

TAAZA INTERNATIONAL LIMITED
(formerly known as
NAOLIN ENTERPRISES LIMITED)

14th 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, 5th 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 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 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 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

	For Members holding shares in Demat Form and Physical Form
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"> • Please Enter the DOB or Bank Account Number in order to Login. • 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

- (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.
 - 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 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 under help section or write an email to 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 with a copy marked to 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