

# VANDANA KNITWEAR LIMITED

(Formerly known as Trendy Knitwear Limited)

18<sup>th</sup> Annual Report

2012-13

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## **INDEX**

	<b>PAGE NO.</b>
<b>1. BOARD COMPOSITION</b>	<b>4</b>
<b>2. NOTICE FOR ANNUAL GENERAL MEETING</b>	<b>5 - 8</b>
<b>3. DIRECTORS' REPORT</b>	<b>9 - 11</b>
<b>4. MANAGEMENT DISCUSSION AND ANALYSIS</b>	<b>12- 13</b>
<b>5. CORPORATE GOVERNANCE REPORT</b>	<b>14 - 21</b>
<b>6. CEO CERTIFICATION</b>	<b>22 - 23</b>
<b>7. AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE</b>	<b>24</b>
<b>8. AUDITORS' REPORT ON FINANCIAL STATEMENTS</b>	<b>25 - 28</b>
<b>9. BALANCE SHEET, PROFIT &amp; LOSS ACCOUNT AND NOTES OF ACCOUNTS &amp; ACCOUNTING POLICIES</b>	<b>29 - 40</b>
<b>10. CASH FLOW STATEMENT</b>	<b>41</b>
<b>11. ATTENDANCE SLIP &amp; PROXY FORM</b>	<b>42</b>

## VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2012-13

### BOARD OF DIRECTORS

<b>Mukesh Gadiya</b>	-	Chairman & Managing Director
<b>Babulal Khimraj Jain</b>	-	Promoter & Executive Director
<b>Satya Narayan Gadiya<sup>(1)</sup></b>	-	Independent & Non-Executive Director
<b>Pradeep Saremal Jain</b>	-	Independent & Non-Executive Director
<b>Pawan Mandowara</b>	-	Independent & Non-Executive Director
<b>Manish Tamboli<sup>(2)</sup></b>	-	Additional Director
<b>Nidhi Gupta</b>	-	Company Secretary

### BOARD COMMITTEES

#### AUDIT COMMITTEE

<b>Satya Narayan Gadiya<sup>(1)</sup></b>	-	Chairman
<b>Manish Tamboli<sup>(2)</sup></b>	-	Chairman
<b>Babulal Khimraj Jain</b>	-	Member
<b>Pradeep Saremal Jain</b>	-	Member

#### SHARE TRANSFER / INVESTOR GRIEVANCES REDRESSAL COMMITTEE

<b>Satya Narayan Gadiya<sup>(1)</sup></b>	-	Chairman
<b>Manish Tamboli<sup>(2)</sup></b>	-	Member
<b>Babulal Khimraj Jain<sup>(3)</sup></b>	-	Chairman
<b>Pradeep Saremal Jain</b>	-	Member

#### REMUNERATION COMMITTEE

<b>Satya Narayan Gadiya<sup>(1)</sup></b>	-	Chairman
<b>Manish Tamboli<sup>(2)</sup></b>	-	Member
<b>Babulal Khimraj Jain</b>	-	Member
<b>Pradeep Saremal Jain<sup>(3)</sup></b>	-	Chairman

#### CHIEF EXECUTIVE OFFICER

Mr. Babulal Khimraj Jain

#### COMPLIANCE OFFICER

Mr. Pradeep Saremal Jain

#### STATUTORY AUDITORS

**M/s. S. N. Kabra & Company,**  
Chartered Accountants,  
207 'C' Block Silver Mall,  
R.N.T. Marg, Indore,  
Madhya Pradesh – 452 001

#### REGISTRAR & SHARE TRANSFER AGENT

**System Support Services**  
Gala 209, Shivai Ind. Estate, Sakinaka,  
Andheri Kurla Road, Andheri (East),  
Mumbai, Maharashtra – 400 072  
Email ID: [sysss72@yahoo.com](mailto:sysss72@yahoo.com)  
Tel. No.: 022-2850 0835;  
Fax No.: 022-2850 1438

#### REGISTERED OFFICE ADDRESS

4-1-223, Hanuman Takdi, Bank Street,  
Hyderabad, Andhra Pradesh – 500 095  
Web Address: [www.trendyknitwearlimited.com](http://www.trendyknitwearlimited.com)  
E-mail ID: [trendyknitwear@gmail.com](mailto:trendyknitwear@gmail.com)

#### BANKERS

Axis Bank Ltd.  
Dena Bank

<sup>(1)</sup> Resigned from the Directorship of the Company with effect from 4<sup>th</sup> October, 2012.

<sup>(2)</sup> Appointed as an Additional Director of the Company with effect from 4<sup>th</sup> October, 2012.

<sup>(3)</sup> Appointed as Chairman of the Committee after the resignation of Mr. Satya Narayan Gadiya i.e. w.e.f. 4<sup>th</sup> October, 2012.

## NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the 18<sup>th</sup> Annual General Meeting of the Members of VANDANA KNITWEAR LIMITED (formerly known as Trendy Knitwear Limited) will be held on Saturday, the 28<sup>th</sup> day of September, 2013 at 9.30 A.M. at Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095 for transacting the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at March 31<sup>st</sup>, 2013 and the statement of Profit and Loss Statement & the Cash Flow statement for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Babulal Khimraj Jain, who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pawan Mandowara, who retires by rotation rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. S. N. Kabra & Co., Chartered Accountants, the retiring Auditors, as the Statutory Auditors of the Company, who shall hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To appoint Mr. Manish Tamboli as Director and in this regard to consider and if thought fit, to pass, with or without modification (s), the following resolution as an **ORDINARY RESOLUTION**:

“**RESOLVED THAT** Mr. Manish Tamboli, who was appointed as an Additional Director, pursuant to the provisions of Section 260 of the Companies Act, 1956, and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from one of its Member proposing his candidature for the office of Director under the provisions of Section 257 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

**By Order Of The Board  
For Vandana Knitwear Limited**

sd/-

PLACE: HYDERABAD  
DATE: 12<sup>th</sup> August, 2013

**Mukesh Gadiya  
(Chairman & Managing Director)**

## VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2012-13

### NOTES:

1. An explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the special business is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
  
The duly stamped, filled and signed instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. Members and Proxies attending the Meeting should bring the attendance slip duly filled in for attending the Meeting.
4. Corporate Members are requested to send a duly certified true copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
5. Members desiring any information with regards to the accounts are requested to write to the Company at least 10 (ten days) prior to the date of meeting to enable the Management to keep the information ready at the meeting.
6. All the documents referred to in the Notice will be available for inspection by the Members at the Registered Office of the Company between 10.30 A.M. to 12.30 P.M. on all working days from the date hereof up to the date of meeting.
7. Members are informed that in case of joint holders attending the Meeting, only such Joint holder who is higher in the order of the names will be entitled to vote.
8. Members are requested to immediately intimate change of Address / bank mandate, if any, to their respective Depository Participants (DP) in respect of their electronic share accounts and to the Company's Registrar and Share Transfer Agents, in respect of their physical share folios.
9. Members having shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the Share Certificates to the Company's Registrars and Transfer Agents, for consolidation into single Folio.
10. Members may now avail the facility of nomination by nominating, in the prescribed form, a person to whom their shares in the Company shall vest in the event of their death. Interested Members may write to the Registrars and Share Transfer Agents for the prescribed form.
11. Profiles of the Directors seeking re-appointment, as required by Clause 49 of the Listing Agreement entered into with the Stock Exchange, is annexed to this notice.
12. The Register of Members and Share Transfer Books of the Company shall remain closed from **Tuesday, 24<sup>th</sup> September, 2013 to Saturday, 28<sup>th</sup> September, 2013** (both days inclusive).

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE  
COMPANIES ACT, 1956**

The following Explanatory Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**ITEM NO. 5**

To broad base the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement, Mr. Manish Tamboli was appointed as an Additional Director of the Company in the category of Non-executive Independent Director w.e.f. 4<sup>th</sup> October, 2012. As per the provisions of Section 260 of the Act read with Article 96 of the Articles of Association of the Company, an Additional Director shall hold office only upto the date of the forthcoming Annual General Meeting of the Company, and is eligible for appointment as a Director.

The Company has received a Notice in writing from a Member along with a deposit of Rs. 500/- proposing the candidature of Mr. Manish Tamboli for the office of Director of the Company, under the provisions of Section 257 of the Companies Act, 1956 (the Act).

It will be in interest of the Company that Mr. Manish Tamboli is appointed as Director, who if appointed, shall be liable to retire by rotation, in accordance with the provisions of Articles of Association of the Company.

A brief Resume of Mr. Manish Tamboli, nature of expertise in specific functional areas and names of other Companies in which he holds Directorships and memberships /Chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement signed by the Company with the Stock Exchange in India, are provided in Report of Corporate Governance forming part of the Annual Report.

Save and except Mr. Manish Tamboli, none of the other Directors of the Company, are in any way, concerned or interested in this Resolution.

The Board recommends the Ordinary Resolution for approval.

