

**TAAZA INTERNATIONAL LIMITED**  
(formerly known as  
**NAOLIN ENTERPRISES LIMITED**)

**14<sup>th</sup> ANNUAL REPORT**  
**2013-2014**

**CONTENTS**

1. Corporate Information
2. Notice of Annual General Meeting
3. Directors' Report
4. Management's Discussion and Analysis
5. Report on Corporate Governance
6. Auditor's Certificate on Corporate Governance
7. Auditor's Report
8. Annexure to Auditor's Report
9. Balance Sheet
10. Statement of Profit & Loss
11. Cash Flow Statement
12. Notes to Accounts
13. Significant Accounting Policies and Notes to Accounts
14. Consolidated Financial Statement
15. Proxy Form & Attendance Slip

---

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

1. Mr. P. Ravinder Rao — Managing Director (DIN No. 01445527)
2. Mr. N. Venugopal — Non Executive Non Independent Director (DIN No. 05271638)
3. Mr. G. V. Kamath — Non Executive Independent Director (DIN No. 00333643)
4. Mr. A. Srinivas — Executive Director cum CFO (DIN No. 05271604)
5. Mr. Y Satish Kumar — Non Executive Independent Director (DIN No. 01310502)

### COMPANY SECRETARY

- Ms. Chittars Bhandhavi

### REGISTERED OFFICE

- Plot No. 29, 1st Floor, HACP Colony,  
Kharkhana Road, Secunderabad-500009  
Telangana

### AUDIT COMMITTEE

- Mr. G V Kamath — Chairman  
Mr. N Venugopal — Member  
Mr. Y Satish Kumar — Member

### NOMINATION & REMUNERATION COMMITTEE

- Mr. G V Kamath — Chairman  
Mr. N Venugopal — Member  
Mr. Y Satish Kumar — Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

- Mr. G V Kamath — Chairman  
Mr. N Venugopal — Member  
Mr. Y Satish Kumar — Member

### AUDITORS

- M.M. Reddy & Co.,  
Chartered Accountants, Hyderabad.

### BANKERS

Bank of Maharashtra, Secunderabad  
HDFC, Pet Basheerabad  
State Bank of India, Tellapu Branch  
HSBC, Begumpet

### LISTING :

Calcutta Stock Exchange Limited  
BSE Limited

### REGISTRAR AND SHARE TRANSFER AGENT

M/s. Niche Technologies Pvt. Ltd.  
D-511, 5<sup>th</sup> Floor, Bagree Market,  
71, Biplabi Rash Behari Basu Road  
(Formerly Canning Street)  
Kolkata-700001

### DEMAT ISIN NUMBER IN NSDL & CDSL

INE392H01018

### WEBSITE

www.taazastores.com

### INVESTOR E-MAIL ID

info@taazastores.com

### CORPORATE IDENTITY NUMBER

L51109TG2001PLC0725611

**NOTICE**

NOTICE is hereby given that the 14th Annual General Meeting of the Members of the Company will be held on Tuesday, the 30th September, 2014 at 11.00 A.M., at the Registered Office of the Company situated at Plot No. 29, Kharkhana Road, HACP Colony, Secunderabad-500009, Andhra Pradesh, to transact the following business:

**ORDINARY BUSINESS:**

- 1) To receive, consider and adopt the Balance Sheet as at 31st March 2014, the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date together with the Notes attached thereto, along with the Reports of the Board of Directors and Auditors thereon.
- 2) To appoint a Director in the place of Mr. A Srinivas, who retires by rotation and being eligible has expressed his willingness for reappointment.
- 3) To appoint M/s. M.M.Reddy & Co., Chartered Accountants, Hyderabad as Statutory Auditors of the Company for a term of three years up to the conclusion of 17th Annual General Meeting to be held in the year 2017 subject to ratification at every Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS:**

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. G V Kamath (holding DIN 00333643), and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to 31st March, 2019. Who is not liable to retire by rotation".

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary resolution:**

"RESOLVED THAT pursuant to the provisions of section 149, 152 of the Companies Act, 2013 and rules made there under, Mr. Y. Satish Kumar , who was appointed 'Additional Director' in the Board of the Company on 25.08.2014 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") read with Articles of Association of the Company , and whose term of office expires at the ensuing Annual General Meeting of the Company, and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Y. Satish Kumar as a candidate for the office of a director of the company who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as Independent Director upto 31st March, 2019."

**6. To consider and if thought fit, to pass with or with out modification(s), the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 14 of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

- a) In interpretation clause of Article 2 the following definition is inserted after the existing definitions:

**2'Electronic mode'** means carrying out electronically-based, transactions whether main server is installed in India or not, including, but not limited to:

- i. business to business and business-to-consumer transactions, data interchange and other digital supply transactions;
- ii. offering to accept deposits or inviting deposits or accepting deposits or subscriptions in securities, in India or from citizens of India;
- iii. financial statements, web-based marketing, advisory and transactional services, database services and products, supply chain management;
- iv. online services such as telemarketing, telecommuting, education and information research; and all related data communication services;
- v. facsimile telecommunication when directed to the facsimile number or electronic mail directed to electronic mail addresses, using any electronic communication mechanism that the message so sent, received or forwarded is storable and retrievable;
- vi. posting of an electronic message board or network that the company or the officer has designated for such communications, and which transmission shall be validly delivered upon the posting; or
- vii. other means of electronic communication, in respect of which the Company or the officer has put in place reasonable systems to verify that the sender is the person purporting to send the transmission; and
- viii. video conferencing, audio-visual mode, net conferencing and/or any other electronic communication facility.

- b) A new clause 90 (e) is being inserted under Article 90 (d) which is as under:

**" 90(e) Voting by members through electronic mode**

A member may exercise his vote at a General Meeting or Postal Ballot by electronic mode in accordance with Section 108 of the Companies act, 2013 and rules made thereunder and shall be eligible to vote only once for a single resolution."

- c) A new clause 127 (d) is being inserted after Article 127 (c) which is as under:

**"127 (d) Participation in Meeting of the Board by Directors through electronic mode**

Notwithstanding anything contained herein, the director(s) may participate in the meeting(s) of the Board or any committee thereof through electronic mode by video conferencing or other audio visual modes as may be prescribed, and the Director(s) so participating shall be deemed to be present at the meeting for the purposes of quorum, voting, recording of minutes and all other relevant provisions in this regard by following procedure specified under applicable laws for the time being in force and rules, regulations, circulars, notifications, guidelines etc. issued/to be issued from time to time

## Taaza International Limited

---

- by competent/statutory authority(ies)."
- d) A new Clause 154(c) is being inserted under Article 154(b) which is as under:  
**"154(c). Service of documents through electronic mode**  
Notwithstanding anything contained in these articles and as per Sections 20 & 134 of the Companies Act, 2013 read with rules made thereunder, a Company may serve copies of the Balance sheet, Statement of Profit and loss, Auditors' Report, Directors' Report, Notice of the General Meeting along with explanatory statements etc. and any other documents to the members through electronic mode, by following conditions laid down under the relevant Rules."
- e) A new Article 165 is being inserted after Article 164 which is as under:  
**"165. Maintenance of registers and records in electronic mode**  
Notwithstanding anything contained in these Articles, Registers, Index, Agreement, Memorandum, Minutes, Books of Accounts or any other documents required to be kept by the Company under the Companies Act, 2013 may be kept in electronic form in such form and manner as may be prescribed under Section 120 of the Companies Act, 2013 and rules made thereunder."
- f) A new Article 166 is being inserted after Article 165 which is as under:  
**166. "General Clause - Overriding effect of Companies Act, 2013"**  
The intention of these Articles is to be in consonance with the contemporary Act, Rules and Regulations prevailing in India. If there is an amendment in any Act, Rules and Regulations allowing what was not previously allowed under the Statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles. In case of any of the provisions contained in these articles is inconsistent or contrary to the provisions of the Companies Act, 2013 and rules made thereunder, the provisions of Companies Act, 2013 and rules made thereunder shall override the provisions of these Articles and these Articles shall be deemed to have been amended to include such provisions of the Companies Act, 2013. All references to sections of Companies Act, 1956 shall be deemed to include the corresponding sections/provisions of the Companies Act, 2013 if any."

**For and on behalf of the Board  
Taaza International Limited  
(formerly known as Naolin Enterprises Ltd)**

Place: Hyderabad  
Date: 25.08.2014

Sd/-  
**P. Ravinder Rao**  
Managing Director  
(DIN 01445527)

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument of Proxy in order to be effective shall be deposited at the Corporate Office of the Company by not less than 48 hours before the commencement of the Meeting.
2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
3. The Register of Members and Share Transfer Books of the Company will be closed from 27.09.2014 to 30.09.2014 (Both days inclusive).
4. Members are requested to notify immediately any change in their address to the Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on to their respective Depository Participants.
5. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
6. Corporate Members are requested to send to the Company's Registrar & Transfer Agent, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
9. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to M/s. Niche Technologies Pvt Limited., Share Transfer Agents of the Company for their doing the needful.
10. Electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2013-2014 is being sent in the permitted mode.
11. Members may also note that the Notice of the 14th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.taazastores.com](http://www.taazastores.com) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection

## Taaza International Limited

---

during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id info@taazastores.com.

### 12. Voting through electronic means

- i) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote by electronic means. As an alternative to vote physically at the AGM, and the business may be transacted through e-Voting Services provided by Central Depository Services Limited (CDSL)
- ii) Similarly, Members opting to vote physically can do the same by remaining present at the meeting and should not exercise the option for e-voting. However, in case Members cast their vote exercising both the options, i.e. physically and e-voting, then votes casted through e-voting shall be only be taken into consideration and treated valid whereas votes casted physically at the meeting shall be treated as invalid. The instructions for e-voting are as under, Members are requested to follow the instruction below to cast their vote through e-voting:
- iii) The instructions for shareholders voting electronically are as under:
  - i) The voting period begins on September 24th, 2014 at 10.00 A.M. and ends on September 26th, 2014 at 6.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29th, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
  - (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - (i) For CDSL: 16 digits beneficiary ID,
  - (ii) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - (iii) Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:



**Taaza International Limited**

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company / Depository Participant are requested to enter in capital letters the PAN field of 10 characters as First 2 Characters of the First Holder Name followed by 8 characters consisting of Folio Number prefix by "0" (or 8 characters from right of BO-ID). No special characters or space will be taken from the name and folio number and name shall be excluded of titles like Mr. / Mrs. / Smt. / Miss / Ms. / M/s. etc.</p> <p>Example:</p> <p>(1) Mr. V. N. Swami and Folio Number is S/0245, the PAN will be VN000S0245</p> <p>(2) M/s. 4-square Company Ltd. and Folio Number is C-0052 the PAN will be 4S000C0052</p>
DOB#	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>• Please Enter the DOB or Bank Account Number in order to Login.</li> <li>• If both the details are not recorded with the depository or company then please enter in the Dividend Bank Details field the Number of Shares Held by you as on Cut Off date (record date) is on 29th August, 2014</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "TAAZA INTERNATIONAL LIMITED" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire

## Taaza International Limited

---

Resolution details.

- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
  - (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
  - (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
  - (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - (xviii) Note for Institutional Shareholders
    - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
    - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
    - After receiving the login details they have to create a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
    - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
    - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
13. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [ssrfcs@gmail.com](mailto:ssrfcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before September 26, 2014 upto 6 pm. without which the vote shall not be treated as valid
  14. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 29-August-2014.
  15. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 29-August-2014.
  16. The shareholders shall have one vote per equity share held by them as on the

## **Taaza International Limited**

---

- cut-off date (record date) of 29-August-2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
17. Shri Vivek Surana, Practising Company Secretary (Certificate of Practice Number 12901 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two (2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  18. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL and website of Taaza International Limited within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to Bombay Stock Exchange Limited.

**For and on behalf of the Board  
Taaza International Limited  
(formerly known as Naolin Enterprises Ltd)**

Place: Hyderabad  
Date: 25.08.2014

Sd/-  
**P. Ravinder Rao**  
Managing Director  
(DIN 01445527)

### **EXPLANATORY STATEMENT**

(Pursuant To Section 102 of the Companies Act, 2013)

#### **ITEM NO. 4:**

Mr. G V Kamath is a Non-Executive Independent Director of the Company. He joined the Board of Directors of the Company in February, 2009. Mr. G V Kamath is the Chairman of the Audit Committee and a member of the Nomination and Remuneration Committee of the Board of Directors of the Company.

Mr. G V Kamath retires by rotation at the ensuing Annual General Meeting under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. G V Kamath being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. A notice has been received from a member proposing Mr. G V Kamath as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr. G V Kamath fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. G V Kamath as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. G V Kamath as an Independent Director, for the approval by the shareholders of the Company.

## **Taaza International Limited**

---

### **ITEM NO.5**

Mr. Y Satish Kumar was appointed Additional Director on 25.08.2014, in terms of Section 161 (1) of the Companies Act, 2013, in the category of 'Non-Executive Independent' and is continuing as 'Independent Director'. In terms of the aforesaid section of the Companies Act, 2013, an Additional Director shall hold office upto the date of the next Annual General Meeting and be eligible for appointment to the office of a director at any General Meeting in terms of Section 160 of the Companies Act, 2013.

In order to ensure compliance with the provisions of Sections 149 and 152 of the Companies Act, 2013 read with Rules made thereunder and Schedule IV of the Act, it is proposed that approval of the shareholders be accorded for the appointment of Mr. Y Satish Kumar as 'Independent Director' for a term upto 31.03.2019, and pass the resolution set out at Item No. 5. The appointment of Mr. Y Satish Kumar is required to be in compliance with the provisions of Section 160 of the Companies Act, 2013.

Mr. Y Satish Kumar has confirmed compliance with the criteria of Independence as provided under Section 149 (6) of the Act. The Board is of the opinion that his continued association with the Company would benefit to the Company. Further, in the opinion of the Board, Mr. Y Satish Kumar fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder, and he is independent of the Management.

No Director other than Mr. Y Satish Kumar himself or any of the Key Managerial Personnel of the Company or their relatives are, directly or indirectly, concerned or interested in the Resolution set out at Item No. 5 Further, Mr. Y Satish Kumar is not related to any other Director of the Company.

### **ITEM NO. 6**

Due to the enactment of majority provisions of the Companies Act, 2013 certain changes are required to be made in the Articles of Association of the Company. Some new articles/clauses are proposed to be inserted in relation to use of electronic mode for voting by members, participation in meeting of the Board by Directors, service of documents and maintenance of registers and records.

A general clause is also proposed to be inserted to the effect that if any provision as mentioned in the articles is inconsistent with the provisions of the Companies Act, 2013 and Rules made therein, then the provisions of the Companies Act, 2013 and rules made therein shall override the provisions of these Articles.

The Board therefore recommends the resolution under section 14 of the Companies Act, 2013 as a special resolution for your approval.

None of the Directors or key managerial personnel of the Company or their relatives are concerned or interested in the resolution set out at item No. 6.

**For and on behalf of the Board  
Taaza International Limited  
(formerly known as Naolin Enterprises Ltd)**

Place: Hyderabad  
Date: 25.08.2014

Sd/-  
**P. Ravinder Rao**  
Managing Director  
(DIN 01445527)

## **DIRECTORS' REPORT**

Dear Shareholders,

We have pleasure in presenting the 14th Annual Report with Audited Statements of Accounts for the year ended 31st March 2014.

### **FINANCIAL RESULTS :**

The performance of the Company for the financial year ended 31<sup>st</sup> March, 2014 is summarized below:

(Rs in Lakhs)

<b>Particulars</b>	<b>2013-2014</b>	<b>2012-13</b>
Income	<b>39,322.55</b>	16,408.54
Expenditure	<b>39,080.32</b>	16,310.12
Profit before tax	<b>242.22</b>	98.42
Provision for Taxation	<b>82.40</b>	33.44
Net Profit after Tax	<b>159.82</b>	64.98

### **PERFORMANCE REVIEW:**

The revenue from operations for the year ended 31st March, 2014 was Rs. 39322.55 Lacs as compared to Rs. 16408.54 Lacs for the previous year ending 31st March, 2013. The Profit before tax for the year ended 31st March, 2014 was Rs. 242.22 Lacs as compared to Rs. 98.42 Lacs for the year ending 31st March, 2013. The Profit after Tax stood at Rs. 159.82 Lacs for the year ending 31st March, 2014 as compared to Rs. 64.98 Lacs for the previous year ending 31st March, 2013.

### **DIVIDEND:**

Keeping the Company's expansion and growth plans in mind, your Directors have decided not to recommend dividend for the year.

### **TRANSFER TO RESERVES :**

An amount of Rs. 159.82 lakhs was transferred to reserves during the financial year 2013-2014.

### **INSURANCE:**

The assets of the Company are adequately insured against major risks.

### **PUBLIC DEPOSITS:**

Your Company has not accepted any deposits falling within the meaning of Sec.58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, during the financial year under review.

## Taaza International Limited

---

### LISTING:

The equity shares of your company are listed on The Calcutta Stock Exchange Limited and BSE Limited (Scrip Code : 537392)

### DIRECTORS:

During the year, Mr. Y. Satish Kumar was appointed as Additional Director w.e.f. 25.08.2014. Now the Board proposes to appoint him as Independent Director subject to necessary compliances.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement. With the changes in the Companies Act, the Company would not have any upper age limit of retirement of Independent Directors from the Board and their appointment and tenure will be governed by the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, it is therefore proposed to appoint existing independent directors, as Independent Directors on the Board of the Company for a term up to five consecutive years. A brief profile of proposed Independent Directors, including nature of their expertise, is provided in this Annual Report.

Notices have been received from Members proposing candidature of the Directors namely Mr. Y. Satish Kumar and Mr. G.V.Kamath for the office of Independent Directors of the Company. In the opinion of the Board, they fulfil the conditions specified in the Companies Act, 2013 and the Rules made there under for appointment as Independent Directors of the Company. A copy of the draft Letter of Appointment for Independent Directors, setting out terms and conditions of their appointment, is available for inspection at the Registered Office of the Company during business hours on any working day.

Mr. A. Srinivas was re-designated as Executive Director cum CFO with effect from 05.05.2014.

Mr. A. Srinivas will retire by rotation at the ensuing Annual General Meeting in terms of Section 152 and any other applicable provisions of the Companies Act, 2013 and being eligible offers himself for re-appointment.

Name of the Director	Mr. G V Kamath	A Srinivas	Y Sathish Kumar
Date of Birth	11.11.1962	08.12.1968	09.06.1960
Date of Appointment	18.02.2009	14.01.2012	25.08.2014
Qualifications	Graduated in Fisheries Science	Chartered Accountant	Certified Associate of Indian Institute of Bankers
No. of Shares held in the Company	Nil	4000	Nil
Directorships held in other companies (excluding private limited and foreign companies)	Nil	Nil	Nil
Positions held in mandatory committees of other companies	Nil	Nil	Nil

**DIRECTORS RESPONSIBILITY STATEMENT:**

The Directors confirm:

- (i) that in the preparation of the annual accounts for the financial year ended 31st March, 2014, the applicable accounting standards have been followed;
- (ii) that they have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profits of the company for the year under review;
- (iii) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safe guarding 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 31st March, 2014 on a 'going concern' basis.

**CAPITAL OF THE COMPANY:**

During the period, the Authorized capital of the Company stands at Rs. 1,00,000,000/- consisting of 100,00,000 equity shares of Rs 10/- each and paid-up capital at Rs. 7,25,81,100/- divided into 72,58,110 equity shares of Rs 10/- each.

**CHANGE OF NAME OF THE COMPANY:**

The company changed the name of the company from M/s. Arunjyoti Enterprises Limited to M/s. Naolin Enterprises Limited w.e.f 10.03.2014 by passing the special resolution through postal ballot.

The company changed the name of the company from M/s. Naolin Enterprises Limited to M/s. Taaza International Limited w.e.f 23.07.2014 by passing the special resolution through postal ballot.

**PARTICULARS OF EMPLOYEES:**

There is no employee who is falling under section 217 (2A). Therefore, the disclosures required to be made under section 217 (2A) of the Companies Act, 1956 and the rules made there under are not applicable.

**CODE OF CONDUCT:**

The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director is given in Annexure.

**AUDITORS:**

M/s. M.M.Reddy & Co., Chartered Accountants, Statutory Auditors of the Company retires at the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. The said Auditors have furnished the Certificate of their eligibility for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed there under, it is proposed to appoint them as Statutory Auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the

## **Taaza International Limited**

---

AGM to be held in the year 2017, subject to ratification of their appointment at the subsequent AGMs.

### **AUDITOR'S REPORT:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2014 and has noted that the same does not have any reservation, qualification or adverse remarks.

### **STATUTORY COMPLIANCE:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company. However the Managing Director of the Company was imposed a penalty of Rs. 10,00,000/- by Securities and Exchange Board of the India for Non disclosure of the provision of regulation 13(4) read with 13(5) of PIT Regulations.

### **MANAGEMENT DISCUSSION AND ANALYSIS:**

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report.

### **CORPORATE GOVERNANCE:**

As a listed company, necessary measures have been taken to comply with the listing agreements of Stock Exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report as Annexure.

### **SUBSIDIARY COMPANY:**

As on 31st March, 2014, the Company has two wholly owned Subsidiary Company namely M/s Naolin Enterprises PTE Limited in Singapore and M/s. Naolin General Trading FZC in Dubai. A statement pursuant to section 212 is attached as Annexure to this Report.

### **CONSOLIDATED FINANCIAL STATEMENTS:**

In accordance with the Accounting Standards AS-21, notified by Companies (Accounting Standards) Rule, 2006, the consolidated financial statements covered in this annual report by the Company include financial information of its subsidiary Naolin Enterprises PTE Limited.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUT GOES:**

The required information as per Sec.217 (1) (e) of the Companies Act 1956 is provided hereunder:

#### **A. Conservation of Energy**

Adequate measures have been taken to reduce energy consumption, wherever



---

**Taaza International Limited**

---

possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

**B. Technology Absorption**

1. Research and Development (R&D) : Nil
2. Technology absorption, adoption and innovation : Nil

**C. Foreign Exchange Earnings and Out Go**

- Foreign Exchange Earnings : Nil
- Foreign Exchange Outgo : Rs. 10,40,111/-

**ACKNOWLEDGEMENTS:**

Your directors would like to express their grateful appreciation for assistance and co-operation received from clients, banks, investors, Government, other statutory authorities and all others associated with the company. Your directors also wish to place on record their deep sense of appreciation for the excellent contribution made by the employees at all levels, which enabled the company to achieve sustained growth in the operational performance during the year under review.

