

Vandana Knitwear Limited

(Formerly known as Trendy Knitwear Limited)

Annual Report and Accounts

2011-12

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Contents

	Page No.
1. Board Composition	4
2. Notice for Annual General meeting	5-10
3. Directors' Report	11-13
4. Management Discussion And Analysis	14-15
5. Corporate Governance Report	16-22
6. CEO Certification	23-24
7. Auditors' Certificate on Corporate Governance	25
8. Auditors' Report on Financial Statements	26-28
9. Balance Sheet, Profit & Loss Account and connected documents	29-38
10. Cash Flow Statement	39
11. Attendance Slip & Proxy form	41

VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2011-12

BOARD OF DIRECTORS

Mukesh Gadiya	-	Chairman & Managing Director
Babulal Khimraj Jain	-	Promoter & Executive Director
Satya Narayan Gadiya	-	Independent & Non-Executive Director
Pradeep Saremal Jain	-	Independent & Non-Executive Director
Pawan Mandowara⁽¹⁾	-	Independent & Non-Executive Director
Nidhi Gupta⁽²⁾	-	Company Secretary

BOARD COMMITTEES

AUDIT COMMITTEE

Mr. Satya Narayan Gadiya	-	Chairman
Mr. Babulal Khimraj Jain	-	Member
Mr. Pradeep Saremal Jain	-	Member

SHARE TRANSFER/INVESTOR'S GRIEVANCES REDRESSAL COMMITTEE

Mr. Satya Narayan Gadiya	-	Chairman
Mr. Babulal Khimraj Jain	-	Member
Mr. Pradeep Saremal Jain	-	Member

REMUNERATION COMMITTEE

Mr. Satya Narayan Gadiya	-	Chairman
Mr. Pawan Mondowara	-	Member
Mr. Pradeep Saremal Jain	-	Member

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,
Mumbai, Maharashtra –400 072
Email ID: 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
E-mail ID: trendyknitwear@gmail.com
Tel No. 040-2476 322, Fax No. 040-2476 8877

BANKERS

Axis Bank Ltd.
Dena Bank

¹⁾ Appointed as an Additional Director of the Company with effect from 10th Nov., 2011.

²⁾ Appointed as a Company Secretary of the Company with effect from 9th May, 2011.

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventeenth **Annual General Meeting** of the Members of **VANDANA KNITWEAR LIMITED (formerly known as Trendy Knitwear Limited)** will be held on Friday, the 28th day of September, 2012 at 10.30 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 consider and adopt the Audited Balance Sheet as at March 31st, 2012 and the Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Satya Narayan Gadiya, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Pradeep Saremal Jain, who retires by rotation and being eligible, offers himself for re-appointment.
4. To 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. Pawan Mandowara 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. Pawan Mandowara, 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.”

6. To consider and if thought fit, to pass, with or without modification (s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment(s) thereof), and all other statutory provisions, approvals including Central Government, if required and as may be applicable, the consent of the Company be and is hereby accorded to the 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 and subject to other terms & conditions and stipulations, including remuneration as set out in Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors to alter and vary the terms and conditions and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment(s) thereof.

RESOLVED FURTHER THAT in the event of any statutory amendment, modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration including salary, commission, perquisites, allowances, etc. within such prescribed limit or ceiling and the said terms of appointment of Mr. Mukesh Gadiya, Chairman & Managing Director of the Company, be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

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**

**PLACE: HYDERABAD
DATE: 14th August, 2012**

**MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)**

VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2011-12

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 Monday, 24th September, 2012 to Friday, 28th September, 2012 (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 broadbase the Board of Directors and to comply with the requirement of Clause 49 of the Listing Agreement, Mr. Pawan Mandowara was appointed as an Additional Director of the Company in the category of Non-executive Independent Director w.e.f. 10th November, 2011. 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. Pawan Mandowara 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. Pawan Mandowara 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. Pawan Mandowara, 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. Pawan Mandowara, 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.

ITEM NO. 6

The Board of Directors of the Company (the 'Board'), at its meeting held on 10th November, 2011 has, subject to the requisite approvals, if any, appointed Mr. Mukesh Gadiya as Chairman and Managing Director of the Company, for a period of 5 (five) years w.e.f. 10th Nov., 2011, on the remuneration recommended by the Remuneration Committee of the Board at its meeting held on 10th November, 2011.

The present proposal is to seek the Members' approval for the appointment of and remuneration payable to Mr. Mukesh Gadiya as Chairman and Managing Director, in terms of the applicable provisions of the Companies Act, 1956.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Mukesh Gadiya are as under:

The proposed remuneration is within the permissible limits as laid down under Sections 198, 309 and Schedule XIII annexed to the Companies Act, 1956.