**By Order Of The Board  
For Vandana Knitwear Limited**

sd/-

**PLACE: HYDERABAD  
DATE: 12<sup>th</sup> August, 2013**

**Mukesh Gadiya  
(Chairman & Managing Director)**

**VANDANA KNITWEAR LIMITED**

ANNUAL REPORT 2012-13

**Details of Directors seeking Appointment / Re-appointment in the forthcoming Annual General Meeting  
(in pursuance of Clause 49 of Listing Agreement)**

Information pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the directors who are proposed to be appointed / re-appointed at the ensuing Annual General Meeting to be held on 28<sup>th</sup> September, 2013:

NAME OF DIRECTOR	MR. BABULAL KHIMRAJ JAIN	MR. PAWAN MANDOWARA	MR. MANISH TAMBOLI
DIN	02387803	03201119	02786180
Age	62 years	29 Years	35 Years
Date Of Appointment	20 <sup>th</sup> May, 1997	10 <sup>th</sup> Nov, 2011	4 <sup>th</sup> Oct, 2012
Designation	Director	Director	Director
Expertise in specific functional area	Trading of hosiery Goods, readymade garments, gold, silver, jewellery and other commodity	Finance, Accounts, Audit & Taxation	Finance, Accounts, Audit & Taxation
Qualification	Secondary Education	B. Com, CA	B. Com, CA
Directorship in other Public Limited Companies as on 31/03/2013	NIL	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2013	NIL	NIL	NIL
Share holding in the Company	55,99,980 Shares	NIL	NIL

**By Order Of The Board  
For Vandana Knitwear Limited**

sd/-

**Mukesh Gadiya  
(Chairman & Managing Director)**

PLACE: HYDERABAD  
DATE: 12<sup>th</sup> August, 2013



## DIRECTORS' REPORT

To,  
The Members,  
Vandana Knitwear Limited  
(Formerly known as 'Trendy Knitwear Limited')

Your Directors have pleasure in submitting their Report for the year ended 31<sup>st</sup> March, 2013:

### 1. FINANCIAL HIGHLIGHTS

(Amount in Rs.)

Particulars	2012-13	2011-12
Total Income	4,39,12,132	2,01,37,552
Total Expenditure	4,21,85,615	1,85,92,003
PROFIT BEFORE TAX	17,26,517	15,45,549
Less: Provision of Taxation Including Deferred Tax	5,88,365	5,02,661
PROFIT AFTER TAX (PAT)	11,38,152	10,42,888
Add: Balance Brought Forward From Previous Year	(19,10,230)	(29,54,358)
Add: Excess / (Short) Provision for taxation for Earlier year written back	(2,969)	(1,240)
Balance Carried To Balance Sheet	(7,69,109)	(19,10,230)

### 2. STATE OF COMPANY'S AFFAIRS:

Your company is committed to offer the most competitive price with the overall parameters set by the general market conditions your director perceive that the business of the company stands on a sound plate form is running well.

During the year under report, the company marked its income from operation by earning Rs 39,215,000 as against of Rs 15,186,010 previous year. The profit after tax (PAT) went up to Rs 11,41,121 in financial year 2012-13 From Rs. 10,44,128 in financial year 2011-12.

### 3. DIVIDEND

Due to accumulated losses of the Company your Directors do not recommend any dividend for the year under report.

### 4. DIRECTORS

#### Retire by Rotation

Mr. Babulal Khimraj Jain and Mr. Pawan Mandowara, Directors of the Company whose period of office is liable to retire by rotation pursuant to the provisions of Companies Act, 1956 and Articles of Association of the Company retires by rotation and being eligible offer themselves for re-appointment.

A brief Resume of Director (Mr. Babulal Khimraj Jain and Mr. Pawan Mandowara) eligible for re-appointment alongwith the additional information required under Clause 49 (VI)(A) of the Listing Agreement is included in the Report on Corporate Governance.

#### Appointment of Additional Director

Mr. Manish Tamboli was appointment as an Additional Director at the Board Meeting held on 4<sup>th</sup> October, 2012. The Board received a notice u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Manish Tamboli as a Director. In view of this the Board recommends his appointment as a regular Independent Director of the Company liable

## **VANDANA K NITWEAR LIMITED**

ANNUAL REPORT 2012-13

to retire by rotation.

The Details are furnished in Explanatory Statement annexed to the Notice calling AGM.

### **5. AUDITORS AND AUDITORS' REPORT**

The Auditors, M/s S. N. Kabra & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, has offered themselves for re-appointment.

The Company had received letters from M/s S. N. Kabra & Co., Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the Act.

The qualifications/observations of the Auditors are self-explanatory and explained / clarified wherever necessary in appropriate notes to Accounts.

### **6. FIXED DEPOSITS**

The Company has not accepted any Fixed Deposits from public, shareholders or employees during the year under report.

### **7. CORPORATE GOVERNANCE**

In accordance with Clause 49 of the Listing Agreement with Bombay Stock Exchange, a Separate Report on Corporate Governance along with Auditors' Certificate confirming Compliance is attached to this report.

### **8. PARTICULARS OF EMPLOYEES**

As there were no employees throughout the year under review who were in receipt of remuneration exceeding the prescribed limit in Companies Act, 1956 and its regulations and rules. Hence, no statement is attached herewith as required in terms of section 217(2A) of the Companies Act, 1956.

### **9. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Provisions of Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, on conservation of energy and technology absorption are not applicable hence no disclosure is being made in this regard.

During the year, there were no foreign exchange earnings and outgo as per notes to accounts.

### **10. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your Directors confirmed that:

1. In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed;
2. The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the State of Affairs of the Company at the end of the financial year ended 31<sup>st</sup> March, 2013 and of profit of the Company for that year;
3. The Directors had taken proper and sufficient care for the maintenance of adequate Accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Directors have prepared the Annual Accounts on a 'going concern' basis.

### **11. LISTING FEES**

At present, 10,69,85,070 equity shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the Company has paid the applicable listing fees to BSE for the year 2013-14.

### **12. ENVIRONMENT AND POLLUTION CONTROL:**

The term relating to compliance with all relevant statutes relating to the environment and pollution control in the area of environment are not applicable.

### **13. CODE OF CONDUCT COMPLIANCE:**

Pursuant to Clause-49 of the Listing Agreement, the declaration signed by the Mr. Babulal Jain, Chief Executive Officer, affirming compliance with the Code of Conduct by the Director's and senior management personnel, for the financial year 2012-13 is annexed and forms part of the Directors and Corporate Governance Report.

**14. MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT:**

Management Discussions and Analysis Report, forming part of the Directors' Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s), is presented in a separate section forming part of the Annual Report.

**15. CASH FLOW ANALYSIS:**

In conformity with the provisions of clause 32 of the Listing Agreement, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2013 is annexed hereto.

**16. ACKNOWLEDGEMENT**

Your Directors would like to express their appreciation for assistance and co-operation received from the Bankers, Government Authorities, Customers, Vendors, Advisors, Members and all concerned during the year under report. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the executives, staff and workers of the Company.

**By Order Of The Board  
For Vandana Knitwear Limited**

sd/-

**PLACE: HYDERABAD  
DATE: 12<sup>th</sup> August, 2013**

**Mukesh Gadiya  
(Chairman & Managing Director)**

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW

Management Discussion and Analysis mainly comprises Company's expectations, beliefs, estimates and projections which may be forward looking. The Company's financial statements have been prepared in compliance with the requirements of the Companies act, 1956, guidelines issued by SEBI (Securities And Exchange Board of India) and Generally Accepted Accounting Principles (GAAP) in India. The management of the Company accepts responsibility for integrity and Objectivity of these financial statements as well as various estimates and judgments.

### INDUSTRY STRUCTURE & DEVELOPMENT

Indian textile industry constitutes the largest manufacturing industry in the country accounting to 4% of GDP. The industry provides employment to about 35 million workers directly and approx. 47 million workers indirectly. This industry contributes to 14% of the country's industrial output and 17% to its export earnings.

During the year 2012-13, the higher inflation rates had impact on consumer's demand for textiles resulting a downturn in profitability. With the increase in population and income level of the people it is expected that the demand for garments will increase in coming future. The continuous improvement and investment in weaving and processing will help to meet the demand of quality textiles, which will give an edge to the Indian textile industry over competitors.

### STATE OF COMPANY'S AFFAIRS:

Your company is committed to offer the most competitive price with the overall parameters set by the general market conditions your director perceive that the business of the company stands on a sound plate form is running well.

During the year under report, the company marked its income from operation by earning Rs 39,215,000 as against of Rs 15,186,010 previous year. The profit after tax (PAT) went up to Rs 11,41,121 in 2012-13 From Rs. 10,44,128 In 2011-12.

### OPPORTUNITIES AND THREATS

The long term growth prospects of Indian textile industry continue to remain strong in view of rising demand in domestic as well as international markets. To capitalize this opportunity, your Company has undertaken several initiatives i.e. introducing new technology, improved quality of fabrics, designs and allied.

The threats to the Company's products includes severe competition both in domestic and international markets through increased inflation, labour cost, interest rates, etc.

### RISKS & CONCERNS

The risk management function is integral to the Company and its objectives include ensuring that critical risk are identified continuously, monitored, and managed effectively in order to protect the company's business. Top management of the company is well acquainted with risk inherent to the business and strategic decision taken by the Board.

Directors and officers liability are risks arising out of their commitment, statement and decision, which may result in legal liability, Company has sufficient internal policies, procedures and communications that guide to the officers to act with proper diligence.

Fixed assets and facilities of the Company are comprehensively covered under suitable insurance policies.

### INTERNAL CONTROL SYSTEMS AND THEIR ADEQUANCY

The Company is working on to establish framework of Internal Controls to safe guard and protect the loss from unauthorized use of assets. Internal control commensurate to its size and nature of business operations are being developed. The Board, through the Audit Committee, reviews the key issues like timely and accurate recording of financial transactions and adherence to applicable Accounting Standards, optimum utilization and Safety of assets, an effective management information system and Compliance with applicable laws, regulations, Listing Agreement and Management Policies.

### HUMAN RESOURCES

Human Resource is the most valuable asset in any organization. The Company efforts to strengthen positive work culture and environment, which promotes innovation and excellence as also mutual trust between all the personnel and the company. It lays strong emphasis on training and developing the technical and behavioral skills of the employees at each level so as to upgrade the competence and remove all level of inefficiency. On Industrial Relations front also, your Company continued to enjoy cordial and harmonious relationship with its workers.