**DECLARATION BY MANAGING DIRECTOR OF AFFIRMATION BY DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF COMPLIANCE WITH THE CODE OF CONDUCT:**

The shareholders,

I, P. Ravinder Rao, Managing Director of the Company do hereby declare that the directors and senior management of the Company have exercised their authority and powers and discharged their duties and functions in accordance with the requirements of the code of conduct as prescribed by the company and have adhered to the provisions of the same.

**For and on behalf of the Board  
Taaza International Limited  
(formerly known as Naolin Enterprises Ltd)**

Place: Hyderabad  
Date: 25.08.2014

Sd/-  
**P. Ravinder Rao**  
Managing Director  
(DIN 01445527)

**MANAGEMENT’S DISCUSSION AND ANALYSIS REPORT**

**1. Industry Overview:**

The company’s major sources of revenues are from Agri input distribution and retail operations. These generate revenues and cash primarily by the sale of fruits, vegetables, grocery and FMCG through retail outlets and Bio-pesticides & Bio fertilizers through distribution division. The company has geographic area of Telangana and adjacent states.

Personal Income, consumer confidence, and interest rates drive demand. The profitability of individual companies depends on efficient Supply Chain Management and effective Merchandising and marketing. Large companies have advantages in purchasing, distribution, and marketing. Small companies can compete effectively by selling unique merchandise, providing superior customer service, offering a distinctive shopping experience, or serving a local market.

Major components of the retail sector include 14% of food and beverages and 10% of drugs and cosmetics.

In January 2012, India approved reforms for single - brand stores welcoming anyone in the world to innovate in Indian retail market with 100% ownership, but imposed the requirement that the single brand retailer source 30 percent of its goods from India. Indian government continues the hold on retail reforms for multi brand stores.

Organized retailing, in India, refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax and income tax et al. these include the publicly traded supermarkets, corporate backed hypermarkets and retail chains, and also the privately owned large retail businesses.

Most Indian shopping happens in open markets or numerous small grocery and retail shops. Shoppers typically wait outside the shop, ask for what they want, and cannot pick or examine a product from the shelf.

Over 14 million outlets operate in the country and only 4 % of them being larger than 500 sq ft (46 m2) in size. India has about 11 shop outlets for every 1000 people.

**2. Financial Performance :**

**Amount (Rs. In lakhs)**

<b>Particulars</b>	<b>2013-14</b>
Total Income	39322.55
Total Expenditure	39080.32
Profit before Tax	242.22
Provision for taxation	82.40
Profit after Tax	159.82

**3. Opportunities:**

India in 1997 allowed foreign direct investment (FDI) in cash and carry wholesale. Then, it required government approval. The approval requirement was relaxed,

and automatic permission was granted in 2006. Between 2000 and 2010, Indian retail attracted about \$ 1.8 billion in foreign direct investment, representing a very small 1.5% of total investment flow into India.

Until 2010, intermediaries and middlemen in India have dominated the value chain. Due to a number of intermediaries involved in the traditional Indian retail chain, norms are flouted and pricing lacks transparency. Small Indian farmers realize only 1/3rd of the total price paid by the final Indian consumer, as against 2/3rd by farmers in nations with a higher share of organized retail. The 60%+ margins for middlemen and traditional retail shops have limited growth and prevented innovation in Indian retail industry.

The retail business in India is currently at the point of inflection. As of 2008, rapid changes with investments to the tune of US \$ 25 billion were being planned by several Indian and multinational companies in the next five years. It is a huge industry in terms of size and according to India Brand Equity Foundation (IBEF), it is valued at about US \$ 395.96 Billion. Organized retail is expected to garner about 16-18 percent of the total retail market (US \$ 65-75 Billion) in next 5 years.

**4. Internal control system and their adequacy:**

The Company has a proper and adequate internal control system commensurate with its size and nature of business to meet the following objectives:

- Providing assurance regarding the effectiveness and efficiency of operations;
- Efficient use and safeguarding of resources;
- Compliance with policies, procedures and applicable laws and regulations; and.
- The Audit Committee actively reviews the adequacy and effectiveness of internal control systems and suggests improvements for strengthening them time to time.
- Risk assessment reports received from various departments are reviewed periodically and steps are initiated for elimination whenever needed.

**5. Challenges, risks and concerns:**

The labor productivity in Indian retail was just 6% of the labor productivity in United States in 2010. India's labor productivity in food retailing is about 5% compared to Brazil's 14%; while India's labor productivity in non food retailing is about 8% compared to Poland's 25%.

Total retail employment in India, both organized and unorganized, account for about 6% of Indian labor work force currently- most of which is unorganized. This about a third of levels in United States and Europe; and about half of levels in other emerging economies. A complete expansion of retail sector to levels and productivity similar to other emerging economies and developed economies such as the United States would create over 50 million jobs in India. Training and development of labor and management for higher retail productivity is expected to be a challenge.

In November 2011, the Indian government announced relaxation of some rules and the opening id retail market to competition.

## Taaza International Limited

---

### 6. Human Resource Development:

The Company has a group of able and experienced employees. The Company believes that the quality of its employees is the key to its success in the long run. The Company continues to have cordial relations with its employees and provides personal development opportunities for all round exposure to them.

Further, we also encourage individual and team awards to sustain and institutionalize the various workforce practices. This helped in giving lots of encouragement to the workforce who have been striving hard to achieve various goals.

### 7. 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 operations include economic conditions affecting demand/supply and price conditions in the domestic and international markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factor.

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Code of Governance:

The Company seeks to adopt good corporate governance practices and to ensure compliance with all relevant laws and regulations. The Company conducts its activities in a manner that is fair and transparent and also perceived to be such by others.

### 2. Board of Directors:

- a) The Board of Directors comprised of 5 Directors out of which three (3) are Non Executive and Two (2) are Executive Directors. Out of Three (3) Non Executive Directors, 2 are Independent directors. The Composition of the Board is in conformity with the listing requirements.
- b) The details of the Directors being appointed/ re-appointed on retirement by rotation at the ensuing Annual General Meeting, as required pursuant to Clause 49(IV)(G) of the Listing Agreement, are mentioned in the Notice to the Annual General Meeting, forming part of the Report.
- c) The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships/Memberships held by them in other companies is given below. Other Directorships do not include alternate directorships, directorships of private limited companies, directorship of formation of companies with charitable objects and of companies incorporated outside India. Chairmanship/ Membership of Board Committees include only Audit and shareholders/ investor Grievance Committees.
- d) Pecuniary relationship or transaction of the Non - executive Directors vis-à-vis the company. None of the Non-executive Directors has any pecuniary relationship or transactions with the company

## Taaza International Limited

- e) The Board of Directors met 5 times during the year on 30.05.2013, 13.08.2013, 13.11.2013, 26.12.2013 and 14.02.2014 and the maximum gap between any two meetings was less than four months, as stipulated under Clause 49.

The details of Composition of Board of Directors, directors' attendance at Board Meetings, AGM and details of other directorships, committee chairmanships/memberships held by the Directors during the year are as follows:

S. No	Name of the Directors	Category	Attendance Particulars chairmanships		No. of other Directorships and Committee memberships/			
			No. of Board meetings		Last AGM	Other Directorships	Committee Memberships	Committee Chairmanships
			Held	Attended				
1.	Mr. P. Ravinder Rao	Promoter Executive	5	5	Yes	Nil	Nil	Nil
2.	Mr. G.V. Kamath	Independent Non-Executive	5	4	Yes	Nil	Nil	Nil
3.	*Mr. A. Srinivas	Independent Non-Executive	5	5	Yes	Nil	Nil	Nil
4.	Mr. N. Venugopal	Non Independent Non-Executive	5	5	No	Nil	Nil	Nil
5.	**Mr. Y. Satish Kumar	Independent Non-Executive	Nil	Nil	No	Nil	Nil	Nil

\* Re-designed as Executive cum CFO w.e.f 05.05.2014

\*\* Appointed w.e.f 25.08.2014

### Board's Procedure:

Agenda papers along with explanatory statements were circulated to the directors in advance for each of these meetings. All relevant information as per Clause 49 of the Listing Agreement was placed before the Board from time to time.

### Committees of the Board:

Currently, there are three (3) Committees of the Board, namely: Audit Committee, Nomination & Remuneration Committee (Remuneration Committee), Stakeholders Relationship Committee (Shareholders/ Investors Grievance Committee and Share Transfer Committee). The Board decides the terms of reference for these Committees. The minutes of the meetings of the Committees are placed before the Board for information. The details as to the composition, terms of reference, number of meetings and related attendance, etc., of these Committees are provided hereunder:

### 3. Audit Committee:

- l) The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreements with the Stock Exchanges read with Section 292A of the Companies Act, 1956.

## Taaza International Limited

---

- II) The terms of reference of the Audit Committee include a review of the following:
- Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
  - Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
  - Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
  - Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
  - Reviewing with management the annual financial statements before submission to the Board, focusing on:
    1. Any changes in accounting policies and practices;
    2. Qualification in draft audit report;
    3. Significant adjustments arising out of audit;
    4. The going concern concept;
    5. Compliance with accounting standards;
    6. Compliance with stock exchange and legal requirements concerning financial statements and
    7. Any related party transactions
  - Reviewing the company's financial and risk management's policies.
  - Disclosure of contingent liabilities.
  - Reviewing with management, external and internal auditors, the adequacy of internal control systems.
  - Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
  - Discussion with internal auditors of any significant findings and follow-up thereon.
  - Reviewing the findings of any internal investigations by the internal auditors into the matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
  - Looking into the reasons for substantial defaults in payments to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
  - Reviewing compliances as regards the Company's Whistle Blower Policy.

## Taaza International Limited

- c) The previous Annual General Meeting of the Company was held on 30th September, 2013 and Mr. G V kamath, Chairman of the Audit Committee, attended previous AGM.
- d) The composition of the Audit Committee and the attendance of each member of the Audit Committee are given below:

The Company has complied with all the requirements of Clause 49 (II) (A) of the Listing Agreement relating to the composition of the Audit Committee. During the financial year 2013-2014, (4) four meetings of the Audit Committee were held on the on 30.05.2013, 13.08.2013, 13.11.2013 and 14.02.2014.

The details of the composition of the Committee and attendance are given below:

Name	Designation	Category	No. of meetings held during their tenure	No. of meetings attended
Mr. G.V. Kamath	Chairman	NED (I)	4	4
Mr. N. Venugopal	Member	NED (NI)	4	4
*Mr. Y. Satish Kumar	Member	NED (I)	Nil	Nil

**NED (I):** *Non Executive Independent Director*

**NI NED:** *Non Independent Non Executive Director*

\* Appointed w.e.f 25.08.2014

The necessary quorum was present at all the meetings.

#### 4. **Nominations & Remuneration Committee:**

The details of composition of the Committee are given below:

Name	Designation	Category
Mr. G.V. Kamath	Chairman	Non Executive & Independent Director
Mr. A. Srinivas	Member	Non Executive & Independent Director
*Mr. Y. Satish Kumar	Member	Non Executive & Non Independent Director

\* Appointed w.e.f 25.08.2014

#### **Terms of reference:**

The main term of reference of the Committee is to approve the fixation/revision of remuneration of the Managing Director/Whole Time Director of the Company and while approving:

- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.

## Taaza International Limited

---

### Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit.

The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered, individual performance etc.