The information required to be furnished to the shareholders in terms of revised Schedule XIII are being furnished here in below:

- (A) **General Information:** Vandana Knitwear Limited was incorporated as Public Limited Company on 22nd March, 1995 under the Companies Act, 1956 with the Registrar of Companies, Andhra Pradesh at Hyderabad with the main object to manufacture, sell and deal in the readymade garments. The Company started its commercial production w.e.f. 28th April, 1995. No foreign collaborator of any type is presently involved in the project.
- (B) **Information about the Appointee:** Mr. Mukesh Gadiya, 41 years old is a commerce graduate. He is having experience in the field of Garments industry including trading & export of Garments. Fabrics, textiles and allied. His experience have always been helpful in the Company's progress.
- (C) **Nature of Duties:** Mr. Mukesh Gadiya, Chairman and Managing Director, shall perform and discharge all such duties and responsibilities as may from time to time be assigned and entrusted to him by the Board, subject to the superintendence, control and direction of the Board of Directors of the Company.
- (D) **Comparative Remuneration in the Industry:** No such data is available with the Company but the Board is of the view that the Remuneration paid /proposed to be paid by the Company is totally in line with the excellent performance made by the Company under his stewardship.

(E) Financial Performance:

(In Rs.)

Particulars	March 31, 2012	March 31, 2011	March 31, 2010
Sales	1,51,86,010	10,75,121	9,18,760
Net Profit after Tax	10,44,128	8,96,327/-	2,35,977
Exports	NIL	NIL	NIL
Foreign Exchange Earned	NIL	NIL	NIL
Foreign Exchange used	NIL	NIL	NIL

VANDANA KNITWEAR LIMITED

ANNUAL REPORT 2011-12

- (F) **Export Performance:** The Company is engaged in the sector of Textile Garment & Fabrics. It caters to domestic markets as such no export of garments till date by the Company.
- (G) **Remuneration:** During the year 2011-12, Mr. Mukesh Gadiya was paid Rs. 75000/-Mr. Mukesh Gadiya shall be entitled to the maximum of following emoluments, benefits and perquisites during the period of his employment subject to the ceiling limits laid down in Sections 198, 309 and Schedule XIII annexed to the Companies Act, 1956:
- (I) **Basic Salary:** Rs. 15,000/- per month
- (II) **Perquisites:** In addition to above the following Perquisites not exceeding the overall ceiling prescribed under schedule XIII, annexed to the Companies Act, 1956 will be provided to the Chairman and Managing Director:

CATEGORY (A)

a) **Medical Reimbursement**

Medical expenses actually incurred for self and family shall be reimbursed by the Company under Medi Claim Policy.

b) **Leave Travel Concession**

Company shall provide leave travel fare for the Chairman and his family once in a year, anywhere in India as per the Rules applicable to the Company and Income Tax Rules.

CATEGORY (B)

In addition to the perquisites, Mr. Mukesh Gadiya shall also be entitled to the following benefits, which shall not be included in the computation of ceiling on remuneration mentioned above, as permissible by law:

- (i) **Contribution to Provident Fund / Superannuation Fund or Annuity Fund** will not be included in the computation of ceiling on perquisites to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961.
- (ii) **Gratuity** payable shall not exceed half a month's Basic Salary for each completed year of service.
- (iii) **Leave and Leave Encashment** as per the rules of the Company, but not more than one month's leave for every eleven months of service. However, the leave accumulated but not availed of will be allowed to be encashed at the end of the term as per Company rules.

CATEGORY (C)

(a) **Conveyance**

Free use of the Company's car with driver, for business purpose only.

(b) **Reimbursement of Expenses**

Apart from the remuneration as aforesaid, Mr. Mukesh Gadiya, Chairman and Managing Director shall also be entitled to reimbursement of all such expenses including the entertainment expenses, as are genuinely and actually incurred in efficient discharge of his duties in connection with the business of the Company including the entertainment expenses.

(c) **Sitting Fees etc.**

No sitting fees shall be paid to Mr. Mukesh Gadiya, Chairman and Managing Director for attending the Meetings of Board of Directors or any committee thereof.

- (d) Where in any financial year, the company has no profits or its profits are inadequate, the Chairman and Managing Director shall be entitled to remuneration and perquisites, as mentioned above within the minimum remuneration specified in Schedule XIII of the said Act.

The terms & conditions, as above, may be altered / varied from time to time by the Board of Directors as it may, in its absolute discretion, deem fit within the maximum amount payable to the appointee in accordance with Schedule XIII annexed to the Companies Act, 1956 as may be amended from time to time or any other relevant Statutory enactment(s) thereof in this regard.