### CAUTIONARY STATEMENTS:

Certain Statements in this report may be forward looking statements. Such forward-looking statements are subject to certain

risks and uncertainties like regulatory change, local, political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. The Company will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

**By Order Of The Board  
For Vandana Knitwear Limited**

sd/-

**PLACE: HYDERABAD  
DATE: 12<sup>th</sup> August, 2013**

**Mukesh Gadiya  
(Chairman & Managing Director)**

## REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement entered into with Stock Exchanges)

### I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

VANDANA KNITWEAR LIMITED (formerly known as Trendy Knitwear Limited) is committed to conduct its business based on the highest standards of Corporate Governance. The company believes, Corporate Governance is all about maintaining a valuable relationship and trust with all the stakeholders. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

We believe that Corporate Governance emerges from the application of the best and sound management practices and compliance with the law coupled with total adherence to highest norms of business. The Company continues to focus its resources, strengths and strategies to achieve its vision of becoming a truly global leader, while upholding the core values of excellence, integrity, responsibility, unity and understanding. It provides detailed information on various issues concerning the Company's business and financial performance to its shareholders.

The Company has always ensured that all the provisions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange where the Company is listed, are complied with the utmost perfection. In terms of the said Clause of the Listing Agreement, requisite particulars of Corporate Governance in the Company are furnished hereunder:

### II. BOARD OF DIRECTORS

#### Composition of the Board

The Company has a very balance structure of Board of Directors, which take care of the business necessity and stakeholders' interest. The Board consists of 5 Directors comprising of 2 Executive and 3 Non-Executive Independent Directors. Chairman of the Board is an Executive Chairman. The Board represents an optimal mix of professionalism, knowledge and experience. Hence, the Company has an appropriate blend of Executive and Non-Executive Independent Directors.

#### Directors' Attendance Record and Directorship held

During the year 2012-13 i.e. from 1<sup>st</sup> April, 2012 to 31<sup>st</sup> March, 2013, the Board met 7 (seven) times and the maximum gap between any two Board Meetings was not more than four months. The dates on which these Board meetings were held are 14<sup>th</sup> May, 2012; 18<sup>th</sup> June, 2012; 4<sup>th</sup> August, 2012, 14<sup>th</sup> August, 2012; 4<sup>th</sup> October, 2012; 8<sup>th</sup> November, 2012 and 11<sup>th</sup> February, 2013.

The Board composition (name & category) as on 31<sup>st</sup> March, 2013, Director's attendance at the Board meetings held during the year and at the last Annual General Meeting, is as follows:

Sr. No	Name of Director	Category of Director	No. of Directorships in other Companies#	No. of other Board Committees of which Director is		No. of Board Meetings during the year		Attendance at the last AGM
				Chairman	Member	Held	Attended	
1.	Mr. Mukesh Gadiya	Executive and Independent	Nil	Nil	Nil	7	7	Yes
2.	Mr. Babulal Khimraj Jain	Executive and Promoter	Nil	Nil	Nil	7	7	Yes
3.	Mr. Satya Narayan Gadiya*	Non-Executive Independent	Nil	Nil	Nil	7	4	Yes
4.	Mr. Pradeep Saremal Jain	Non-Executive Independent	Nil	Nil	Nil	7	7	Yes
5.	Mr. Pawan Mandowara	Non-Executive Independent	Nil	Nil	Nil	7	7	No
6.	Mr. Manish Tamboli <sup>§</sup>	Non-Executive Independent	Nil	Nil	Nil	7	3	No

# excluding Private Limited Companies, Foreign Companies and Companies u/s 25 of the Companies Act, 1956.

\* Resigned from the Directorship of the Company w.e.f. 4<sup>th</sup> Oct., 2012.

<sup>§</sup> Appointed as an Additional Director w.e.f. 4<sup>th</sup> Oct., 2012.

- None of the directors on the Board is a Director in more than 15 (fifteen) Public Companies and is member of more than 10 committees or chairman of more than 5 committees across all the companies in which he is a director.
- The directors have furnished Notice of Disclosure of Interest as required under section 299(3) of the Companies Act, 1956, for the year 2012-13.

- Adequate information as stipulated under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board.
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- The individual details of the directors seeking appointment / reappointment at the ensuing Annual General Meeting of the Company are provided in the explanatory statement accompanying the notice of the Annual General Meeting.
- **Recording of Minutes:** The Company Secretary prepares draft minutes of the proceeding of the Board Meetings and circulates the same to all the members of the Board, for their comments. Thereafter final minutes are recorded in the Minutes Book within thirty days from the conclusion of the Meeting.

## I. COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE

- a. Composition:** The Audit Committee of the Company, comprises of 2 (two) Non-Executive Independent Directors and 1 (one) Executive Director. Details of composition as well as attendance record of the Audit Committee meetings held during the year 2012-13 are as follows:

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Satya Narayan Gadiya*	Chairman	4	2
Mr. Manish Tamboli <sup>§</sup>	Chairman	4	2
Mr. Babulal Khimraj Jain	Member	4	4
Mr. Pradeep Saremal Jain	Member	4	4

\*Resigned from the Directorship of the Company w.e.f. 4<sup>th</sup> Oct., 2012.

<sup>§</sup> Appointed as an Additional Director w.e.f. 4<sup>th</sup> Oct., 2012.

**No. of meetings:** During the year 2012-13, the Committee met 4 (four) times on 14<sup>th</sup> May, 2012; 14<sup>th</sup> August, 2012; 8<sup>th</sup> November, 2012 and 11<sup>th</sup> February, 2013.

As required under Clause 49 of the Listing Agreement, all the members of the Committee are able to read and understand financial statements. The primary objective of the Audit Committee is to monitor and effectively supervise the Company's financial reporting process with a view to provide accurate, timely and proper disclosures and at the same time maintain the integrity and quality of the financial reporting.

The previous Annual General Meeting of the Company was held on 28<sup>th</sup> September, 2012 and was attended by Mr. Satya Narayan Gadiya, as a Chairman of the Audit Committee.

#### The role of Audit Committee broadly includes the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
3. Approval of Payment to Statutory Auditors for any other services rendered by them.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Directors Responsibility Statement to be included in the Directors Report in terms of Section 217(2AA) of the Companies Act, 1956.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of Internal Control Systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the Internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of Internal Audit.
8. Discussion with Internal Auditors any significant findings and follow up thereon.

## VANDANA KNIWEAR LIMITED

ANNUAL REPORT 2012-13

9. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
11. Carrying out such other work as may be specifically referred to the committee by the Board of Directors and /or other Committees of Directors of the Company.

### B. SHARE TRANSFER / INVESTOR GRIEVANCES REDRESSAL COMMITTEE

The Share Transfer / Investor Grievances Redressal Committee comprises of 3 (three) Directors including 2 (two) Non-Executive Independent Directors and 1 (one) Executive Director. The Chairman of the Committee is a Non-Executive Independent Director. Details of composition as well as attendance record of the Committee meetings held during the year 2012-13 are as follows:

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Satya Narayan Gadiya*	Chairman	4	2
Mr. Manish Tamboli <sup>§</sup>	Member	4	2
Mr. Babulal Khimraj Jain <sup>#</sup>	Chairman	4	4
Mr. Pradeep Saremal Jain	Member	4	4

\* Resigned from the Directorship of the Company w.e.f. 4<sup>th</sup> Oct., 2012.

<sup>§</sup> Appointed as an Additional Director w.e.f. 4<sup>th</sup> Oct., 2012.

<sup>#</sup> Appointed as Chairman w.e.f. 4<sup>th</sup> Oct., 2012.

**No. of meetings:** During the year 2012-13, the Committee met 4 times on 14<sup>th</sup> May, 2012; 14<sup>th</sup> August, 2012; 8<sup>th</sup> November, 2012 and 11<sup>th</sup> February, 2013.

- The committee looks into redressing of grievances of the investors, pertaining to transfer / transmission, duplication, change of addresses and other like matters. It also endeavors to set standards for rendering quality investor services in co-ordination with its Registrar and Transfer Agent.
- Mr. Pradeep S. Jain, Director is the Compliance Officer for the Committee.

### Status of Investor Complaints received and redressed during 2012-13

Total Complaints Received	Total Complaints Redressed	Pending as on 31/03/2013
Nil	Nil	Nil

### C. REMUNERATION COMMITTEE

The Remuneration Committee comprises of 3 (three) Directors including 2 (two) Non-Executive Independent Directors and 1 (one) Executive Director. The Chairman of the Committee is a Non-Executive Independent Director. Details of composition as well as attendance record of the Committee meetings held during the year 2012-13 are as follows:

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Satya Narayan Gadiya*	Chairman	1	1
Mr. Manish Tamboli <sup>§</sup>	Member	-	-
Mr. Babulal Khimraj Jain	Member	1	1
Mr. Pradeep Saremal Jain <sup>#</sup>	Chairman	1	1

\* Resigned from the Directorship of the Company w.e.f. 4<sup>th</sup> Oct., 2012.

<sup>§</sup> Appointed as an Additional Director w.e.f. 4<sup>th</sup> Oct., 2012.

<sup>#</sup> Appointed as Chairman w.e.f. 4<sup>th</sup> Oct., 2012.

**No. of meetings:** During the year 2012-13, the Committee met once to review the remuneration of executive directors.



The Company does not have any Employee Stock Option Scheme.

The Remuneration Committee has been constituted to recommend / review the remuneration package of Managing / Executive Directors / Senior Management Personnel. The Committee decides remuneration payable to MD and other Executive Directors based upon their performance within the overall ceiling fixed by Statute as well as Shareholders.