The details of remuneration paid to the Executive Directors/Non-Executive Director for the financial year 2013-14 are given below:

Name of the directors	Salary	Other Perquisites and allowances	Commission
Mr. P. Ravindra Rao	Rs.15,00,000	Nil	Nil
Mr. G.V. Kamath	Nil	Nil	Nil
Mr. A. Srinivas	Nil	Nil	Nil
Mr. N. Venugopal	Nil	Nil	Nil

### 5. Stakeholder Relationship Committee :

#### Composition, meetings and the attendance during the year:

The Shareholders/Investors Grievance Committee was constituted to look into the redressing of Shareholders and Investors complaints concerning transfer of shares, non receipt of Annual Reports, and non receipt of Dividend and other allied complaints.

The Details of composition of the Committee and attendance of the members at the meetings is given below:

Name	Designation	Category
Mr. G.V. Kamath	Chairman	Non Executive & Independent Director
Mr. A. Srinivas	Member	Non Executive & Independent Director
*Mr. Y. Satish Kumar	Member	Non Executive & Non Independent Director

\* Appointed w.e.f 25.08.2014

The Board has designated Ms. Chittars Bhandhavi, Company Secretary as the Compliance Officer.

#### Complaints received and redressed by the Company during the financial year:

During the year no complaints were received.

S. No	Particulars	Remarks
1.	At the beginning of the year	NIL
2.	Received during the year	NIL
3.	At the end of the year	NIL



**6. General Body Meetings:**

**a) Annual General Meeting:**

**The last 3 Annual General Meetings were held as under:**

<b>Financial Year</b>	<b>Venue</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolution</b>
2012-2013	Plot No. 29, Kharkhana Road, HACP Colony, Secunderabad – 500009.	30.09.2013	10.00 A.M.	Nil
2011-2012	Plot No. 29, Kharkhana Road, HACP Colony, Secunderabad – 500009.	29.09.2012	2.00 P.M.	Amendment of articles of the company
2010-2011	132, Ganesh Colony, Bapuji Nagar, New Bowenpally, Secunderabad - 500011.	29.09.2011	10.30 A.M.	Nil

**b) Extra Ordinary General Meeting:**

No extra ordinary general meeting of the Members was held during the year 2013-14.

**c) Resolution passed through Postal Ballot:**

The company had accorded the approval of members through postal ballot for change of name from M/s. Arunjyoti Enterprises Limited to M/s. Naolin Enterprises Limited.

The result of postal ballot was declared on 09.07.2014.

99.9997% of the shareholders voted in favour of the resolution whereas 0.0003% voted against the resolution. Mr. S. Sarveswar Reddy, Practicing Company Secretary was the scrutinizer for the postal ballot process.

**7. Other Disclosures:**

- (a) There were no significant related party transactions that may have potential conflict with the interests of the Company at large.
- (b) In the preparation of financial statements, no treatment materially different from that prescribed in Accounting Standards had been followed.
- (c) There were no penalties or strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets at any time during the last 3 years.
- (d) Whistle Blower policy: We have established a mechanism for employees to report concerns about unethical behavior, fraud or violation of code of conduct of the company. The mechanism provided direct access to the Managing Director/Chairman of the Audit Committee for exceptional cases. All employees can also directly meet the Audit Committee members of the company.

## Taaza International Limited

---

- (e) The Company has complied with the non - mandatory requirements to relating to remuneration committee and Whistle Blower policy.
- (f) The Company has furnished the requisite Certificates to the Board of Directors under Clause 49 of the Listing Agreement.

### 8. Means of Communication:

The quarterly, half yearly and yearly financial results will be sent to the stock Exchanges immediately after the Board approves the same and these results will also be published in one English newspaper and in one vernacular newspaper. These financial statements, press releases are also posted on the company's website, at [www.taazastores.com](http://www.taazastores.com)

### 9. General Shareholder Information:

#### i) 13<sup>th</sup> Annual General Meeting

Date and Time	30.09.2014 at 11.00 A.M.
Venue	Plot No. 29, Kharkhana Road, HACP Colony, Secunderabad – 500009 Andhra Pradesh

#### ii) Financial Calendar

Financial Reporting for 2014-2015 (tentative)

Financial Reporting for 2014-2015 (tentative)	On or before
The first quarter results	Submitted on 14.08.2013
The second quarter results	14.11.2013
The third quarter results	14.02.2014
The fourth quarter results	30.05.2014

iii) **Book Closure** : 27.09.2014 to 30.09.2014 (both dates inclusive).

#### iv) Listing on Stock Exchanges

The shares of the Company are listed on the Calcutta Stock Exchange Limited and traded on BSE Limited.

v) **Listing Fees** : The listing fees for the year 2014-15 has been paid.

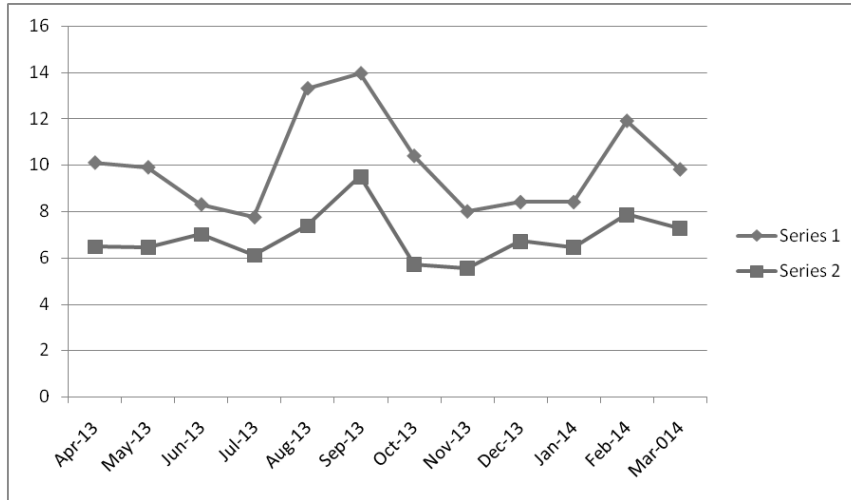
vi) **Stock Code** : 537392

vii) **ISIN No.** : For equity shares: **INE392H01018**

**viii) Market Price Data**

The Company's shares are traded on Bombay Stock Exchange. There is no trading of scrip of the company on the Calcutta Stock Exchange.

Month	High (Rs.)	Low (Rs.)
April, 2013	10.10	6.47
May, 2013	9.90	6.45
June, 2013	8.30	7.01
July, 2013	7.75	6.10
August, 2013	13.30	7.37
September, 2013	13.95	9.51
October, 2013	10.39	5.71
November, 2013	8.00	5.53
December, 2013	8.40	6.70
January, 2014	8.40	6.45
February, 2014	11.90	7.85
March, 2014	9.81	7.27



**ix) Registrar & Share Transfer Agents (for shares held in both physical and demat mode):**

Niche Technologies Pvt Ltd.  
D-511, Bagree Market,  
71, B.R.B.Road,  
Kolkata-700001  
Phone: 2234-3576/2235-7270/7271/3070  
Fax: 22156823

## Taaza International Limited

---

**x) Share Transfer System:**

The Physical shares transfers are processed and the share certificates are returned to the shareholder within a maximum period of 15 days from the date of receipt, subject to the document being valid and complete in all respects.

Any transferee who wishes to demat the shares may approach a Depository Participant along with a duly filled Demat Request Form, who shall, on the basis of the Share Certificate, generate a demat request and send the same to the Registrar and Share Transfer Agents (RTA). On receipt, the depository Registrar confirms the request.

All the requests for Dematerialization and shares are processed and the confirmation is given to the respective Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 21 days on receipt.

**xi) Shareholding pattern as on 31st March, 2014**

Particulars	Category	No. of shares held	Percentage of shareholding
<b>A</b>	<b>Shareholding of Promoter and Promoter group</b>		
1.	Indian	2278272	31.39
2.	Foreign	—	—
	Sub-Total A	2278272	31.39
<b>B</b>	<b>Public Shareholding</b>		
1.	Institutions	—	—
2.	Non Institutions	4979838	68.61
	Sub Total B	4979838	68.61
	Grand Total (A+B)	<b>7258110</b>	<b>100.00</b>

**xii) Dematerialization of shares**

The Company's shares are dematerialized on National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited. The Company's ISIN is INE392H01018. As on 31st March, 2014, 60,25,505 equity shares are dematerialized which is 83.02% of the paid up capital of the Company and out of which 20,26,120 shares are in CDSL and 39,99,385 shares are in NSDL and the balance are in physical form.

**xiii) Address for Investors Correspondence:**

The Shareholders may correspond with the Company for the redressal of their grievances, if any to the registered office of the company.

Plot No. 29, Kharkhana Road,  
HACP Colony,  
Secunderabad – 500009

**xiv) CEO / MD Certification**

As required by the clause 49 (V) of the Listing Agreement, the certificate from Director is attached elsewhere in the annual report.

**Taaza International Limited**

---

**xvi) Compliance Certificate of the Auditors:**

The Statutory Auditor has certified that the company has complied with the conditions of the Corporate Governance as stipulated in clause 49 of the listing agreement and the same forms part of the Annual Report. The Certificate from the statutory auditor will be sent to the stock exchange along with the Annual Report of the Company.

**For and on behalf of the Board  
Taaza International Limited  
(formerly known as Naolin Enterprises Ltd)**

Place: Hyderabad  
Date: 25.08.2014

Sd/-  
**P. Ravinder Rao**  
Managing Director  
(DIN 01445527)

**Taaza International Limited**

---

**MANAGING DIRECTOR CERTIFICATE**

I, P. Ravinder Rao, Managing Director of M/s. Taaza International Limited certifies that:

1. We have reviewed the financial statements for the year and that to the best of our knowledge and belief:
  - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) These statements present a true and fair view of the state of affairs of the Company and of the results of the operations and cash flows. The financial statements have been prepared in conformity, in all material respects, with the existing generally accepted accounting principles including accounting standards, applicable laws and regulations.
2. 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 in violation of Company's code of conduct.
3. We accept overall responsibility for establishing and monitoring the Company's internal control system for financial reporting and evaluating its effectiveness. Internal Audit function monitors the internal control system for financial reporting, which encompasses the examination and evaluation of the adequacy and effectiveness. Internal Audit works with all levels of management and Statutory Auditors, and reports significant issues to the Audit Committee of the Board. The Auditors and Audit Committee are apprised of any corrective action taken with regard to significant deficiencies and material weakness.
4. We indicate to the Auditors and to the Audit Committee:
  - (a) Significant changes in internal controls over financial reporting during the year;
  - (b) Significant changes in the accounting policies during the year;
  - (c) No instances of significant fraud of which we have become aware of and which involve the management or other employees who have significant role in the Company's internal control system over financial reporting.

However, during the year there were no such changes and instances.

**For and on behalf of the Board  
Taaza International Limited  
(formerly known as Naolin Enterprises Ltd)**

Place: Hyderabad  
Date: 25.08.2014

Sd/-  
**P. Ravinder Rao**  
Managing Director  
(DIN 01445527)

**Auditors' Certificate Regarding Corporate Governance**

**To**  
**The Members of**  
**M/s Taaza International Limited**

We have examined the Compliance with conditions of Corporate Governance of M/s. Taaza International limited for the year ended 31st March, 2014 as stipulated in clause 49 of the Listing Agreement with stock Exchanges.

The Compliance with the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to review the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the Directors and the Management's, we certify that the company has complied with conditions of the Corporate Governance as stipulated in Clause 49 of the above mentioned Listing agreement.