III Other Terms & Conditions:

- (i) Mr. Mukesh Gadiya will perform the duties and exercise the powers, which from time to time may be assigned to or vested in him by the Board of Directors of the Company.
- (ii) Either party giving the other party three-month's prior notice in writing to that effect may terminate the agreement.
- (iii) In the event of cessation of the office during the financial year a ratable proportion of the aforesaid remuneration shall be payable by the Company, to Chairman and Managing Director. However, no compensation for loss of office will be payable by the Company as contemplated under the provisions of Section 318 of the Companies Act, 1956.

- (iv) If in any case, Mr. Mukesh Gadiya ceases to be Director of the Company for any reason whatsoever, he shall cease to be the Chairman and Managing Director.
- (v) The said appointment of Mr. Mukesh Gadiya on the terms & conditions as set out above including his remuneration as referred above is subject to approval of the General Board Meeting.”
- (vi) Mr. Mukesh Gadiya shall not be liable to retire by rotation.

None of the Directors except Mr. Mukesh Gadiya as Appointee and Mr. Satya Narayan Gadiya, Director being relative, are concerned or interested in the said Special Resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board recommends the Special Resolution for approval.

**BY ORDER OF THE BOARD
FOR VANDANA KNITWEAR LIMITED**

**PLACE: HYDERABAD
DATE: 14th August, 2012**

**MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)**

VANDANA KNITWEAR LIMITED

ANNUAL REPORT 2011-12

ANNEXURE TO THE NOTICE OF 17TH AGM

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 28th September, 2012:

NAME OF DIRECTOR	Mr. Satya Narayan Gadiya	Mr. Pradeep Saremal Jain	Mr. Pawan Mandowara	Mr. Mukesh Gadiya
DIN	00038895	03363790	03201119	03025764
AGE	56 Years	40 Years	29 Years	41 Years
DATE OF APPOINTMENT	30.09.2010	30.09.2010	10.11.2011	10.05.2010
Designation	Director	Director	Director	Chairman and Managing Director
Expertise in specific functional area	Auditing Of Corporate, Firm, Banks , Taxation Including Direct & Indirect, Project Finance Etc.	Finance, Accounts, Marketing	Finance, Accounts, Audit & Taxation	Trading & Export Of Garments, Fabrics, Textile & Other Commodity Trading.
Qualification	B. Com, FCA	B. Com	B. Com, CA	B.Com
Directorship in other Public Limited Companies as on 31/03/2012	NIL	NIL	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2012	NIL	NIL	NIL	NIL

**BY ORDER OF THE BOARD
FOR VANDANA KNITWEAR LIMITED**

**PLACE: HYDERABAD
DATE: 14th August,2012**

**MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)**

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 31st March, 2012:

1. FINANCIAL PERFORMANCE

(In Rs.)

Particulars	2011-12	2010-11
Total Income	2,01,37,552	46,84,092
Total Expenditure	1,85,92,003	33,76,024
PROFIT BEFORE TAX	15,45,549	13,08,068
Less: Provision of Taxation Including Deferred Tax	5,02,661	4,16,241
PROFIT AFTER TAX (PAT)	10,44,128	8,91,827
Add: Balance Brought Forward From Previous Year	(29,54,358)	(38,50,684)
Add: Excess / (Short) Provision for taxation for Earlier year written back	1,240	4,500
Balance Carried To Balance Sheet	(19,10,230)	(29,54,358)

2. STATE OF COMPANY'S AFFAIRS:

Your Company is committed to offer the most competitive prices with the overall parameters set by the general market conditions. Your Directors perceive that the business of the Company stands on a sound platform and is running well.

During the year under report, the Company marked its Income from operations by earning Rs. 1,51,86,010/- as against of Rs. 10,75,121/- of previous year. The Profit after Tax (PAT) went up to Rs. 10,44,128/- in 2011-12 from Rs. 8,96,327/- in 2010-11.

3. DIVIDEND

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

4. DIRECTORS

Mr. Satya Narayan Gadiya and Mr. Pradeep Saremal Jain, 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. Satya Narayan Gadiya and Mr. Pradeep Saremal Jain) eligible for re-appointment alongwith the additional information required under Clause 49 (IV)(G) of the Listing Agreement is included in the Report on Corporate Governance.

APPOINTMENT OF ADDITIONAL DIRECTOR

Mr. Pawan Mandowara was appointment as an Additional Director at the Board Meeting held on 10th November, 2011. The Board received a notice u/s 257 of the Companies Act, 1956 from a member proposing the candidature of Mr. Pawan Mandowara as a Director. In view of this the Board recommends his appointment as a regular Independent Director of the Company liable to retire by rotation.

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

Appointment of Chairman & Managing Director

Subject to consent of Members, Mr. Mukesh Gadiya was appointed as Chairman & Managing Director of the Company for a tenure of 5 (five) years w.e.f. 10.11.2011. As such, your directors recommend his appointment at the said designation on such terms and conditions as 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 31st March, 2012 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

The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the Listing Fee for the year 2012-13 had been duly paid.