**Remuneration paid to Directors during the year 2012-13:**

➤ Mr. Babulal Jain	Rs. 60,000/-
➤ Mr. Mukesh Gadiya	Rs. 1,80,000/-
➤ Mrs.Nidhi Gupta	Rs. 1,02,400/-

## II. GENERAL BODY MEETINGS

1. The details of last three AGMs are mentioned hereunder:

Year	Day, Date & Time	Venue
2011-12	Friday, 28 <sup>th</sup> September, 2012 at 10.30 A.M.	Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad – 500 095
2010-11	Friday, 30 <sup>th</sup> September, 2011 at 11.00 A.M.	4-1-223, Hanuman Takdi, Bank Street, Hyderabad- 500 095
2009-10	Thursday, 30 <sup>th</sup> September, 2010 at 11.00 A.M.	62, M. G. Road, Secundrabad, Hyderabad- 500003

2. The details of Special Resolution passed in last three Annual General Meetings (AGM) of the Company are as under:

Financial Year	Date of the AGM	No. of Special Resolution passed	Details of Special Resolution passed
2009-10	30th September, 2010	NIL	---
2010-11	30th September, 2011	NIL	---
2011-12	28th September, 2012	1	appointment of Mr. Mukesh Gadiya as Chairman and Managing Director of the Company for a period of 5 (five) years with effect from 10th November, 2011

3. The details of Special Resolution passed in last three Extra Ordinary General Meeting (EOGM) of the Company are as under:

Financial Year	Date of the EOGM	No. of Special Resolution passed	Details of Special Resolution passed
2011-12	16th July, 2012	3	1. Change of Name of the Company from Trendy Knitwear Limited to Vandana Knitwear Limited. 2. Sub-division of Equity Shares of Rs. 10/- each into 10 Equity Shares of Re. 1/- each; 3. Alteration of Articles of Association consequent to increase in Authorised Share Capital.

No Extra-Ordinary General Meeting was held during the previous two financial years from above.

### POSTAL BALLOT

During 2012-13, no resolution was passed through Postal Ballot. At the forthcoming AGM, no resolution is proposed to be passed through Postal Ballot.

## II. DISCLOSURES

- **Financial Statements / Accounting treatments:** In the preparation of Financial Statements, the Company has followed the Accounting Standards issued by Institute of Chartered Accountants of India to the extent applicable.
- **Materially Significant Related Parties Transactions:** There have been no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors that may have potential

conflict with the interests of the Company. Transactions with Related Parties are disclosed in Notes of Accounts to the annual financial statements for the year 2012-13. The same is self-explanatory and need not call for any further clarification.

- **Strictures or Penalties:** During the last three years, there were no strictures or penalties imposed either by the SEBI or the Stock Exchange or any other Statutory Authorities for non-compliance of any matter related to Capital Markets.
- **Disclosure on Risk Management:** The Board is periodically informed about the key risks and their minimisation procedures. Business risk evaluation and management is an ongoing process within the Company.
- **CEO Certification:** The certificate required under clause 49(V) of the Listing Agreement duly signed by the CEO was placed before the Board and the same is also provided with this report.
- **Compliance with the mandatory requirements of Clause 49 of the Listing Agreement:** The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Agreement. The Company has also obtained a certificate affirming the compliances from M/s S. N. Kabra & Co., Chartered Accountants, the Statutory Auditors of the Company and the same is attached to this Report.
- **Compliance with Other Non-Mandatory Requirements:**
  - a. The Company follows the guidelines as recommended from time to time by Institute of Company Secretaries of India. One such instance is the adoption of Secretarial Standards in respect to Preparation and Recording of Minutes and other Statutory Records and Registers.
  - b. In respect to Audit Qualifications, the Company is making conscious efforts towards moving into a regime of unqualified Financial Statements.
  - c. The Board has already set up a Remuneration Committee, the details whereof are furnished already in this Report.

**IV. MEANS OF COMMUNICATION**

- (i) The quarterly, half-yearly and annual results are published in Business Standard in English (Hyderabad Edition) and in Surya, Hyderabad (Vernacular).
- (ii) The Company's Results and other Corporate Announcements are regularly sent to the Bombay Stock Exchange Limited (BSE), Mumbai.
- (iii) The results are also posted on the Company's Website [www.trendyknitwearlimited.com](http://www.trendyknitwearlimited.com)
- (iv) These Results are not sent individually to the Shareholders.
- (v) All price sensitive information is immediately informed to Stock Exchanges before the same is communicated to general public through press releases, if any.
- (vi) Management Discussion and Analysis forms part of this Annual Report.

**V. GENERAL SHAREHOLDER INFORMARTION**

**1. Annual General Meeting**

<b>Annual General Meeting</b>	Eighteenth
<b>Financial Year</b>	2012-13
<b>Day, date and time</b>	Saturday, 28 <sup>th</sup> September, 2013 at 9:30 A.M.
<b>Venue</b>	Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad-500095

As required under Clause 49(IV)(G)(i) of the Listing Agreements entered into with the Stock Exchanges, particulars of Directors seeking appointment/re-appointment at the forthcoming Annual General Meeting (AGM) are given in the Annexure to the Notice of the AGM.

**2. Tentative Financial Calendar (For 2013-14)**

First Quarter Ending Results (June, 2013)	Within 45 days from end of quarter.
Second Quarter Ending Results (September, 2013)	Within 45 days from end of quarter.
Third Quarter Ending Results (December, 2013)	Within 45 days from end of quarter.
Fourth Quarter / Year Ending Results (March, 2014)	Within 60 days (Audited results) from end of quarter / year.

**3. Book Closure Date**

The Share Transfer Registers of the Company shall remain closed from **Tuesday, 24<sup>th</sup> September, 2013 to Saturday, 28<sup>th</sup> September, 2013 (both days inclusive).**

**4. Listing at Stock Exchange(s)**

Bombay Stock Exchange Limited (BSE)  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001,  
Maharashtra.

The Company has paid Listing Fees to BSE for the year 2013-14.

**5. Stock Code**

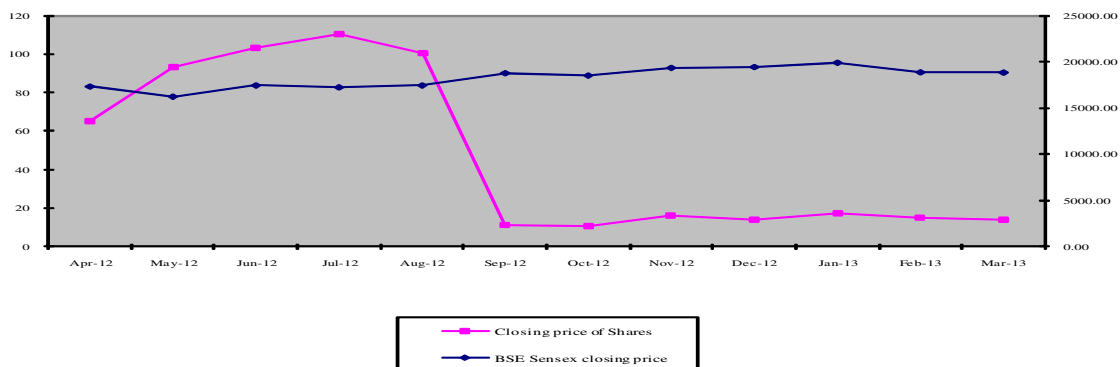
Bombay Stock Exchange : 532090

**6. Stock Market Data**

Table Showing Monthly High and Low (Prices with Volumes) at BSE

Year	Month	Stock Prices		Volume (Nos.)
		High (Rs.)	Low (Rs.)	
<b>2012</b>				
	Apr-12	65.20	51.05	5,03,700
	May-12	93.40	44.90	6,70,686
	Jun-12	103.00	88.20	7,00,924
	Jul-12	110.40	91.40	20,85,893
	Aug-12	100.40	9.45	1,93,51,283
	Sep-12	10.81	9.11	1,70,38,211
	Oct-12	10.49	8.86	1,87,73,210
	Nov-12	15.97	9.30	50,38,920
	Dec-12	14.07	12.41	83,43,657
<b>2013</b>				
	Jan-13	17.16	12.40	66,08,774
	Feb-13	14.74	12.40	48,14,016
	Mar-13	13.54	10.90	1,37,71,254

Note: Stock split from Rs. 10/- to Rs.1/- on 03/08/2012.



**VANDANA KNTWEAR LIMITED**

ANNUAL REPORT 2012-13

**7. Distribution Schedule As On 31<sup>st</sup> March, 2013**

Nominal Value of Each Equity Share is Re. 1/-

No. of Equity Shares held	No. of ShareHolders	% of Share holders	No of Shares	% of Total Shares
1 - 500	307	14.319	63960	0.060
501 - 1000	135	6.297	126064	0.118
1001 - 2000	92	4.291	163345	0.153
2001 - 3000	48	2.239	128850	0.120
3001 - 4000	28	1.306	109050	0.102
4001 - 5000	103	4.804	508914	0.476
5001 – 10000	310	14.459	2735403	2.557
10001 & above	1121	52.285	103149484	96.415
<b>TOTAL</b>	<b>2144</b>	<b>100.000</b>	<b>106985070</b>	<b>100.000</b>

**8. Shareholding Pattern As On 31<sup>st</sup> March, 2013**

Category	No. of Shares held	% of shareholding
Indian Promoters	1,69,00,070	15.80
Foreign Promoters	0	0
Persons Acting In Concert	0	0
Mutual Funds & UTI	0	0
Banks, FIs, Insurance Companies (Central /State Govt. Institutions/ Non-Govt. Institutions)	0	0
Foreign Institutional Investors	0	0
Private Corporate Bodies	66,09,196	6.18
Indian Public	8,34,75,804	78.02
NRI's/ OCB	0	0
Any Other (Clearing Members Demat Transit)	0	0
<b>GRAND TOTAL</b>	<b>10,69,85,070</b>	<b>100</b>

**9. Dematerialization of Shares and Liquidity**

As trading in shares of the Company can be done only in electronic form, it is advisable that the Shareholders who have shares in physical form get their shares dematerialized. As on March 31, 2013, 8,70,54,000 Equity shares of Re. 1/- each consisting of 81.37% of the Total Paid up Share Capital were held in dematerialized form.