As required by the guidance note issued by the institute of Chartered Accountants of India, we have to state that no grievances of investors are pending for a period exceeding one month against the Company as per the records maintained by the Company.

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

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**M Madhusudhana Reddy**  
Partner  
Membership No.213077

Place: Hyderabad  
Date : 30.05.2014

## **Independent Auditors' Report**

**To**  
**The Members of**  
**Taaza International Limited Hyderabad.**

### **Report on the financial Statements**

We have audited the accompanying financial Statements of M/s Taaza International Limited which comprise the Balance Sheet as at 31st March 2014, The statement of Profit & Loss Account and the cash flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

### **Managements Responsibility for the Financial Statements**

The Companies management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the company in accordance with the accounting standards referred to in Sub-section (3C) of section 211 of the companies Act, 2013. This responsibility includes the design, Implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### **Auditors Responsibility**

We have audited the attached Balance Sheet of M/s Taaza International Limited, Hyderabad as at 31st March 2014, the Profit & Loss Account and also the Cash Flow statement for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining on 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 the management as well as evaluating the overall financial statement presentation.

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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us the said accounts read with other notes to accounts and accounting policies give the information required by the Companies Act 2013, in the manner so required and give a true and fair view:-

- i) In the case of Balance Sheet of the state of the affairs of the Company as at 31st March 2014 and



**Taaza International Limited**

---

- ii) In the case of Profit & Loss Account of the Profit of the Company for the year ended on that date.
- iii) In the Cash Flow statement of the Cash Flow for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

As required by the Companies (Auditor's Report) Order,2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

As required by Section 227(3) of the Act, we report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**M Madhusudhana Reddy**  
Partner  
Membership No.213077

Place: Hyderabad  
Date : 30.05.2014

**ANNEXURE TO THE AUDITOR'S REPORT**

**Annexure to the Auditors' Report (referred to in paragraph 3 of our Report of even date to the Members of Taaza International Limited for the year ended March 31, 2014)**

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) Fixed Assets have been physically verified by the management and, in our opinion, the verification is reasonable having regard to the size of the company and the nature of its assets. There is no discrepancies were noticed on such verification.  
(c) No substantial part of fixed assets has been disposed off during the year.
2. (a) The inventory excluding materials in transit, has been physically verified by the management during the year. In our opinion, the frequency of the verification is reasonable.  
(b) In our opinion, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
(c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on physical verification of inventory as compared to the book records were not material and have been properly dealt with in the books of account.
3. (a) As informed the Company has neither granted nor taken any loans, secured or unsecured to and from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 2013. Accordingly, clauses 4(III) (b) to (d) of the Order are not applicable.  
(b) The company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the re register maintained under Section 301 of the Companies Act, 2013. Accordingly, clauses 4(III) (f) and (g) of the Order are not applicable.
4. On the basis of checks carried out during the course of audit and as per explanations given to us, we are of the opinion that there are adequate internal control procedures commensurate with the size of the company and the nature of its business; for the purchases of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
5. In our opinion and according to the information and explanations given to us, we are of the opinion that the transactions that need to entered into the register maintained under Section 301 of the Companies Act, 2013 have been so entered. Accordingly, clause (v)(b) of paragraph 4 of the Order is not applicable to the company.  
b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of contracts or arrangements entered in the

## Taaza International Limited

---

register maintained under Section 301 of the Companies Act, 2013 and exceeding the value of Rupees five lakhs in respect of each party during the year have been made at prices which are reasonable having regard to the 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 within the meaning of Sections 58A and 58AA of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under Section 209 (i) (d) of the Companies Act, 2013 in respect of the Company's nature of business.
9. According to the information & explanations given to us in respect of the statutory dues:
  - a) undisputed statutory dues including Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Customs Duty, Excise Duty, Cess, and any other material statutory dues have been generally regularly deposited with the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and any other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable except the dividend and dividend distributable tax payable for the F.Y.2010-11. The details are as follows

S.No.	Particulars	Amount(Rs)	Statute
1	Dividend payable	5,123,047.00	Sec 205 of companies act, 1956
2	Dividend Distributable tax payable	1,205,481.00	Sec 115 of Income Tax act, 1961

10. The company does not have the accumulated losses as at the end of the financial year and it has not incurred any cash losses during the current financial year covered by our audit and the immediately preceding financial year.
11. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of any outstanding dues to financial Institutions, Banks or Debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

## **Taaza International Limited**

---

13. In our opinion, the Company is not a chit or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the Company.
14. The company is not in the business of dealing or trading in shares, securities, debenture and other instruments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
15. The company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The company has not taken term loans from banks.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the company, we report that funds raised on short term basis have, prima facie, not been used during the year for long term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 2013.
19. During the year covered by our audit report, the Company does not have any outstanding debentures during the year.
20. During the year the company has not raised money through the Public Issue, the utilization of funds does not arise.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**M Madhusudhana Reddy**  
Partner  
Membership No.213077

Place: Hyderabad  
Date : 30.05.2014

**Taaza International Limited**

**Balance Sheet As at 31st March, 2014**

(All amounts in Indian Rupees except for share data or otherwise stated)

PARTICULARS	Note No's	AS AT Mar'31, 2014	AS AT Mar' 31,2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	72,581,100	72,581,100
Reserves and Surplus	3	36,165,748	20,183,706
	<b>A</b>	<b>108,746,848</b>	<b>92,764,806</b>
<b>Non - current liabilities</b>			
Long - term borrowings	4	20,394,651	18,578,326
Deferred tax liabilities (Net)	5	1,216,501	1,158,044
Long term provisions	6	780,300	530,300
	<b>B</b>	<b>22,391,452</b>	<b>20,266,670</b>
<b>Current liabilities</b>			
Short - term borrowings	7	854,936	9,628,181
Trade Payables	8	168,726,999	239,684,474
Short - term provisions	9	15,615,851	18,086,750
	<b>C</b>	<b>185,197,786</b>	<b>267,399,405</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>316,336,086</b>	<b>380,430,880</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible Assets	10	27,437,304	12,094,454
Intangible Assets		-	-
Capital work- in- progress		-	-
Deferred tax assets (Net)		-	-
Long - term loans and advances		-	-
Non-current investments	11	24,713,218	-
Other Non- Current Assets	12	712,330	767,104
	<b>A</b>	<b>52,862,852</b>	<b>12,861,558</b>
<b>Current assets</b>			
Stock In Trade		18,641,553	29,248,776
Trade receivables	13	192,232,209	276,168,876
Cash and cash equivalents	14	39,139,175	21,584,797
Short - term loans and advances	15	13,446,766	39,940,189
Other current assets	16	13,530	626,684
	<b>B</b>	<b>263,473,234</b>	<b>367,569,322</b>
<b>Total</b>	<b>(A+B)</b>	<b>316,336,086</b>	<b>380,430,880</b>

The Notes referred to above are form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date.

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
(Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
Managing Director

Sd/-  
**N. Venugopal**  
Director

**Taaza International Limited**

**Profit & Loss Statement for the year ended 31st March, 2014**

(All amounts in Indian Rupees except for share data or otherwise stated)

<b>PARTICULARS</b>	<b>Note No's</b>	<b>Year Ended Mar'31, 2014</b>	<b>Year Ended Mar' 31,2013</b>
<b>INCOME</b>			
<b>Turnover (Gross)</b>			
Revenue from operations	17	3,931,767,806	1,640,174,354
Other Income		486,710	679,902
<b>Total Revenue</b>		<b>3,932,254,517</b>	<b>1,640,854,256</b>
<b>EXPENDITURE</b>			
Purchase of Stock in Trade		3,695,143,174	1,567,395,549
Increase/Decrease of stock in trade		10,607,223	(14,837,279)
Personal Cost	18	8,904,124	7,507,901
Administration expenses	19	192,020,359	69,726,918
Depreciation/Amortisation expenses	10	1,357,323	1,219,422
<b>Total</b>		<b>3,908,032,203</b>	<b>1,631,012,511</b>
<b>Profit / (Loss) before tax</b>		<b>24,222,314</b>	<b>9,841,745</b>
Provision for taxation			
- Current Year Tax		8,181,814	3,213,992
- Deferred tax		58,457	129,545
<b>Total tax expense</b>		<b>8,240,271</b>	<b>3,343,537</b>
Profit/(Loss) from continuing operations		15,982,043	6,498,208
Balance brought forward from previous year		14,340,271	7,842,063
<b>Balance carried forwarded to Next Year</b>		<b>30,322,313</b>	<b>14,340,271</b>
<b>Earnings per share</b>			
Basic		2.20	0.90
Weighted Number of Shares		7,258,110	7,258,110
Nominal value		10	10

The Notes referred to above are form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date.

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
(Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
Managing Director

Sd/-  
**N. Venugopal**  
Director

**Taaza International Limited**

**Cash Flow Statement for the ended 31st March, 2014**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>A. CASH FOLW FROM OPERATING ACTIVITIES</b>		
Net Profit / Loss before tax and extraordinary item	24,222,314	9,841,745
Adjustments for:		
Add: Depreciation	1,357,323	1,219,422
Interest paid	165,896,158	55,101,797
Other Income	—	—
Operating Profit before Working Capital Changes	<b>191,475,794</b>	<b>66,162,964</b>
Adjustments for:		
Inventories	10,607,223	(14,837,278)
Direct tax paid	(11,686,538)	(1,500,000)
Dividend paid	—	(2,135,063)
Sundry Debtors	(83,936,667)	63,678,323
Loans & Advances	27,161,350	(29,267,695)
Current Liabilities	(69,673,650)	(16,976,755)
“NET CASH FLOW/(USED) FROM OPERATING ACTIVITIES (A)”	<b>231,820,847</b>	<b>65,124,496</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16,700,173)	116,533
Purchase of Investments	—	—
Sale of Investments	(24,713,218)	—
“NET CASH FLOW/(USED) FROM INVESTING ACTIVITIES (B)”	<b>(41,413,391)</b>	<b>116,533</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / Decrease in Long Term Borrowings		
Issue of Share Capital	—	—
Secured Loans	1,816,325	6,410,626
Long Term borrowings	(8,773,245)	4,578,713
Interest paid	(165,896,158)	(55,101,797)
“NET CASH FLOW/(USED) FROM FINANCING ACTIVITIES	<b>(172,853,078)</b>	<b>(44,112,458)</b>
“Net Increase / Decrease in Cash and Cash equivalents (A+B+C)”	<b>17,554,378</b>	<b>21,128,571</b>
Cash and cash equivalents as at 31.03.2013	21,584,797	456,226
Cash and cash equivalents as at 31.03.2014	<b>39,139,175</b>	<b>21,584,797</b>
	<b>17,554,378</b>	<b>21,128,571</b>

This is Cash Flow Statement as per our report of even date

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
(Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
Managing Director

Sd/-  
**N. Venugopal**  
Director

## Taaza International Limited

---

### Note – 1

#### Significant Accounting Policies:

i. **Basis of Accounting;**

The Financial Statements are prepared under the historical cost convention on an accrual basis and in accordance with applicable Accounting Standards notified by the Government of India / issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956.

ii. **Use of Estimates;**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the result of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

iii. **Fixed Assets and Depreciation;**

Fixed Assets are stated at cost, less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to acquisition of fixed assets are also included to the extent they related to the period till such assets are ready to be put to use.