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 2011-12 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 31st March, 2012 is annexed hereto.

16. SUB-DIVISION OF EQUITY SHARES

With a view to improve liquidity, enabling greater participation by small investors and eventually widening the shareholder base, the Board of Directors of the Company, pursuant to the provisions of the Companies Act, 1956, sought approval of shareholders through Extra-ordinary General Meeting held on 16th July, 2012, to sub-divide One Equity Share of face value of Rs. 10/- each into Ten Equity Shares of face value of Re. 1/- each.

Post subdivision, the Authorised Share Capital of the Company comprises of Rs. 12 Crores consisting of 12,00,00,000 Equity Shares of face value of Re. 1/- each and Paid-up Share Capital comprises of Rs. 10,69,85,070/- consisting of 10,69,85,070 Equity Shares of face value of Re. 1/- each, fully paid up.

17. CHANGE OF NAME OF THE COMPANY

With a view to create a brand name and to focus entirely on the Textiles and Garments business, the Board of Directors recommended the change of name from 'TRENDY KNITWEAR LIMITED' to 'VANDANA KNITWEAR LIMITED' and the same was approved by the shareholders in the Extra-ordinary General Meeting held on 16th July, 2012.

The Shareholders are requested to take note of the same and make future communications with the new name of the Company.

18. 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.

**For and on behalf of the Board
FOR VANDANA KNITWEAR LIMITED**

**Place: Hyderabad
Date: 14th August, 2012**

**Mukesh Gadiya
Chairman & Managing Director**

MANAGEMENT DISCUSSION AND ANALYSIS**OVERVIEW**

The financial statements have been prepared in compliance with the requirements of the Companies act, 1956, 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

The financial year 2011-12 was full of challenges. The growth rate during the year 2011-12 is 6.9% in comparison to 8.6% of the previous year 2010-11. The reduction in global demands and uncertainties slowed down the growth level of all the three sectors of economy. The textile industry plays a crucial role in the Indian economy. India is second largest producer of textile and garments in the world.

The increased inflation rate was the biggest challenge before the Indian economy during the year 2011-12. Despite of poor market conditions the economy marked a growth in the demand for textiles in the Indian market. 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.

OPPORTUNITIES AND THREATS

The development of technology in the textile industry, quality of fabrics, designs and increasing demands gives a hope of increased demands of textiles in the market.

While the increasing inflation, labour cost, import from China in huge quantity is a matter of concern for the Indian textile sector and it needs to be worked upon.

RISKS & CONCERNS

To sustain and grow in the market means tussle with the uncertainty and more the uncertainty, higher the risk. 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.

FINANCIAL PERFORMANCE

During the year under consideration, the Company had a strong performance in comparison to that of previous years. The income from operations was Rs. 1,51,86,010/- as against of Rs. 10,75,121/- of previous year. The total revenue (sales plus other income) for the year is Rs. 2,01,37,552/- which is remarkably great in front of total revenue of Rs. 46,84,092 during the previous year. Profit after Tax (PAT) went up to Rs. 10,44,128/- in 2011-12 from Rs. 8,96,327/- in 2010-11. Earning per share (EPS) went up to Rs. 0.10/- in 2011-12 from Rs. 0.08/- in 2010-11.

The strength of the company's business strategies and competence in execution were demonstrated in its performance during 2011-12.

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

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.

**For and on behalf of the Board
FOR VANDANA KNITWEAR LIMITED**

**PLACE: HYDERABAD
DATE: 14th August, 2012**

**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

VANADA KNITWEAR LIMITED (formerly known as Trendy Knitwear Limited) is committed to the best governance practice and creating long term value for all its shareholders. The Company believes 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 remains steadfast in its value systems that incorporate integrity, transparency and fairness across all its business activities. It continues to focus on its commitments towards the development of the community where it operates. 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 Board of Directors of the Company 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 2011-12 i.e. from 1st April, 2011 to 31st March, 2012, the Board met 5 (five) 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 14th May, 2011; 10th August, 2011; 26th August, 2011; 10th November, 2011 and 13th February, 2012.

The Board composition (name & category) as on 31st March, 2012, Director's attendance at the Board meetings held during the year and at the last Annual general meeting, is as follows:

S.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 the last AGM
				Chairman	Member	Held	Attended	
1.	Mr. Mukesh Gadiya	Executive and Independent	Nil	Nil	Nil	5	5	Yes
2.	Mr. Babulal Khimraj Jain	Executive and Promoter	Nil	Nil	Nil	5	5	Yes
3.	Mr. Satya Narayan Gadiya	Non-Executive Independent	Nil	Nil	Nil	5	5	Yes
4.	Mr. Pradeep Saremal Jain	Non-Executive Independent	Nil	Nil	Nil	5	5	Yes
5.	Mr. Pawan Mandowara*	Non-Executive Independent	Nil	Nil	Nil	5	2	No

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

*Appointed as an Additional Director in the Board meeting held on 10th Nov., 2011.

