder to earn their trust.

big TV chef based out of UK.



The management of tasty bites has impeccable track record of execution and have a mega capex in process where they have already spent 30Cr and an additional 150 Cr they are going to spend. This should be sufficient to at least triple their topline with my conservative estimates.

Mars group- The current promoters of Tasty Bites has an annual turnover of approximately 3 Lakh crores annually and is privately owned. It is amongst the top 10 richest families in the world. They have a knack of building superb brands and scaling businesses.

Few of the top notch world famous brands owned by Mars.



Tasty bites has ample land in bhandgaon and all their capex atleast for next 6-8 years will be brownfield. Hence there is a possibility of huge operating leverage playing out here.

Just follow their twitter account to see the glimpse of how they are creating a brand.