Depreciation is provided on Straight Line Method as per the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 with reference to the month of acquisition / installation.

iv. **Investments;**

Long-term Investments are stated at cost. Provision for diminution is being made if necessary to recognize a decline, other than temporary in the value thereof.

v. **Inventories;**

Inventories are valued as follows;

- i) Finished Goods : At Cost

vi. **Revenue Recognition;**

Sale of Goods are accounted on delivery to customers. Sales are net of returns, discounts and Sales Tax / Value Added basis.

vii. **Employee Benefits;**

a. **Gratuity & Leave Encashment;**

Provisions for Gratuity and Leave Encashment have been provided in the books of accounts as the management estimates.

b. **Provident fund;**

Eligible employees receive benefits from a provident fund, which is a defined contribution plan. Aggregate contributions along with interest thereon are paid at retirement, death, incapacitation or termination of employment. Both the employee and the company make monthly contributions to the Regional



Provident Fund Commissioner equal to a specified percentage of the covered employee's salary.

**c. Employee State Insurance Fund;**

Eligible employees receive benefits from employee state insurance scheme, which is a gross salary of less than Rs.10,000 per month are entitled to receive benefit under employee state insurance fund scheme. The employer makes contribution to the scheme at a predetermined rate (presently 4.75%) of employee's gross salary. The Company has no further obligations under the plan beyond its monthly contributions. These contributions are made to fund administered and managed by the Government of India.

**viii. Provision for current and deferred tax;**

Provision for current tax is made on the basis of estimated taxable income and fringe benefits respectively for the current accounting period in accordance with the provisions of Income Tax Act, 1961. Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax liability is recognized and carried forward only to the extent that there is a virtual certainty that the liability will be realized in future.

**ix. Provisions, Contingent Liabilities and Contingent Assets;**

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**x. Earnings per Share**

In determining earnings per share, the company considers the net profit after tax expense. The number of shares used in computing basic earnings per share is the weighted average shares outstanding during the period.

**xi. Cash flow statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the company are segregated.

**xii. Foreign Exchange Transactions:**

Transactions in foreign currencies are translated at the exchange rates prevailing on dates of transactions on case of purchases of materials; sale of goods and services rendered the exchange gains/losses on settlements during the year, are treated as expenditure and transferred to profit and loss account.

## Taaza International Limited

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 2 : Share Capital</b>		
<b>Authorised:</b>		
10000000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Issues, Subscribed and Paid up		
7258110 Equity Shares of Rs.10/- each	72,581,100	72,581,100
	<b>72,581,100</b>	<b>72,581,100</b>
<b>2.a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>		
Equity Shares outstanding at the beginning of the year	7,258,110	7,258,110
Add: Additional shares issued during the year	—	—
Equity Shares outstanding at the closing of the year	7,258,110	7,258,110
<b>2.b. Names of shareholders holding more than 5 % shares Equity Shares</b>		
	<b>% of Share Holding</b>	<b>% of Share Holding</b>
G.V.B.Narayanamma [equity shares (CY) 4,81,758, (PY) 4,81,758]	6.64	6.64
P. Ravinder Rao [Equity Share (CY) 13,33,835, (PY) 13,33,835]	18.38	18.38
Rahul Premal Doshi [Equity Share (CY) 4,17,560, (PY) 4,11,111]	5.75	5.66
<b>Note 3 : Reserves and Surplus</b>		
<b>Share Premium</b>		
Opening Balance	4,400,000	4,400,000
Add: Additions during the year	—	—
Total (A)	<b>4,400,000</b>	<b>4,400,000</b>
<b>General Reserve</b>		
Opening Balance	1,443,435	1,443,435
Add: Additions during the year	—	—
Total (B)	<b>1,443,435</b>	<b>1,443,435</b>
<b>Profit &amp; Loss A/c :</b>		
Balance in the statement of profit & loss	14,340,271	7,842,063
Additions during the year	15,982,043	6,498,208
Total (C)	<b>30,322,313</b>	<b>14,340,271</b>
Total (A+B+C)	<b>36,165,748</b>	<b>20,183,706</b>

**Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 4 : Long - term borrowings</b>		
<b>Loans and advances from banks</b>		
Cash Credit Limit (Bank of Maharashtra) *	20,394,651	18,226,133
Vehicle Loan	—	352,193
	<u>20,394,651</u>	<u>18,578,326</u>
<p>* Cash credit limite sanctioned by hypothication of Stock &amp; Receivable, personally garanteed by Mr. P. Ravinder Rao-Managaing Director, further secured by third party collaterally secured property situated at</p> <p>1. Triplex Residential House no.8-7-177/1/8 and 8-7-177/1/9, Plot no.8 part and 9 part S nos.54, 55&amp; 56 Old bowenpally, R.R.district</p> <p>2. Duplex residential house no.8-7-177/23, Plot no.23, S nos.54&amp; 55, Old bowenpaly, R.R.District.</p> <p>3. Open NA land admeasuring 8 acres and 14.9 guntas in Survey No.620/A1,A2&amp; A3 Patancheru village &amp; Mandal, Medak District.</p>		
<b>Note 5 : Deferred tax liabilities (Net)</b>		
Opening Balance	1,158,044	1,028,499
Add/Less: Current year Provision	58,457	129,545
	<u>1,216,501</u>	<u>1,158,044</u>
<b>Note 6 : Long term provisions</b>		
Provision for gratuity	780,300	530,300
Provision for Others	—	—
	<u>780,300</u>	<u>530,300</u>
<b>Note 7 : Short - term borrowings</b>		
<b>Loans repayable on demand</b>		
From banks (Corporate Credit Cards)	854,936	9,628,181
	<u>854,936</u>	<u>9,628,181</u>
<b>Note 8 : Trade Payables</b>		
Sundry Creditors	168,422,324	239,478,225
Expenses payable	304,675	206,249
	<u>168,726,999</u>	<u>239,684,474</u>

## Taaza International Limited

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 9 : Short - term provisions</b>		
Provision for Income tax	6,606,564	10,111,288
TDS Payable	358,138	197,844
Unpaid Dividend for the year 2010-11	5,123,047	5,123,047
Unpaid Dividend tax for the year 2010-11	1,205,481	1,205,481
Service tax payable	6,275	488,988
PF & ESI Payable	105,710	—
VAT Payable	250,301	—
Others Provisions	1,960,334	960,102
	<b>15,615,851</b>	<b>18,086,750</b>
<b>Note 11 : Non- Current Investments</b>		
Investment in equity shares of subsidiary Company Naolin Enterprises PTE Limited (At Cost)	4,713,218	—
Investment in equity shares of IP Constructions Limited	20,000,000	—
	<b>24,713,218</b>	<b>—</b>
<b>Note 12 : Other Non- Current Assets</b>		
Other Deposit	712,330	767,104
	<b>712,330</b>	<b>767,104</b>
<b>Note 13 : Trade receivables</b> (Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months Considered good	6,285,448	9,236,550
Other debts Considered good	185,946,761	266,932,326
	<b>192,232,209</b>	<b>276,168,876</b>
Less: Provision for doubtful debts	—	—
	<b>192,232,209</b>	<b>276,168,876</b>
<b>Note 14 : Cash and cash equivalents</b>		
Cash on hand	2,893,422	1,001,954
Balances with Noted banks On current accounts	21,245,753	20,582,844
On deposit accounts	15,000,000	—
	<b>39,139,175</b>	<b>21,584,797</b>
<b>Note 15 : Short - term loans and advances</b>		
Advance to Suppliers	13,322,912	39,940,189
Advance to Employee	123,854	—
	<b>13,446,766</b>	<b>39,940,189</b>
<b>Note 16 : Other current assets</b>		
Prepaid Expenses	13,530	41,516
Vat Input Recievable	—	585,168
	<b>13,350</b>	<b>626,684</b>

**Notes to Accounts**  
(All amounts in Indian Rupees except for share data or otherwise stated)  
**Note : 10 Fixed Assets**

(Amount in Rs.)

Name of the Asset	Rate of %	Assets as on 01.04.2013	Additions	Deletions	Gross Block as on 31.03.14	Depreciation as on 01.04.13	Depreciation			Total Depreciation as 31.03.14	Net Assets Value as on 31.03.14	Net Assets Value as on 31.03.13
							On Opening	On Additions	For the year			
1 Land	0	0	16160760	0	16160760	0	0	0	0	16160760	0	
2 Computers & Peripherals	16.21	3054517	888053	0	3942570	1534188	495137	539377	2073566	1869004	1520329	
3 Software	16.21	75000	0	0	75000	76706	-1706	-1706	75000	0	-1706	
4 Furniture & Fixtures	6.33	3469396	0	0	3469396	603221	219613	219613	822834	2646562	2866175	
5 Vehicles	9.50	3327376	59600	820605	2566371	786036	315033	318027	836444	1729927	2541340	
6 Store Equipment	4.75	2791067	45986	0	2837053	315911	132576	1765	450251	2386802	2475156	
7 Equipment - Add	4.75	607978	21010	0	628988	74744	28879	29470	104213	524775	533234	
8 Generator set	4.75	757850	0	0	757850	115147	35998	0	151145	606705	642703	
9 Electrical Installation	4.75	562040	0	0	562040	66903	26697	0	93600	468440	495137	
10 Office Equipment	4.75	1155003	77750	0	1232753	132917	54863	644	188424	1044329	1022066	
<b>Total</b>		15800227	17253159	820605	32232781	3705773	1307089	50234	4795477	27437304	12094454	
Previous Year		15916760	493312	609845	15800227	2486351	1297404	21222	3705773	12094454	13430409	

## Taaza International Limited

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at	As at
	Mar'31, 2014	Mar' 31,2013
<b>Note 17 : Revenue from operations</b>		
Domestic Sales (Net)	3,931,767,806	1,640,174,354
	<u>3,931,767,806</u>	<u>1,640,174,354</u>
<b>Note 18 : Personal Cost</b>		
Salaries and incentives	8,372,348	7,054,286
Gratuity	250,000	205,000
Staff welfare expenses	281,776	248,616
	<u>8,904,124</u>	<u>7,507,901</u>
<b>Note 19 : Administration expenses</b>		
Packing & forwarding Charges	5,666,278	1,417,166
Repairs & maintenance	1,424,434	1,289,297
Sales & marketing expenses	1,662,844	969,003
Power & fuel	1,623,785	1,248,170
General office expenses	1,599,643	1,411,296
Director Remuneration	3,000,000	1,500,000
Auditors remuneration	56,180	56,180
Retainer ship fee	135,432	310,900
Professional & Commission Charges	1,673,921	2,015,460
Printing & Stationary	232,321	96,525
Loss on sale of Fixed Asset	52,986	183,948
Financial charges	165,896,158	55,101,797
Rent, rates & taxes	4,565,180	2,661,830
Communication expenses	449,455	318,321
Travelling & Conveyance	3,981,743	1,147,026
	<u>192,020,359</u>	<u>69,726,918</u>

## Taaza International Limited

### Note: 20 Notes on Accounts

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is : Rs. NIL (Previous year : NIL)
- Contingent Liabilities not provided for is;

Sl. No.	Particulars	31.03.2014	31.03.2013
1.	Bill Discount under LC	21,22,78,262	42,65,22,607
2.	Bill Discount under BG	38,66,97,910	48,56,23,332

- In the opinion of the Board, the current assets, loans and advances are approximately of the value stated in realized in the ordinary course of business. The provision for all known liabilities is adequate and not in excess of the amount reasonably necessary.
- Sundry Debtors, Sundry Creditors, Advances and Deposits are subject to confirmation and reconciliations if any, which in the opinion of the management will not be significant.
- Dividend to the extent of Rs.51,23,047/- declared for the financial year 2010-2011, has not been paid till date.