- None of the directors on the Board is a Director on 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 2011-12.
- Adequate information as stipulated under Annexure IA to Clause 49 of the Listing Agreement is made available to the Board.
- 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.**

III. 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 2011-12 are as follows:

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Satya Narayan Gadiya	Chairman	4	4
Mr. Babulal Khimraj Jain	Member	4	4
Mr. Pradeep Saremal Jain	Member	4	4

No. of meetings: During the year 2011-12, the Committee met 4 (Four) times on 14th May, 2011; 10th August, 2011; 10th November, 2011 and 13th February, 2012.

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 30th September, 2011 and was attended by Mr. Satya Narayan Gadiya, 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:
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report.
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 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. 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.
9. 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.
10. 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.

VANDANA KNITWEAR LIMITED

ANNUAL REPORT 2011-12

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 2011-12 are as follows:

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Satya Narayan Gadiya	Chairman	3	3
Mr. Babulal Khimraj Jain	Member	3	3
Mr. Pradeep Saremal Jain	Member	3	3

No. of meetings: During the year 2011-12, the Committee met 3 (three) times on 14th May, 2011; 10th August, 2011 and 13th February, 2012.

- 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 2011-12

Total Complaints Received	Total Complaints Redressed	Pending as on 31/03/2012
Nil	Nil	Nil

C. REMUNERATION COMMITTEE

- The Remuneration Committee comprises of 3 (three) Non-Executive Independent Directors. 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 2011-12 are as follows:

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Satya Narayan Gadiya	Chairman	1	1
Mr. Pawan Mondowara	Member	1	1
Mr. Pradeep Saremal Jain	Member	1	1

- No. of meetings:** During the year 2011-12, the Committee met once on 10th November, 2011.
- 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 2011-12:**
 - Mr. Babulal Jain – Rs. 60,000/-
 - Mr. Mukesh Gadiya – Rs. 75,000/-

IV. GENERAL BODY MEETINGS

The details of last three AGMs are mentioned hereunder:

Year	Day, Date & Time	Venue
2010-11	Friday, 30 th September, 2011 at 11.00 A.M.	4-1-223, Hanuman Takdi, Bank Street, Hyderabad-500095
2009-10	Thursday, 30 th September, 2010 at 11.00 A.M.	62, M. G. Road, Secundrabad, Hyderabad- 500003
2008-09	Wednesday, 30 th September, 2009 at 11.00 A.M.	62, M. G. Road, Secundrabad, Hyderabad- 500003

EXTRA-ORDINARY GENERAL MEETING

No Extra-Ordinary General Meeting was held during the last three financial years.

No special resolution was passed by the members during the above Annual / Extra Ordinary General Meeting.

POSTAL BALLOT

During 2011-12, no resolution was passed through Postal Ballot. At the forthcoming AGM, no resolution is proposed to be passed through Postal Ballot.

V. 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 2011-12. 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.

VI. MEANS OF COMMUNICATION

- (i) The quarterly, half-yearly and annual results are published in Business Standard in English (Hyderabad Edition) and in Andhra Prabha, 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
- (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.

VII. GENERAL SHAREHOLDER INFORMARTION

1. Annual General Meeting

Annual General Meeting	Seventeenth
Financial Year	2011-12
Day, date and time	Friday, 28 th September, 2012 at 10.30 A.M.
Venue	Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad-500 095

VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2011-12

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 2012-13)

The tentative schedule of Financial Results of the Company is as follows:

First Quarter Ending Results (June, 2012)	Within 45 days from end of quarter.
Second Quarter Ending Results (September, 2012)	Within 45 days from end of quarter.
Third Quarter Ending Results (December, 2012)	Within 45 days from end of quarter.
Fourth Quarter / Year Ending Results (March, 2013)	Within 45 days from end of quarter.

3. BOOK CLOSURE DATE

The Share Transfer Registers of the Company shall remain closed from 24th September, 2012 to 28th September, 2012 (both days inclusive).

4. LISTING AT STOCK EXCHANGE(S)

The Company's shares are presently listed only on

Bombay Stock Exchange Limited (BSE)
25th Floor, Phiroze Jeebhoy Towers, Dalal Street,
Mumbai - 400 001, Maharashtra.

The Company has paid Listing Fees to BSE for the year 2012-13.