**10. Share Transfer System**

81.37% of the equity shares of the Company are in electronic form. Transfer of these shares is done through depositories and the Registrar and Share Transfer Agents (M/s System Support Services). The Transfer of shares is reviewed by the Share

Transfer / Investor Grievances Redressal Committee of the Board of Directors of the Company on periodical basis.

As regards transfer of shares held in physical form the transfer documents can be lodged with M/s System Support Services, Registrar and Share Transfer Agents at the above mentioned addresses. Transfer of shares in physical form is normally processed within ten to twelve days from the date of receipt, if the documents are complete in all respects. Certain Directors, Compliance officer and the Company Secretary are severally empowered to approve transfers.

**11. Outstanding GDRs / ADRs / Warrants Or Any Convertible Instruments**

The Company has not issued any GDRs/ADRs/Warrants or any Convertible instruments in the past and hence as on March 31, 2013, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

**12. Registrar & Share Transfer Agent (RTA)**

System Support Services  
Gala 209, Shivai Ind. Estate, Sakinaka,  
Andheri Kurla Road, Andheri (East),  
Mumbai- 400 072  
E-mail ID: [syss72@yahoo.com](mailto:syss72@yahoo.com)  
Tel. No.: 022-2850 0835; Fax No.: 022-2850 1438

**13. Depository**

Central Depository Services (India) Limited  
Phiroze Jeejeebhoy Towers, 17th Floor, Dalal Street, Mumbai 400023

National Securities Depository Limited  
Trade World – A Wing, Kamala Mills Compound  
Lower Parel, Mumbai - 400013

**14. Demat ISIN for NSDL and CDSL as on 31<sup>st</sup> March, 2013 : INE219M01021****15. Registered Office: 4-1-223, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095****16. Corporate Identification Number : L18101AP1995PLC019777****17. Address for Correspondence**

Shareholder's correspondence should be addressed to the Company's RTA at the address mentioned below:

M/s System Support Services  
Registrar and Transfer Agents  
Gala 209, Shivai Ind. Estate, Sakinaka,  
Andheri Kurla Road, Andheri (East),  
Mumbai-400072  
Email ID: [syss72@yahoo.com](mailto:syss72@yahoo.com)  
Tel. No.: 022-2850 0835; Fax No.: 022-2850 1438

For any further assistance, the Shareholder's may Contact:

Secretarial Department  
Vandana Knitwear Limited  
4-1-223, Hanuman Takdi, Bank Street,  
Hyderabad, Andhra Pradesh – 500 095

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

In Compliance of Clause 47(f) of the Listing Agreement, the Company has designated exclusive Email ID for redressal of Investor Grievances i.e. [trendyknitwear@gmail.com](mailto:trendyknitwear@gmail.com)

## **CEO CERTIFICATION**

**To,  
The Board of Directors  
Vandana Knitwear Limited  
(Formerly known as Trendy Knitwear Limited)  
Hyderabad.**

I, Babulal Jain, Chief Executive Officer of Vandana Knitwear Limited, to the best of knowledge and belief, certify that:

- (i) We have reviewed financial statements (Balance Sheet, Profit & Loss Account and all the schedules and notes on accounts) and the Cash Flow Statement and Directors' Report for the year and based on our knowledge, belief and information:
  - i. These statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make these statements made, in the light of the circumstances under which such statements were made, not misleading with respect to the statements made.
  - ii. These statements and other financial information included in this annual report, present in all material respects, a true and fair view of the Company's affairs and are in Compliance with existing Accounting Standards and / or applicable laws and regulations.
- (ii) To the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's Code of Conduct.
- (iii) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of Internal Control System of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such Internal Controls, if any, of which we are aware and the steps we have taken or propose to take to ratify these deficiencies.
- (iv) We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in Internal Control over financial reporting during the year;
  - ii. Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the Financial statements; and

sd/-

**Place: Hyderabad  
Dated: 12th August 2013**

**Babulal Jain  
Chief Executive Officer**

**DECLARATION ON COMPLIANCE OF THE  
COMPANY'S CODE OF CONDUCT BY THE CEO**

**To,  
The Members  
Vandana Knitwear Limited  
(Formerly known as Trendy Knitwear Limited)  
Hyderabad**

The Board has laid down a Code of conduct for all Board Members and Senior Management personnel of the Company. In terms of Clause 49 (ID) of Listing Agreement, the Company has received the annual affirmations with regards to the adherence to Code of Conduct from all the Board of Directors and Senior Management of the Company, for the financial year 2012-13.

sd/-

**Place: Hyderabad  
Dated: 12th August 2013**

**Babulal Jain  
Chief Executive Officer**

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

**To**  
**The Members**  
**Vandana Knitwear Limited**  
**(Formerly known as Trendy Knitwear Limited)**  
**Hyderabad**

We have examined the Compliance of conditions of Corporate Governance by Vandana Knitwear Limited (Formerly known as Trendy Knitwear Limited) for the year ended on March 31, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievance was pending for a period exceeding one month against the Company as per the records maintained by the Share Transfer / Investor Grievances Redressal Committee.

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

**For S. N. Kabra & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 03439C**

sd/-

**Satyanarayan Kabra**  
**Partner**  
**Membership Number 072497**

**Place: Indore**  
**Date : 12th August, 2013**



## INDEPENDENT AUDITORS' REPORT

To  
The Members  
Vandana Knitwear Limited  
(Formerly known as Trendy Knitwear Limited)  
Hyderabad

Report on the Financial Statements

1. We have audited the accompanying financial statements of **Vandana Knitwear Limited ( Formerly Known as Trendy Knitwear Limited)** (The "Company"), Which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

### Management's Responsibility for the Financial Statements

2. The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub- section (3C) of section 211 of 'the Companies Act, 1956' of India (the Act"). 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 misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting polices used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

6. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
  - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
  - (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

7. As required by 'the Companies (Auditor's Report) Order, 2003' as amended by 'the Companies (Auditor's Report) (Amendment) Order, 2004', issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
8. As required by section 227(3) of the Act, we report that:

**VANDANA KNIWEAR LIMITED**

ANNUAL REPORT 2012-13

- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company So far as appears from our examination of those books;
- (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement deal with by this Report are in agreement with the books of account;
- (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement deal with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;

**For S. N. Kabra & Co.**

**Chartered Accountants**

**Firm Registration No.: 03439C**

sd/-

**Satyanarayan Kabra**

**Partner**

**Membership Number 072497**

**Place: Indore**

**Date : 30th May, 2013**

## ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 7 of the Independent Auditors' Report of even date to the members of Vandana Knitwear Limited (Formerly Known as Trendy Knitwear Limited) on the financial statements as of and for the year ended March 31, 2013

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) In our opinion, and according to the information and explanations given to us, the company has not disposed off any fixed assets during the year.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the 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. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company not granted any Loans, secured and unsecured loans to any companies, firms or other parties covered in the register maintained under Section 301 of the Act. Hence clause 3(b), 3(c), 3(d) and 3(e) of the order are not applicable for the year.
- iv. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. The Company's operations do not involve sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) According to the information and explanations given to us, we are of the opinion that the particulars of all contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- (b) In our opinion, and according to the information and explanation given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits any deposits from the public within the meaning of Sections 58A and 58AA of the Act and rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular depositing undisputed statutory dues in respect of, Income Tax & Tax

## VANDANA K NITWEAR LIMITED

ANNUAL REPORT 2012-13

- Deducted at Sources have been generally deposited with the appropriate authorities except some minor delay in depositing in TDS .
- (b) According to the information and explanations given to us and the records of the Company examined by us, no undisputed amount payable in respect of the aforesaid dues were outstanding as at 31<sup>st</sup> March 2013 for a period of more than six months from the date of becoming payable. The company is not liable to provident fund, Investor education and Protection Fund, ESI, Wealth Tax, Custom duty and cess as certified by the company.
  - x. The accumulated losses of the company are not more than fifty percent of its Net worth of Company at the end of financial year under report, company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
  - xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders, as applicable, as at the balance sheet date.
  - xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Therefore, the provisions of Clause 4(xii) of the Order are not applicable to the Company.
  - xiii. As the provisions of any special statute applicable to chit fund/ nidhi/ mutual benefit fund/ societies are not applicable to the Company, the provisions of Clause 4(xiii) of the Order are not applicable to the Company.
  - xiv. In our opinion, the Company has maintaining proper records of the transaction and contracts of delating in Shares and other investments with timely entries having been made therein.
  - xv. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year. Accordingly, the provisions of Clause 4(xv) of the Order are not applicable to the Company.
  - xvi. Based on our audit procedures and as per information given to us the company has not raised any term loan during the year.
  - xvii. According to the information and explanations given to us and on overall examination of the Balance Sheet of the company, we are of the opinion that the company not utilized any short term resources for investment in long term assets.
  - xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year. Accordingly, the provisions of Clause 4(xviii) of the Order are not applicable to the company.
  - xix. The Company has not issued any debentures during the year and does not have any debentures outstanding as at the beginning of the year and at the year end. Accordingly, the provisions of Clause 4(xix) of the Order are not applicable to the Company.
  - xx. The Company has not raised any money by public issues during the year. Accordingly, the provisions of clause 4(xx) of the Order are not applicable to the Company.
  - xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