**6. Payment to auditors :**

	2013-2014	2012-2013
Audit Fee	Rs. 56,180/-	Rs. 56,180/-

**7. Tax charges**

Particulars	31.03.2014	31.03.2013
Provision for Current Tax	81,81,814	32,13,992
Provision for Differed Tax Liability (Asset)	58,457	1,29,545

**8. Related Party Disclosure;**

Disclosures as required by the Accounting Standard 18 "Related Party Disclosure" are given below;

Key Management Personnel (Directors)

Ravinder Rao Polsani	Managing Director
Namburu Venugopal	Non Executive Non Independent Director
Ganesh Vithal Kamath	Non Executive Independent Director
Ayyala Somayajula Srinivas	Executive Director cum CFO
Yernani Satish Kumar	Non Executive Independent Director
Chittars Bhandhavi	Company Secretary

**Directors Remunerations**

	FY 2013-14	FY 2012-13
P.Raviinder Rao	Rs.15,00,000	Rs.15,00,000
A. Srinivas	Rs.15,00,000	—

**9. Earnings Per Share**

The calculation of Earning Per Share (EPS) as disclosed in the Balance Sheet Abstract has been made in accordance with Accounting Standard (AS-20) on Earnings per Share issued by the Institute of Chartered Accountants of India. A statement on calculation of basic and diluted EPS is as under;

Particulars	Amount in Rupees	
	31.03.2014	31.03.2013
Weighted average number of shares outstanding	72,58,110	72,58,110
Face value of equity shares	10	10
Net Profit after tax	1,59,82,043	64,98,208
Earnings per share	2.20	0.90

## Taaza International Limited

10. A. Foreign Currency Earnings : Rs.NIL (Previous year : NIL)

B. Expenditure in Foreign Currency	Amount in Rupees	
	31.03.2014	31.03.2013
Purchase of Raw materials	—	—
Foreign Travel	10,40,111	4,57,847

11. Dues to micro & small-scale industrial undertakings: As at March 31, 2014 as per available information with the company, there are no dues to small scale industrial undertakings.  
 12. Reporting of Segment wise revenue, Results and Capital Employed

Sl. No	Particulars	Year to Date figures for current Period ended 31.03.2014 Audited	Previous accounting year ended 31.03.2013 Audited
1	<b>Segment Revenue</b> (Net sale/ Income from each segment)		
	A) Bio-Pesticides & Bio-Fertilizers	4321.61	1911.16
	B) FMCG , groceries & pulses	1940.50	1172.53
	C) Computers & Peripherals	623.23	1898.28
	D) Building Material	32,432.34	11,419.77
	Increase/(Decrease) in stock	(106.07)	148.37
	Total:	39,211.61	16,550.11
	Less: Inter Segment Revenue	0	0
	Net Sales/income from operation	39,211.61	16,550.11
	Add: Other income	4.87	6.78
	Total Income	39,216.48	16,556.91
2.	<b>Segment Results</b>		
	Profit/(Loss) Before Tax and Interest from each segment		
	A) Bio-Pesticides & Bio-Fertilizers	207.45	40.32
	B) FMCG , Groceries & pulses	11.36	1.36
	C) Computers & Peripherals	5.69	30.63
	D) Building Materials	1676.70	577.12
	Total	1901.20	649.43
	Less: Interest	(1658.96)	(551.02)
	Total Profit before Tax	242.24	98.41

13. Paise have been rounded off to the nearest rupee.  
 14. Figures for the previous year are regrouped and rearranged, wherever necessary.  
 15. Notes 1 to 19 form part of Balance Sheet and Profit and Loss account have been authenticated.

As per our report of even date  
 For **M M REDDY & CO.,**  
 Chartered Accountants  
 Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
 Partner  
 Membership No.213077  
 Place: Hyderabad  
 Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
 (Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
 Managing Director

Sd/-  
**N. Venugopal**  
 Director



## Consolidated Financial Statements

### Balance Sheet As at 31st March, 2014

(All amounts in Indian Rupees except for share data or otherwise stated)

PARTICULARS	Note No's	AS AT Mar'31, 2014	AS AT Mar' 31,2013
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2	72,581,100	72,581,100
Reserves and Surplus	3	37,643,111	20,183,706
Minority Interest		689,595	—
	<b>A</b>	<b>110,913,806</b>	<b>92,764,806</b>
<b>Non - current liabilities</b>			
Long - term borrowings	4	20,394,651	18,578,326
Deferred tax liabilities (Net)	5	1,216,501	1,158,044
Long term provisions	6	780,300	530,300
	<b>B</b>	<b>22,391,452</b>	<b>20,266,670</b>
<b>Current liabilities</b>			
Short - term borrowings	7	854,936	9,628,181
Trade Payables	8	176,083,388	239,684,474
Short - term provisions	9	15,615,851	18,086,750
Other Current Liabilities	10	7,381,189	—
	<b>C</b>	<b>199,935,364</b>	<b>267,399,405</b>
<b>Total</b>	<b>(A+B+C)</b>	<b>333,240,621</b>	<b>380,430,880</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible Assets	11	27,437,304	12,094,454
Intangible Assets		—	—
Capital work- in- progress		—	—
Deferred tax assets (Net)		—	—
Long - term loans and advances		—	—
Non-current investments	12	20,000,000	—
Other Non- Current Assets	13	836,182	767,104
	<b>A</b>	<b>48,273,486</b>	<b>12,861,558</b>
<b>Current assets</b>			
Stock In Trade		18,641,553	29,248,776
Trade receivables	14	206,011,208	276,168,876
Cash and cash equivalents	15	41,338,987	21,584,797
Short - term loans and advances	16	18,961,857	39,940,189
Other current assets	17	13,530	626,684
	<b>B</b>	<b>284,967,135</b>	<b>367,569,322</b>
<b>Total</b>	<b>(A+B)</b>	<b>333,240,621</b>	<b>380,430,880</b>

The Notes referred to above are form an integral part of the Balance Sheet  
This is the Balance Sheet referred to in our report of even date.

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
(Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
Managing Director

Sd/-  
**N. Venugopal**  
Director

## Taaza International Limited

### Profit & Loss Statement for the year ended 31st March, 2014

(All amounts in Indian Rupees except for share data or otherwise stated)

PARTICULARS	Note No's	Year Ended Mar'31, 2014	Year Ended Mar' 31,2013
<b>INCOME</b>			
<b>Turnover (Gross)</b>			
Revenue from operations	18	3,986,258,846	1,640,174,354
Other Income		486,710	679,902
<b>Total Revenue</b>		<b>3,986,745,557</b>	<b>1,640,854,256</b>
<b>EXPENDITURE</b>			
Purchase of Stock in Trade		3,746,527,788	1,567,395,549
Increase/Decrease of stock in trade		10,607,223	(14,837,279)
Personal Cost	19	9,160,911	7,507,901
Administration expenses	20	193,053,477	69,726,918
Preliminary expenses written off		—	—
Depreciation/Amortisation expenses	11	1,357,323	1,219,422
<b>Total</b>		<b>3,960,706,722</b>	<b>1,631,012,511</b>
<b>Profit / (Loss) before tax</b>		<b>26,038,834</b>	<b>9,841,745</b>
Provision for taxation			
- Current Year Tax		8,181,814	3,213,992
- Deferred tax		58,457	129,545
<b>Total tax expense</b>		<b>8,240,271</b>	<b>3,343,537</b>
Profit/(Loss) from continuing operations (before adjustment for minority Interest)		17,798,564	6,498,208
Less: Share of profit transferred to minority interest		181,652	—
Balance brought forward from previous year		14,340,271	7,842,063
<b>Balance carried forwarded to Next Year</b>		<b>31,957,182</b>	<b>14,340,271</b>
<b>Earnings per share</b>			
Basic		2.45	0.90
<hr/>			
Weighted Number of Shares		7,258,110	7,258,110
Nominal value		10	10

The Notes referred to above are form an integral part of the Profit & Loss Account

This is the Profit & Loss Account referred to in our report of even date.

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
(Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
Managing Director

Sd/-  
**N. Venugopal**  
Director

**Taaza International Limited**

**Cash Flow Statement for the ended 31st March, 2014**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / Loss before tax and extraordinary item	26,038,834	9,841,745
Adjustments for:		
Add: Depreciation	1,357,323	1,219,422
Interest paid	166,165,133	55,101,797
Minarity Interest	(181,652)	—
Currency Translation Reserve	(157,506)	—
Other Income	—	—
Operating Profit before Working Capital Changes	193,222,131	66,162,964
Adjustments for:		
Inventories	10,607,223	(14,837,278)
Direct tax paid	(11,686,538)	(1,500,000)
Dividend paid	—	(2,135,063)
Sundry Debtors	7,015,668	63,678,323
Loans & Advances	21,522,408	(29,267,695)
Current Liabilities	(54,936,072)	(16,976,755)
“NET CASH FLOW/(USED) FROM OPERATING ACTIVITIES (A)”	<b>228,886,820</b>	<b>65,124,496</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(16,700,173)	116,533
Purchase of Investments	—	—
Sale of Investments	(20,000,000)	—
“NET CASH FLOW/(USED) FROM INVESTING ACTIVITIES (B)”	<b>(36,700,173)</b>	<b>116,533</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase / Decrease in Long Term Borrowings		
Issue of Share Capital	—	—
Minarity Interest	689,595	—
Secured Loans	1,816,325	6,410,626
Long Term borrowings	(8,773,245)	4,578,713
Interest paid	(166,165,133)	(55,101,797)
“NET CASH FLOW/(USED) FROM FINANCING ACTIVITIES	<b>(172,432,458)</b>	<b>(44,112,458)</b>
“Net Increase / Decrease in Cash and Cash equivalents (A+B+C)”	<b>19,754,190</b>	<b>21,128,571</b>
Cash and cash equivalents as at 31.03.2013	21,584,797	456,226
Cash and cash equivalents as at 31.03.2014	41,338,987	21,584,797
	<b>19,754,190</b>	<b>21,128,571</b>

This is Cash Flow Statement as per our report of even date

As per our report of even date  
For **M M REDDY & CO.,**  
Chartered Accountants  
Firm Registration No.010371S

Sd/-  
**CA M. Madhusudhana Reddy**  
Partner  
Membership No.213077  
Place: Hyderabad  
Date :30.05.2014

For and on behalf of the Board of Directors  
**Taaza International Limited**  
(Formerly known as Naolin Enterprises Ltd.)