5. STOCK CODE

Bombay Stock Exchange: 532090

6. STOCK MARKET DATA

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

Month and Year	Stock Prices		
	High (Rs.)	Low (Rs.)	Volume (Nos.)
Oct, 11	77.46	49.95	11,100
Nov, 11	116.05	81.30	2,25,200
Dec, 11	139.50	113.80	7,85,900
Jan, 12	193.80	141.50	9,32,600
Feb, 12	199.00	102.45	15,32,400
Mar, 12	100.45	66.50	35,79,000

7. SHAREHOLDING PATTERN AS ON 31ST MARCH, 2012

Category	No. of Shares held	% of shareholding
Indian Promoters	1690007	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	2535259	23.70
Indian Public	6473241	60.51
NRIs/ OCB	0	0
Any Other (Clearing Members Demat Transit)	0	0
GRAND TOTAL	10698507	100

8. DISTRIBUTION SCHEDULE AS ON 31ST MARCH, 2012

Nominal Value of Each Equity Share is Rs. 10/-

No. of Equity Shares held	No. of ShareHolders	% of ShareHolders	No. of Shares	Amount (In Rs.)	% of Total Shares
0001 – 5000	158	34.73	352800	3528000	3.33
5001 – 10000	131	28.79	1124100	11241000	10.61
10001 – 20000	48	10.55	758300	7583000	7.15
20001 – 30000	41	9.00	1060500	10605000	10.01
30001 – 40000	14	3.08	510300	5103000	4.81
40001 – 50000	15	3.30	731700	7317000	6.90
50001 – 100000	33	7.25	2835300	28353000	26.76
100001 & above	15	3.30	3225507	32255070	30.43
TOTAL	455	100	10598507	105985070	100

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, 2012, 80,03,700 Equity shares of Rs. 10/- each consisting of 74.81% of the Total Paid up Share Capital were held in dematerialized form.

10. SHARE TRANSFER SYSTEM

74.81% 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, 2012, 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, Maharashtra – 400 072
Email ID: sysss72@yahoo.com
Tel. No.: 022-2850 0835; Fax No.: 022-2850 1438

13. DEPOSITORY

Central Depository Services (India) Limited
Phiroze Jeebhoy 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 31ST MARCH, 2012

INE219M01013

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: sysss72@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

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
 - iii. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Place: Hyderabad
Dated: 14th August, 2012

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

This is to confirm that the Company has adopted a code of conduct for its Board members and the senior management personnel.

I confirm that the Company has, in respect of the financial year ended 31st March, 2012, received from the members of the Board, a declaration of compliance with the code of conduct as applicable to them.

Place Hyderabad
Dated: 14th August, 2012

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, 2012, 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 & Company.
(Chartered Accountants)
(Firm Registration No.: 03439C)

Satyanarayan Kabra
Partner
M No. 072497

Place: Indore
Date: 14th August, 2012

AUDITORS' REPORT

The Members of

VANDANA KNITWEAR LIMITED (Formerly known as Trendy Knitwear Limited)

1. We have audited the attached balance sheet of M/s. VANDANA KNITWEAR LIMITED (Formerly known as Trendy Knitwear Limited) as at 31st March 2012 (hereinafter referred to as 'the company'), the related profit and loss statement and the cash flow statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, (hereinafter referred to as "the Order") issued by the Central Government in terms of Section 227(4A) of the Companies Act, 1956, and on the basis of such checks as considered appropriate and according to the information and explanations given to us during the course of the audit, we enclose in the Annexure hereto a statement on the matters specified in Paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above paragraph, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of the books of the Company;
 - c) The balance sheet, profit and loss statement and the cash flow statement dealt with by the report are in agreement with the books of account of the Company;
 - d) In our opinion, the balance sheet, profit and loss statement and the cash flow statement comply with the mandatory Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
 - e) On the basis of written representations received from the directors of the Company as on 31st March 2012, and taken on record by the board of directors, we report that none of the directors is disqualified as on 31st March 2012, from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the notes to the financial statements, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. In the case of the balance sheet, of the state of affairs of the Company as at 31st March 2012;
 - b. In the case of the profit and loss statement, of the profit for the year ended on that date,
 - c. In the case of the cash flow statement, of the cash flows of the Company for the year ended on that date.

For and on behalf of

S. N. Kabra & Company

(Chartered Accountants)

(Firm Registration Number: 03439C)

Satyanarayan Kabra

Partner

Membership No 072497

Indore, 14th August, 2012

Statement referred to in paragraph 3 of the Auditors' Report of even date to the members of
M/s. VANDANA KNITWEAR LIMITED (Formerly known as Trendy Knitwear Limited)
on the accounts for the year ended 31st March 2012.