**For S. N. Kabra & Co.**

**Chartered Accountants**

**Firm Registration No.: 03439C**

sd/-

**Satyanarayan Kabra**

**Partner**

**Membership Number 072497**

**Place: Indore**

**Date : 30th May, 2013**

**VANDANA KNITWEAR LIMITED**  
**(Formerly Known as Trendy Knitwear Limited)**  
**Balance Sheet as at March 31, 2013**

	<u>Note</u>	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholders' Funds</b>			
(a) Share capital	2 (1)	106,985,070	106,985,070
(b) Reserves and surplus	2 (2)	(769,109)	(1,910,230)
		<b>106,215,961</b>	<b>105,074,840</b>
<b>(2) Non-current liabilities</b>			
(b) Deferred tax liabilities (net)	2 (3)	22,267	3,902
		<b>22,267</b>	<b>3,902</b>
<b>(3) Current liabilities</b>			
(a) Short-term borrowings		-	-
(b) Trade payables	2 (4)	546,154	2,448,347
(c) Other current liabilities	2 (5)	6,584	89,500
(d) Short-term provisions	2 (6)	1,070,000	915,000
		<b>1,622,738</b>	<b>3,452,847</b>
	<b>TOTAL</b>	<b>107,860,966</b>	<b>108,531,589</b>
<b>II. ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Tangible Fixed Assets	2 (7)	1,047,087	245,348
		<b>1,047,087</b>	<b>245,348</b>
(c) Other non-current assets	2 (8)	26,449,820	26,449,820
		<b>27,496,907</b>	<b>26,695,168</b>
<b>(2) Current Assets</b>			
(a) Inventories	2 (9)	-	-
(b) Trade receivables	2 (10)	-	1,877,831
(c) Cash and cash equivalents	2 (11)	1,986,998	386,878
(d) Short-term loans and advances	2 (12)	78,377,061	79,571,712
(e) Other Current Assets		-	-
		<b>80,364,059</b>	<b>81,836,421</b>
	<b>TOTAL</b>	<b>107,860,966</b>	<b>108,531,589</b>

See accompanying notes to the financial statements, as under

Significant Accounting Policies 1  
Notes to the Balance Sheet 2  
Other Notes 4  
In terms of our report of even date  
For S.N. Kabra & Co.  
Chartered Accountants  
Firm Registration No.03439C  
sd/-  
Satyanarayan Kabra  
Partner  
Membership Number 072497

For and on behalf of the Board of Directors

sd/-	sd/-	sd/-
Mukesh Gadiya Managing Director	Babulal Jain Director	Nidhi Gupta Company Secretary

Place: Indore  
Date: 30th May, 2013

Place: Hyderabad  
Date: 30th May, 2013

**VANDANA KNITWEAR LIMITED**  
**(Formerly Known as Trendy Knitwear Limited)**  
**Statement of Profit and Loss for the Year Ended March 31, 2013**

	<u>Note</u>	Year ended As at March 31, 2013 (INR)	Year ended As at March 31, 2012 (INR)
I. Revenue from operations		39,215,000	15,186,010
II. Other income	3 (1)	4,697,132	4,951,542
<b>III. Total Revenue (I+ II)</b>		<b>43,912,132</b>	<b>20,137,552</b>
<b>IV. Expenses:</b>			
Purchases		36,125,000	12,231,250
Employee benefits expense	3 (2)	2,247,526	1,626,637
Finance Cost		-	-
Depreciation and amortization of assets	2 (7)	91,643	28,715
Other expenses	3 (3)	3,721,446	4,705,401
<b>Total Expenses</b>		<b>42,185,615</b>	<b>18,592,003</b>
<b>V. Profit before tax (III-IV)</b>		<b>1,726,517</b>	<b>1,545,549</b>
<b>VI. Tax Expenses:</b>			
(1) Current Tax		570,000	500,000
(2) Deferred Tax		18,365	2,661
(3) Excess/Short Provision for Income Tax for earlier years		(2,969)	(1,240)
<b>VII. Profit for the year (V-VI)</b>		<b>1,141,121</b>	<b>1,044,128</b>
<b>VIII. Basic earnings per equity share:</b>	3 (4)	0.01	0.10

Significant Accounting Policies	1
Notes to the Statement of Profit and Loss	3
Other Notes	4

In terms of our report of even date  
For S.N. Kabra & Co.  
Chartered Accountants  
Firm Registration No.03439C  
sd/-  
Satyanarayan Kabra  
Partner  
Membership Number 072497

Place: Indore  
Date: 30th May, 2013

For and on behalf of the Board of Directors

sd/-	sd/-	sd/-
Mukesh Gadiya Managing Director	Babulal Jain Director	Nidhi Gupta Company Secretary

Place: Hyderabad  
Date: 30th May, 2013

**1. SIGNIFICANT OF ACCOUNTING POLICIES OF FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013****1. SYSTEM OF ACCOUNTING**

- A) The Company follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis except in respect of interest income on Non Performing Assets which is reckoned on realization basis as per the norms set by the Reserve Bank of India.
- B) Financial statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value of purchase power of money.
- C) Accounting policies, not specifically referred to otherwise, are consistent and in consonance with generally accepted accounting principles followed by the company.

**2. USE OF ESTIMATE**

The presentation of the financial statements in conformity with the generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. Such estimates and assumptions are based on the Management's evaluation of relevant facts and circumstances as on the date of the financial statements. The actual outcome may diverge from these estimates.

**3. FIXED ASSETS**

- i) Fixed assets are stated at cost less depreciation. Depreciation has been provided on the Written down value method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- ii) In case of additions to the fixed assets purchased during the year, depreciation has been provided on pro rata basis from the next month of addition.
- iii) Assets below Rs. 5000/- charges 100% depreciation.

**4. INVESTMENT**

Long term unquoted investment in companies have been valued at cost.

**5. INVENTORIES**

Inventories are valued at cost (on FIFO basis) or at realizable value whichever is lower.

**6. DEPRECIATION**

Depreciation has been provided on the Written down value method and at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

**7. PRIOR PERIOD EXPENSES / INCOME**

The Company follows the practice of making adjustments through "Expenses / Income under / over provided in previous year in respect of all material transactions pertaining to the period prior to current accounting year, if any.

**8. INCOME FROM INVESTMENT**

Income from investments, where appropriate are taken into revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

**9. TREATMENT OF CONTINGENT LIABILITES**

Contingent liabilities are disclosed by way of note to the accounts, if any.

**10. ACCOUNTING FOR TAXES ON INCOME**

Current Tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognized for all timing differences, subject to the consideration of prudence, applying the tax rates that have been substantively enacted at the Balance Sheet date.

**11. BORROWING COSTS**

The company has charged the entire borrowing costs to the Profit & Loss Account there being no qualifying asset with the company.

**12. The company does not have any intangible assets**

**13. EMPLOYEE BENEFITS:**

1. Short Term Employee benefits have been accounted for either as an expenses as a charge to Profit & Loss Account or as a liability if unpaid.
2. Post Employment Benefits
  - a. Defined Contributions Plans: The company has no liability towards any defined contributions plans.
  - b. Defined Benefit Plans: The Company accounts for expenditure on defined benefits plans on actual payment basis. It is the view of the management that, due to a small number of workers the liability of the company under defined benefit plans (i.e. gratuity) is not material considering the present composition of the work force and its volume of business. The company has no liability towards retirement benefits as on 31.03.2013.



**VANDANA KNITWEAR LIMITED**  
**(Formerly Known as Trendy Knitwear Limited)**

Accompanying notes to the financial statements for the year ended March 31, 2013

**NOTE 2: Notes to the Balance Sheet**

**1 - SHARE CAPITAL**

a. Details of authorized, issued and subscribed share capital

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>Authorised Capital</b>		
120,00,000 (Previous Year 120,00,000) Equity Shares of Rs. 1/- each (previous year Rs.10/- each)	<b>120,000,000</b>	<b>120,000,000</b>
<b>Issued, Subscribed and Paid up Capital</b>		
1,06,98,507 (Previous Year 1,06,98,507) Equity Shares of Rs. 1/- each (previous year Rs.10/- each)	106,985,070	106,985,070
<b>Total</b>	<b>106,985,070</b>	<b>106,985,070</b>

(a) The Company has only one class of shares referred to as equity shares having a par value of Rs.1/-. Each holder of equity shares is entitled to one vote per share.

**b. Information on shareholders holding more than 5% of aggregate shares in the company**

Name of Shareholder	Relationship	As at March 31, 2013		As at March 31, 2012	
		No of Equity Shares held	%	No of Equity Shares held	%
Babulal Jain	Director	5,599,980	5.23	559,998	0.52

c. There were no fresh issue or buyback of shares during the year.

d. Companies stock split from Rs. 10/- to Rs.1/- from 03/08/2012

**2 - RESERVES AND SURPLUS**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>Surplus/Deficit in the statement of Profit &amp; Loss</b>		
Opening balance	(1,910,230)	(2,954,358)
(+) Net Profit/(Net Loss) For the current year	1,141,121	1,044,128
Closing Balance		
<b>Total</b>	<b>(769,109)</b>	<b>(1,910,230)</b>

**3 - DEFERRED TAX ASSET (Net)**

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>Deferred Tax Liability</b>		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	22,267	3,902
<b>Deferred Tax Asset</b>		
Expenses disallowed under Sec 43B	-	-
Carry forward business loss and unabsorbed depreciation		
<b>Total</b>	<b>22,267</b>	<b>3,902</b>

**VANDANA KNTWEAR LIMITED**

ANNUAL REPORT 2012-13

**4 - TRADE PAYABLES**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
Trade Payables *		
Other than Micro and Small Enterprises	546,154	2,448,347
<b>Total</b>	<b>546,154</b>	<b>2,448,347</b>

\* Based on the information available with the Company, there are no parties who have been identified as micro, small and medium enterprises as per Micro, Small and Medium Enterprises Development Act, 2006.