Sd/-  
**P. Ravinder Rao**  
Managing Director

Sd/-  
**N. Venugopal**  
Director

## Taaza International Limited

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 2 : Share Capital</b>		
<b>Authorised:</b>		
10000000 Equity Shares of Rs.10/- each	100,000,000	100,000,000
Issues, Subscribed and Paid up		
7258110 Equity Shares of Rs.10/- each	72,581,100	72,581,100
	<u>72,581,100</u>	<u>72,581,100</u>
<b>2.a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>		
Equity Shares outstanding at the beginning of the year	7,258,110	7,258,110
Add: Additional shares issued during the year	—	—
Equity Shares outstanding at the closing of the year	<u>7,258,110</u>	<u>7,258,110</u>
<b>2.b. Names of shareholders holding more than 5 % shares Equity Shares</b>		
	<b>% of Share Holding</b>	<b>% of Share Holding</b>
G.V.B.Narayanamma [equity shares (CY) 4,81,758, (PY) 4,81,758]	6.64	6.64
P. Ravinder Rao [Equity Share (CY) 13,33,835, (PY) 13,33,835]	18.38	18.38
Rahul Premal Doshi [Equity Share (CY) 4,17,560, (PY) 4,11,111]	5.75	5.66
<b>Note 3 : Reserves and Surplus</b>		
<b>Share Premium</b>		
Opening Balance	4,400,000	4,400,000
Add: Additions during the year	—	—
Total (A)	<u>4,400,000</u>	<u>4,400,000</u>
<b>General Reserve</b>		
Opening Balance	1,443,435	1,443,435
Add: Additions during the year	—	—
Total (B)	<u>1,443,435</u>	<u>1,443,435</u>
<b>Profit &amp; Loss A/c :</b>		
Balance in the statement of profit & loss	14,340,271	7,842,063
Additions during the year	17,616,911	6,498,208
Total (C)	<u>31,957,182</u>	<u>14,340,271</u>
Currency Translation Reserve (D)	(157,506)	—
Total (A+B+C+D)	<u>37,643,111</u>	<u>20,183,706</u>

**Notes to Accounts**

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 4 : Long - term borrowings</b>		
<b>Loans and advances from banks</b>		
Cash Credit Limit (Bank of Maharashtra) *	20,394,651	18,226,133
Vehicle Loan	—	352,193
	20,394,651	18,578,326
<p>* Cash credit limite sanctioned by hypothication of Stock &amp; Receivable, personally garanteed by Mr. P. Ravinder Rao-Managaing Director, further secured by third party collaterally secured property situated at</p> <p>1. Triplex Residential House no.8-7-177/1/8 and 8-7-177/1/9, Plot no.8 part and 9 part S nos.54, 55&amp; 56 Old bowenpally, R.R.district</p> <p>2. Duplex residential house no.8-7-177/23, Plot no.23, S nos.54&amp; 55, Old bowenpaly, R.R.District.</p> <p>3. Open NA land admeasuring 8 acres and 14.9 guntas in Survey No.620/A1,A2&amp; A3 Patancheru village &amp; Mandal, Medak District.</p>		
<b>Note 5 : Deferred tax liabilities (Net)</b>		
Opening Balance	1,158,044	1,028,499
Add/Less: Current year Provision	58,457	129,545
	1,216,501	1,158,044
<b>Note 6 : Long term provisions</b>		
Provision for gratuity	780,300	530,300
Provision for Others	—	—
	780,300	530,300
<b>Note 7 : Short - term borrowings</b>		
<b>Loans repayable on demand</b>		
From banks (Corporate Credit Cards)	854,936	9,628,181
	854,936	9,628,181
<b>Note 8 : Trade Payables</b>		
Sundry Creditors	175,778,713	239,478,225
Expenses payable	304,675	206,249
	176,083,388	239,684,474

## Taaza International Limited

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 9 : Short - term provisions</b>		
Provision for Income tax	6,606,564	10,111,288
TDS Payable	358,138	197,844
Unpaid Dividend for the year 2010-11	5,123,047	5,123,047
Unpaid Dividend tax for the year 2010-11	1,205,481	1,205,481
Service tax payable	6,275	—
PF & ESI Payable	105,710	488,988
VAT Payable	250,301	—
Others Provisions	1,960,334	960,102
	<u>15,615,851</u>	<u>18,086,750</u>
<b>Note 10 :Other Current Liabilities</b>		
Advances received from others	7,381,189	—
	<u>7,381,189</u>	<u>—</u>
<b>Note 12 : Non- Current Investments</b>		
Investment in equity shares of IP Constructions Limited	20,000,000	—
	<u>20,000,000</u>	<u>—</u>
<b>Note 13 : Other Non- Current Assets</b>		
Other Deposit	712,330	767,104
Pre-Operative Expenses (Subsidiary)	123,852	—
	<u>836,182</u>	<u>767,104</u>
<b>Note 14 : Trade receivables</b> (Unsecured, considered good, unless otherwise stated)		
Debts outstanding for a period exceeding six months		
Considered good	6,285,448	9,236,550
Other debts		
Considered good	199,725,760	266,932,326
	<u>206,011,208</u>	<u>276,168,876</u>
Less: Provision for doubtful debts	—	—
	<u>206,011,208</u>	<u>276,168,876</u>
<b>Note 15 : Cash and cash equivalents</b>		
Cash on hand	2,940,631	1,001,954
Balances with Noted banks		
On current accounts	23,398,356	20,582,844
On deposit accounts	15,000,000	—
	<u>41,338,987</u>	<u>21,584,797</u>
<b>Note 16 : Short - term loans and advances</b>		
Advance to Suppliers	18,961,857	39,940,189
	<u>18,961,857</u>	<u>39,940,189</u>
<b>Note 17 : Other current assets</b>		
Prepaid Expenses	13,530	41,516
Vat Input Recievable	—	585,168
	<u>13,350</u>	<u>626,684</u>

**Notes to Accounts**  
(All amounts in Indian Rupees except for share data or otherwise stated)  
**Note : 11 Fixed Assets**

(Amount in Rs.)

Name of the Asset	Rate of %	Assets as on 01.04.2013	Additions	Deletions	Gross Block as on 31.03.14	Depreciation as on 01.04.13	Depreciation			Deductions	Total Depreciation as 31.03.14	Net Assets Value as on 31.03.14	Net Assets Value as on 31.03.13
							On Opening	On Additions	For the Year				
1 Land	0	0	16160760	0	16160760	0	0	0	0	0	16160760	0	
2 Computers & Peripherals	16.21	3054517	888053	0	3942570	1534188	495137	539377	0	2073566	1869004	1520329	
3 Software	16.21	75000	0	0	75000	76706	-1706	-1706	0	75000	0	-1706	
4 Furniture & Fixtures	6.33	3469396	0	0	3469396	603221	219613	219613	0	822834	2646562	2866175	
5 Vehicles	9.50	3327376	59600	820605	2566371	786036	315033	318027	267619	836444	1729927	2541340	
6 Store Equipment	4.75	2791067	45986	0	2837053	315911	132576	134341	0	450251	2386802	2475156	
7 Equipment - Acid	4.75	607978	21010	0	628988	74744	28879	29470	0	104213	524775	533234	
8 Generator set	4.75	757850	0	0	757850	115147	35998	35998	0	151145	606705	642703	
9 Electrical Installation	4.75	562040	0	0	562040	66903	26697	26697	0	93600	468440	495137	
10 Office Equipment	4.75	1155003	77750	0	1232753	132917	54863	55507	0	188424	1044329	1022066	
<b>Total</b>		15800227	17253159	820605	32232781	3705773	1307089	50234	267619	4795477	27437304	12094454	
Previous Year		15916760	493312	609845	15800227	2486351	1297404	21222	99204	3705773	12094454	13430409	

## Taaza International Limited

### Notes to Accounts

(All amounts in Indian Rupees except for share data or otherwise stated)

	As at Mar'31, 2014	As at Mar' 31,2013
<b>Note 18 : Revenue from operations</b>		
Domestic Sales (Net)	<b>3,986,258,846</b>	1,640,174,354
	<u><b>3,986,258,846</b></u>	<u>1,640,174,354</u>
<b>Note 19 : Personal Cost</b>		
Salaries and incentives	<b>8,449,810</b>	7,054,286
Gratuity	<b>250,000</b>	205,000
Staff welfare expenses	<b>461,102</b>	248,616
	<u><b>9,160,911</b></u>	<u>7,507,901</u>
<b>Note 20 : Administration expenses</b>		
Packing & forwarding Charges	<b>5,666,278</b>	1,417,166
Repairs & maintenance	<b>1,424,434</b>	1,289,297
Sales & marketing expenses	<b>1,662,844</b>	969,003
Power & fuel	<b>1,623,785</b>	1,248,170
General office expenses	<b>1,649,121</b>	1,411,296
Director Remuneration	<b>3,000,000</b>	1,500,000
Auditors remuneration	<b>285,346</b>	56,180
Retainer ship fee	<b>135,432</b>	310,900
Professional & Commission Charges	<b>2,032,972</b>	2,015,460
Printing & Stationary	<b>232,321</b>	96,525
Loss on sale of Fixed Asset	<b>52,986</b>	183,948
Financial charges	<b>166,165,133</b>	55,101,797
Rent, rates & taxes	<b>4,628,532</b>	2,661,830
Communication expenses	<b>449,785</b>	318,321
Travelling & Conveyance	<b>4,044,508</b>	1,147,026
	<u><b>193,053,477</b></u>	<u><b>69,726,918</b></u>



**Form No. MGT-11**

**Proxy form**

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

CIN : L51109TG2001PLC0725611  
Name of the company : Taaza International Limited  
Registered office : Plot No. 29, 1st Floor, HACP Colony,  
Kharkhana Road, Secunderabad  
Hyderabad - 500009

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature: ..... or failing him

1. Name : .....  
Address : .....  
E-mail Id : .....  
Signature: ..... or failing him

3. Name : .....  
Address : .....  
E-mail Id : .....  
Signature: ..... or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 14th Annual General Meeting of the company, to be held on the 30th day of September 2014 at 11.00 a.m. at Plot No.29, HACP Colony, Kharkhana Road, Secunderbad - 500009 and at any adjournment thereof in respect of such resolutions as are indicated below:

**Resolution No.**

1. Approval of financial statements for the year ended 31.03.2014
2. Appointment of Mr. A Srinivas as Director who retires by rotation
3. Appointment of statutory auditors and fixation of their remuneration

4. Appointment of Mr. G V Kamath as Independent Director
5. Appointment of Mr. Y Satish Kumar as Independent Director
6. Alteration of Articles of Association of the company.

Signed this 30th day of September, 2014

Affix  
Revenue  
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

---

**TAAZA INTERNATIONAL LIMITED**

Plot No. 29, 1st Floor, HACP Colony, Kharkhana Road, Secunderabad - 500009

**ATTENDANCE SLIP**

(Please present this slip at the Meeting venue)

I hereby record my presence at the 14th Annual General Meeting of the Company to be held on 30th September, 2014 at 11.00 a.m. at Plot No. 29, 1st Floor, HACP Colony, Kharkhana Raod, Secunderabad - 500009.

Shareholders/Proxy's Signature \_\_\_\_\_

Shareholders/Proxy's full name \_\_\_\_\_

(In block letters)

Folio No. / Client ID \_\_\_\_\_

No. of shares held \_\_\_\_\_

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

**PRINTED MATTER**  
**BOOK - POST**

*If undelivered please return to :*

**TAAZA INTERNATIONAL LIMITED**

(Formerly known as Naolin Enterprises Ltd.)

Plot No. 29, Kharkhana Road, HACP Colony,

Secunderabad - 500009 Andhra Pradesh

Tel : 040-30228228, Fax : 30229229

**FORM A**

**Format of covering letter of the annual audit report to be filed with the Stock Exchange**

1.	Name of the Company	TAAZA INTERNATIONAL LIMITED
2.	Annual Financial Statements for the Year ended	31st March 2014
3.	Type of Audit Observation	NIL
4.	Frequency of Observation	Not Applicable

Signed by

For Taaza International Limited  
(formerly Naagin Enterprises Limited)



P Ravinder Rao  
Managing Director



For M. M. Reddy & Co.  
Chartered Accountants



M Madhusudhan Reddy  
Partner



Place: Hyderabad  
Date: 30.05.2014