(Referred to in paragraph 1 of our Report of even date)

On the basis of such checks as considered appropriate and in terms of the information and explanations given to us, we state as under:

- 1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of the fixed assets;
- (b) According to the information and explanations given to us, fixed assets of the Company have been physically verified by the Management at the year end which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. No discrepancies were noticed on such verification;
- (c) The company has not disposed off any fixed assets during the year;
- 2 (a) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of the physical verification is reasonable;
- (b) In our opinion and according to the information and explanations given to us, 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) In our opinion, the Company is maintaining proper records of inventory and the discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;
- 3 As per the information and explanations given to us, the Company has not granted any loans, secured or unsecured to any company, firm or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, clause 3(b), 3(c) and 3(d) of the Order are not applicable for the year;
- 4 In our opinion and as explained to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal controls and there is no continuing failure for the same;
- 5 (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered;
- (b) In our opinion and as explained to us, the terms and conditions of the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 are reasonable having regard to the prevailing market prices at the relevant time;
- 6 The Company has not accepted any deposits from the public.
- 7 In our opinion, the Company has an internal audit system commensurate with the size of the Company and the nature of its business;
- 8 The Central Government has not prescribed maintenance of Cost Records under Section 209, (1) (d) of the Companies Act, 1956 for the company.;
- 9 In respect of statutory dues :
 - a) According to the records of the Company undisputed statutory dues including Income-Tax, sales tax and other statutory dues have been generally regularly deposited with the appropriate authorities except for some minor delays in depositing TDS. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31 March, 2012 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.
- 10 The accumulated losses of the company are not more than fifty percent of its worth Company at the end of the financial year under report and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.

VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2011-12

- 11 Based on the information and explanations given to us, the Company has not defaulted in repayment of any dues to financial institutions and banks;
- 12 Based on our examination of the records and as explained to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities;
- 13 The Company is not a chit fund, nidhi, mutual benefit fund or a society;
- 14 During the year, the Company has not made any dealing and trading in shares, securities, debentures and other investments. The Company holds all shares, debentures and other investments held by the company in own name;
- 15 According to the information and explanations given to us, the Company has given guarantees for loans taken by another company from banks where it has substantial interest. In our opinion, the terms and conditions whereof are not prejudicial to the interest of the company;
- 16 According to the information and explanations given to us, the term loans raised during the year were applied for the purpose for which they were obtained.
- 17 As explained to us and on an overall examination of the balance sheet of the Company, in our opinion there are no funds raised on short-term basis, which have been used for long term investments by the Company;
- 18 The Company has not made any preferential allotment of shares during the year;
- 19 During the year covered by our audit report the Company has not issued any secured debentures;
- 20 The Company has not raised any money by public issues during the year covered by our report.
- 21 As per the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For and on behalf of
S. N. Kabra & Company
(Chartered Accountants)
(Firm Registration Number: 03439C)

Satyanarayan Kabra
Partner,
Membership No 072497
Indore, 14th August, 2012

VANDANA KNITWEAR LIMITED
(Formerly Known as Trendy Knitwear Limited)
Balance Sheet As At March 31, 2012

Particulars	Note No.	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	2 (1)	106,985,070	106,985,070
(b) Reserves and surplus	2 (2)	(1,910,230)	(2,954,358)
		105,074,840	104,030,712
(2) Non-current liabilities			
(a) Deferred tax liabilities (net)	2 (3)	3,902	1,241
		3,902	1,241
(3) Current liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	2 (4)	2,448,347	1,943,538
(c) Other current liabilities	2 (5)	89,500	21,000
(d) Short-term provisions	2 (6)	915,000	530,000
		3,452,847	2,494,538
	TOTAL	108,531,589	106,526,491
II. ASSETS			
(1) Non-current Assets			
(a) Tangible Fixed Assets	2 (7)	245,348	149,578
		245,348	149,578
(b) Non-Current Investments	2 (8)	26,449,820	38,649,820
		26,695,168	38,799,398
(2) Current Assets			
(a) Inventories		-	-
(b) Trade receivables	2 (9)	1,877,831	1,075,121
(c) Cash and cash equivalents	2 (10)	386,878	161,210
(d) Short-term loans and advances	2 (11)	50,000	-
(e) Other Current assets	2 (12)	79,521,712	66,490,762
		81,836,421	67,727,093
	TOTAL	108,531,589	106,526,491

See accompanying notes to the financial statements, as under

Significant Accounting Policies	1
Notes to the Balance Sheet	2
Other Notes	4

For and on behalf of the Board of Directors of
Vandana Knitwear Limited

In terms of our report of even date
For S. N. Kabra & Company
(Chartered Accountants)
(Firm Registration No. 03439C)

Managing Director

Director

Company Secretary

Satyanarayan Kabra
Partner
Membership No.072497

Place: Indore
Date: 14th August, 2012

Place: Hyderabad
Date: 14th August, 2012

VANDANA KNITWEAR LIMITED

ANNUAL REPORT 2011-12

VANDANA KNITWEAR LIMITED
(Formerly known as Trendy Knitwear Limited)
Statement of Profit and Loss
For the Year Ended March 31, 2012