**5 - OTHER CURRENT LIABILITIES**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>OTHER PAYABLES</b>		
Duties & Taxes payables	6,584	89,500
<b>Total</b>	<b>6,584</b>	<b>89,500</b>

**6 - SHORT-TERM PROVISIONS**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
Provision for taxation	1,070,000	915,000
<b>Total</b>	<b>1,070,000</b>	<b>915,000</b>

**7 - FIXED ASSETS**

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2012 (INR)	Additions (Deletions) during the Year (INR)	As at March 31, 2013 (INR)	As at April 1, 2012 (INR)	Depreciation charge for the year	As at March 31, 2013 (INR)	As at April 1, 2013 (INR)	As at March 31, 2012 (INR)
Tangible Assets								
Land	103,762	-	103,762	-	-	-	103,762	103,762
Computers	106,660	226,905	333,565	31,665	38,843	70,508	263,057	74,995
Furniture & Fixture	12,500	-	12,500	2,973	1,724	4,697	7,803	9,527
Office Equipment	60,575	-	60,575	3,511	7,938	11,449	49,126	57,064
Motar Car	-	666,478	666,478	-	43,138	43,138	623,339	
<b>Total</b>	<b>283,497</b>	<b>893,383</b>	<b>1,176,880</b>	<b>38,149</b>	<b>91,643</b>	<b>129,792</b>	<b>1,047,087</b>	<b>245,348</b>
<b>Previous Year</b>	<b>159,012</b>	<b>124,485</b>	<b>283,497</b>	<b>9,434</b>	<b>28,715</b>	<b>38,149</b>	<b>245,348</b>	<b>149,578</b>

**8 - OTHER NON-CURRENT ASSETS**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>Unsecured, considered good</b>		
Unquoted Investments ( Valued at Cost )	26,449,820	26,449,820
<b>Total</b>	<b>26,449,820</b>	<b>26,449,820</b>

**9 - INVENTORIES**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>(As taken, valued &amp; Certified by Director)</b>		
a. Raw Materials and components	-	-
b. Finished goods (Valued at lower of cost and net realisable value)	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**10 - TRADE RECEIVABLES**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
<b>Trade receivables outstanding for a period less than six months</b>		
Secured, considered good		1,877,831
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
	-	<b>1,877,831</b>
<b>Trade receivables outstanding for a period exceeding six months</b>		
Secured, considered good	-	-
Unsecured, considered good	-	-
Doubtful	-	-
Less: Provision for doubtful debts	-	-
<b>Total</b>	<b>-</b>	<b>1,877,831</b>

**VANDANA KNIWEAR LIMITED**

ANNUAL REPORT 2012-13

**11 - CASH AND CASH EQUIVALENT**

<b>Particulars</b>	<b>As at March 31, 2013 (INR)</b>	<b>As at March 31, 2012 (INR)</b>
a. Balances with banks -In current account	1,335,969	128,416
b. Cash in hand	651,029	258,462
<b>Total</b>	<b>1,986,998</b>	<b>386,878</b>

**12 - SHORT-TERM LOANS AND ADVANCES**

<b>Particulars</b>	<b>As at March 31, 2013 (INR)</b>	<b>As at March 31, 2012 (INR)</b>
<b>Unsecured, considered good</b>		
Advances to Staff	-	50,000
Deposits	250,000	250,000
Advances with government authorities	949,164	907,185
Advances to Suppliers	41,761,635	43,267,842
Other loans and advances	35,406,001	35,096,685
Prepaid Expenses	10,261	-
<b>Total</b>	<b>78,377,061</b>	<b>79,571,712</b>

**NOTE 3: Notes To The Statement Of Profit And Loss****1 - OTHER INCOME**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
Commission Income	-	874,500
Interest Received	4,697,132	4,077,042
<b>Total</b>	<b>4,697,132</b>	<b>4,951,542</b>

**2 - EMPLOYEE BENEFIT EXPENSES**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
Salaries and incentives (including Directors Remuneration)	2,061,400	1,509,500
Staff Welfare Expenses	186,126	113,234
Insurance Staff	-	3,903
<b>Total</b>	<b>2,247,526</b>	<b>1,626,637</b>

**3 - OTHER EXPENSES**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
Advertisement	114,729	65,195
Audit Fees	20,000	20,000
Books and Periodicals	26,142	38,445
BSE Listing Fees	44,944	1,585,021
Business Promotion Expenses	378,010	609,764
Commission and Brokerage	550,000	415,000
Conveyance	166,394	129,858
Donation	221,000	-
Electricity Expenses	54,660	11,901
Insurance Premium	11,137	-
Bank Charges	9,391	5,980
Interest on TDS	6,316	2,381
Membership Fees	67,416	-
Motor Car Expenses	57,720	-
Office Expenses	167,992	256,211
Postage Telegrams	8,469	-
Rates & Taxes	80,323	-
Printing & Stationery	199,273	165,210
Professional Fees	657,660	585,150
RTA Charges	84,372	198,966
Rent	250,200	174,000
Repair & Maintenance	41,056	48,274
Security Charges	70,000	75,000
Sundry Balance W/o	27,831	5,810
Telephone Expenses	27,055	15,817
Travelling Expenses	379,356	279,618
Web side Expenses	-	17,800
<b>Total</b>	<b>3,721,446</b>	<b>4,705,401</b>

**VANDANA K NITWEAR LIMITED**

ANNUAL REPORT 2012-13

**4- EARNINGS PER EQUITY SHARES**

<b>Particulars</b>	<b>As at March 31, 2013(INR)</b>	<b>As at March 31, 2012(INR)</b>
<b>Basic Earnings per Share</b>		
Profit/(Loss) attributable to Equity shareholders	1,141,121	1,044,128
Weighted average number of equity shares	106,985,070	10,698,507
<b>Basic Earnings Per Share</b>	0.01	0.10
<b>Face value per Share</b>	1/-	10/-

**4. OTHER NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2013****NOTES FORMING PART OF THE ACCOUNTS**

1. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of the business, the provision for all known liabilities is adequate and no in excess of the amount considered reasonably necessary.
2. Contingent Liabilities not provided for : Nil. (Previous Year :NIL)
3. There is no liability in respect of retirement benefits as on 31.03.2013.

**4. Auditor's Remuneration**

	Current Year Rs.	Previous Year Rs.
Audit fee	20,000	20,000
Tax Audit Fee	10,000	10,000
Other Services	10,000	10,000
<b>Total</b>	<b>40,000</b>	<b>40,000</b>

**5. DEFERRED TAX**

In view of the uncertainty attached with the future profitability of the Company and lack of any convincing evidence that sufficient future taxable income would be available, company has decided not to recognize any Deferred Tax Asset in respect of the timing differences outstanding at the beginning of the year as well as those arisen during the year.

However the company has recognized the Deferred Tax Liability in respect of Depreciation excess charged in the Income tax:

The position of deferred Taxes is as under	2012-2013	2011-2012
Deferred Tax Liability In respect of fixed assets	22,267	3,902
<b>Total</b>	<b>22,267</b>	<b>3,902</b>

**6. EARNING PER SHARE**

Particulars	As at March 31, 2013 (INR)	As at March 31, 2012 (INR)
i. Profit After Tax	11,41,121	10,44,138
ii. The weighted average number Of equity shares of Rs. 1/- each (Previous year Rs.10/-) Total Number of Shares (Weighted)	10,69,85,070	1,06,98,507
iii. Earning per share (Basic)	0.01	0.10

7. Expenditure in Foreign Currency – NIL (Previous year Rs. NIL/-)

**8. Quantitative details of goods traded :****i. For The Year Ending 31.03.2013**

Sr No	Particulars	Unit	Opning Stock	Purchases	Sales	Closing Stock
1	Fabric	Mtrs	---	300500	300500	---

**VANDANA KNIWEAR LIMITED**

ANNUAL REPORT 2012-13

**ii. For The Year Ending 31.03.2012**

Sr No	Particulars	Unit	Opning Stock	Purchases	Sales	Closing Stock
1	Fabric	Mtrs	-	99441	99441	0

**9. Disclosure in accordance with AS 18" Related Party Disclosures"****I. For The Year Ending 31.03.2013**

	Associates	Key Management Personnel	Relative Of Key Management Personnel	Total
Mukesh Gadiya	Nil	1,80,000	0	1,80,000
Babulal Jain	Nil	60,000	0	60,000
Nidhi Gupta	Nil	1,02,400	0	1,02,400

**ii. For The Year Ending 31.03.2012**

	Associates	Key Management Personnel	Relative Of Key Management Personnel	Total
Mukesh Gadiya	Nil	60,000	0	60,000
Babulal Jain	Nil	75,000	0	75,000
Nidhi Gupta	Nil	88,000	0	88,000

NOTE: Name of related parties and description of relationship :

**1. Key Management Personnel :-**

Mr. Mukesh Gadiya (Managing Director)  
 Mr. Babulal Jain (Director)  
 Mr. Pradeep S. Jain ( Director & Compliance Officer)  
 Mrs. Nidhi Gupta

10. Based on the information available with the company, no creditors have been identified as "supplier" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006."

11. Figures of the previous year have been regrouped rearranged and recast wherever necessary, to make them comparable with the figures or the current year.

**For S. N. Kabra & Company****Chartered accountants****Firm Registration No. 03439C****sd/-****Satyanarayan Kabra****Partner****Membership Number 072497****Date: 30th May, 2013****Place: Indore**



**VANDANA K NITWEAR LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012**

PARTICULARS	2012-2013		2011-2012	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net profit as per Profit and Loss Account		17 26 517		15 45 549
<u>Adjustments :-</u>				
Depreciation	91 643		28 715	
Dividend Received	-		-	
Interest Received	(46 97 132)		(40 77 042)	
Interest and Financial Charges				
Preliminary expenses written off		- 46 05 489		- 40 48 327
<b>Operating profit before Working Capital changes</b>		<b>(2,878,972)</b>		<b>(2,502,778)</b>
Adjustments for :				
Miscellaneous Expenditure			-	
Trade and other Receivables	18 77 831		- 8 02 710	
Loans & Advances	11 94 651		-1 29 43 680	
Trade Payables	(18 27 139)	(12 45 343)	573 309	(1 31 73 081)
<b>CASH FLOW FROM OPERATIONS</b>		<b>( 16 33 629)</b>		<b>(1 56 75 859)</b>
Less : Income Tax paid		5 70 000		5 00 000
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>( 22 03 629)</b>		<b>(1 61 75 859)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>				
Purchase of Fixed Assets	( 8 93 383)		124 485)	
Sale of Fixed Assets				
Purchase of Investments	-		-	
sale of shares	-		12200 000)	
Dividend received				
Interest Received	46 97 132		4077 042)	
<b>NET CASH FLOW FROM INVESTMENT ACTIVITIES</b>		<b>38 03 749</b>		<b>1 64 01 527</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>				
Dividend paid	-		-	
Tax on Dividend	-		-	
Secured Loans	-		-	
Increase in Share Capital	-		-	
Unsecured Loans	-		-	
Interest and Financial Charges	-		-	
<b>NET CASH USED FROM FINANCING ACTIVITIES</b>				
<b>D NET INCREASE\DECREASE) IN CASH FLOW</b>		<b>16 00 120</b>		<b>2 25 668</b>
<i>DURING THE YEAR ( A +B + C )</i>				
<b>E CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE FINANCIAL YEAR</b>		<b>3 86 878</b>		<b>1 61 210</b>
<b>F CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL YEAR</b>		<b>19 86 998</b>		<b>3 86 878</b>
<b>G NET CHANGE IN CASH AND CASH EQUIVALENT</b>		<b>16 00 120</b>		<b>2 25 668</b>

**ATTENDANCE SLIP**  
**VANDANA KNTWEAR LIMITED**  
**(Formerly known as Trendy Knitwear Limited)**  
Regd. Office: 4-1-223, Hanuman Takdi, Bank Street, ,Hyderabad 500095  
(Please fill in attendance slip and hand it over at the entrance of the meeting place.)

I hereby record my presence at the 18<sup>th</sup> Annual General Meeting of the Company being held on **Saturday, the 28th day of September, 2013 at 9.30 A.M at Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095**, and at any adjournment thereof.

Folio No..... DP-ID\* .....

No. of Shares held ..... Client ID\* .....

Member's/Proxy' Name.....  
(in Block Letters)

.....  
(Member's/ Proxy's Signature)  
(To be signed at the time of handing over this slip)

\* Applicable for Members holding Shares in electronic form.

-----TEAR\*\*\*HERE-----

PROXY FORM

**VANDANA KNTWEAR LIMITED**  
(Formerly known as Trendy Knitwear Limited)  
Regd. Office: 4-1-223, Hanuman Takdi, Bank Street, ,Hyderabad 500095

I/We ..... of..... being a  
Member/Members of the **VANDANA KNTWEAR LIMITED**, hereby appoint ..... or failing  
him..... as my/our Proxy to attend and vote for me/us and on my/our behalf at the  
18th Annual General Meeting of the Company to be held on **Saturday, the 28th day of September, 2013 at 9.30 A.M at Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095** and at  
any adjournment  
thereof.

Folio No: \_\_\_\_\_ DP-ID\* \_\_\_\_\_

No. of shares held: \_\_\_\_\_ Client ID\* \_\_\_\_\_

Signed this .....day of ..... 2013.



Signature of Member

\* Applicable for members holding Shares in electronic form

**Note:** This proxy form in order to be effective should be duly filled, stamped, and signed and must be deposited at the Registered Office of the Company at **4-1-223, Hanuman Takdi, Bank Street, ,Hyderabad 500095**, not less than 48 hours before the time for holding the meeting. A proxy need not be a member of the Company.

**BOOK POST**

If undelivered, please return to  
**VANDANA K NITWEAR LIMITED**  
4-1-223, Hanuman Takdi, Bank Street,  
Hyderabad, Andhra Pradesh – 500 095  
Tel No. 040-2476 322



# Vandana Knitwear Limited

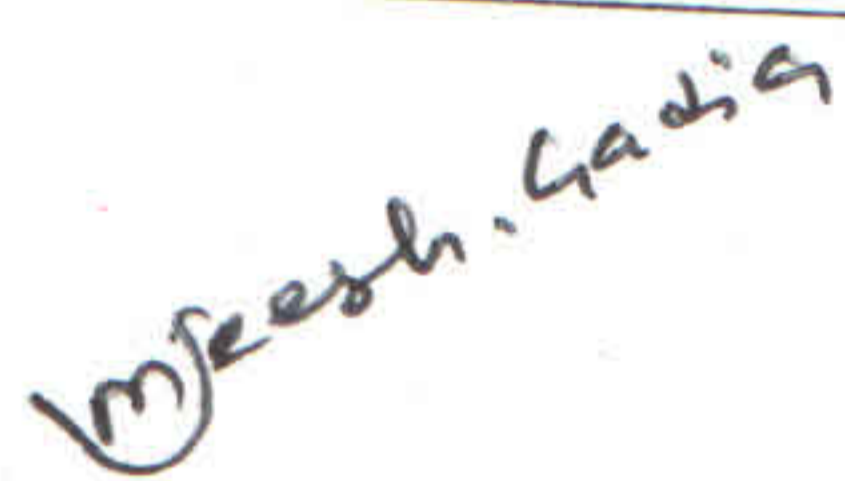

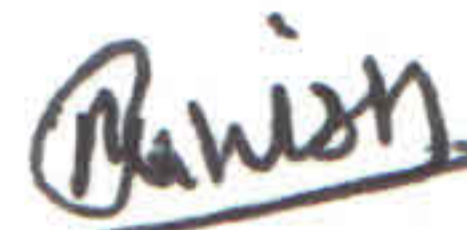
(formerly known as Trendy Knitwear Limited) CIN : L18101AP1995PLC019777

4-1-223, Hanuman Takdi, Opp. Axis Bank Ltd., Near Ramdev Optical, Bank Street, Hyderabad - 500 095

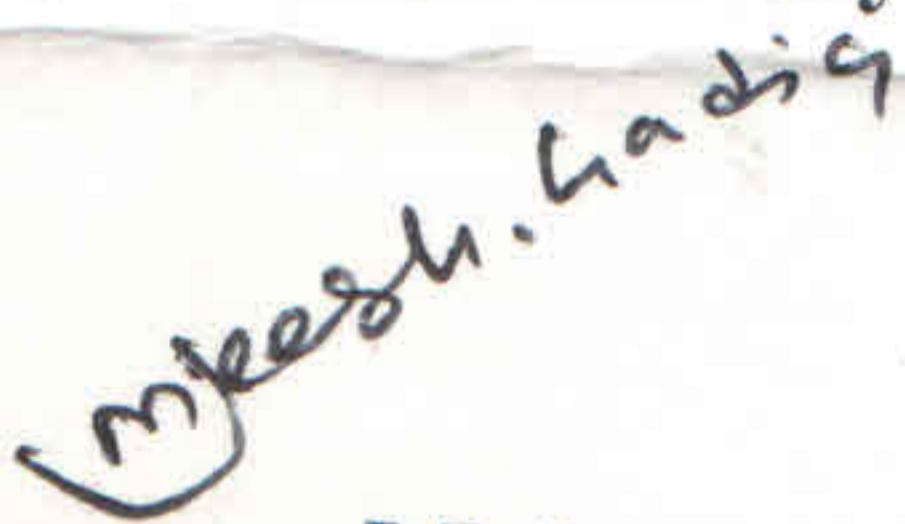
Tel.: 9441271629, 040-2476 3322 Fax : 040-2476 8877

www.trendyknitwearlimited.com Email : trendyknitwear@gmail.com

## FORM A

1.	Name of the Company	Vandana Knitwear Limited
2.	Annual Financial Statements for the year ended	31st March, 2013
3.	Type of Audit Observation	Un-qualified / Matter of Emphasis
4.	Frequency of Observation	N.A.
5.	To be signed by-	
	<ul style="list-style-type: none"> <li>CEO/Managing Director</li> </ul>	 (MR. MUKESH GADIYA)
	<ul style="list-style-type: none"> <li>CFO</li> </ul>	-
	<ul style="list-style-type: none"> <li>Auditor of the Company</li> </ul>	 S.N. Kabra
	<ul style="list-style-type: none"> <li>Audit Committee Chairman</li> </ul>	 (MR. MANISH TAMBOLI)

For Vandana Knitwear Limited  
(Formerly known as Trendy Knitwear Limited)



Mukesh Gadiya  
Director



For : S.N. KABRA & CO.,  
Chartered Accountants

(S.N. KABRA)  
Partner.

### Corporate Office

Shop No. 1, D/27, Yogi Kripa CHS Ltd., Yogi Nagar, Borivali (W), Mumbai - 400 091.

Tel.: 022 - 28335345 Fax : 28332172 Mob : 93237 27370