Particulars	Note No.	Year ended As at March 31, 2011 (INR)	Year ended As at March 31, 2012 (INR)
I. Revenue from operations		15,186,010	1,075,121
II. Other income	3(1)	4,951,542	3,608,971
III. Total Revenue (I + II)		20,137,552	4,684,092
IV. Expenses:			
Purchases		12,231,250	987,514
Employees benefit expenses	3 (2)	1,626,637	1,265,012
Finance costs		-	-
Depreciation and amortization of assets	2 (7)	28,715	9,434
Other expenses	3(3)	4,705,401	1,114,064
Total Expenses		18,592,003	3,376,024
V. Profit before tax (III - IV)		1,545,549	1,308,068
VI. Tax Expenses:			
(1) Current Tax		500,000	415,000
(2) Deferred Tax		2,661	1,241
(3) Excess/short provision for Income tax for earlier years		(1,240)	(4,500)
VII. Profit for the year (V-VI)		1,044,128	896,327
VIII. Basic earnings per equity share:	3 (4)	0.10	0.08

See accompanying notes to the financial statements, as under

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 & Company
(Chartered Accountants)
(Firm Registration No. 03439C)

For and on behalf of the Board of Directors of
Vandana Knitwear Limited

Managing Director Director Company Secretary

Satyanarayan Kabra
Partner
Membership No.072497

Place: Indore
Date: 14th August, 2012

Place: Hyderabad
Date: 14th August, 2012

VANDANA KNITWEAR LIMITED*1-Notes to Financial Statements for the year ended 31st March 2012****A. CORPORATE INFORMATION**

Vandana Knitwear Limited (Formerly known as Trendy Knitwear Limited) is a public limited company domiciled in India incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchanges in India. The company is engaged in Textile Garment & Fabrics. The company caters to domestic markets.

B. SIGNIFICANT ACCOUNTING POLICIES**I SYSTEM OF ACCOUNTING**

- A) The Company follows mercantile system of accounting and recognizes Income and Expenditure on accrual basis.
- 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.

II REVENUE RECOGNITION

Sale of goods are recognized when risk and rewards of ownership of the products are passed on to the customers which is generally on dispatch of goods.

III FIXED ASSETS

- a) Fixed assets are carried at cost of acquisition inclusive of other incidental expenses directly related to respective fixed assets.
- b) Depreciation on fixed assets have been provided on written down value method at the rates prescribed under schedule XIV to the Companies Act, 1956.
- c) In case of additions to the fixed assets made during the year, depreciation has been provided on pro-rata basis from the date of addition.
- d) Assets below 5000/- charged 100% depreciation.

IV INVESTMENTS : Investments are valued at Costs.**V CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE**

Events accruing after the date of the Balance Sheet, which provide further evidence of conditions that existed at the Balance Sheet date or that arose subsequently are considered upto the date of approval of accounts by the Board of Directors, where material.

VI DEFERRED TAXATION

Deferred Tax resulting from timing differences between book and tax profits is accounted for under the liability method at the current rate of tax, to the extent that the timing differences are expected to crystallized as deferred tax charge/ benefits in the profit and loss account and as deferred tax asset / liabilities in the Balance Sheet.

VII TAXATION:

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods.

VIII 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.

IX The company does not have any intangible assets

X INVENTORIES

- a) Raw materials are valued at cost or realizable value whichever is lower. The cost includes purchase price as well as incidental expenses like freight and octroi.
- b) Finished goods are valued at estimated cost or realizable value whichever is lower.
- c) Cost is arrived at on first in first out basis.

XI RETIREMENT BENEFITS

Retirement benefits are dealt with in the following manner:

- a) Provision for gratuity is made as and when an employee put in the qualifying period of service for entitlement of this benefit.
- b) Liability on account of encashable leave salary is determined and such liability is provided in the accounts.

XII PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS

Contingent Liabilities, if material are disclosed by way of notes, contingent assets are not recognized or disclosed in the financial statements. A provision is recognized when an enterprise has a present obligation as a result of pass event(s) and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations in respect of which a reliable estimate can be made for the amount of obligation.

VANDANA KNITWEAR LIMITED
Accompanying notes to the financial statements
for the year ended March 31, 2012

NOTE 2: Notes to the Balance Sheet

1. SHARE CAPITAL

1. Details of authorised, issued and subscribed share capital

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Authorised Capital 1,20,00,000 (Previous Year 1,20,00,000) Equity Shares of Rs. 10/- each	120,000,000	120,000,000
Issued, Subscribed and Paid up Capital 1,06,98,507 (Previous Year 1,06,98,507) Equity Shares of Rs. 10/- each	106,985,070	106,985,070
Total	106,985,070	106,985,070

(a) The Company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share.

(b) Details of shareholder holding more than 5% share

Name of Shareholder	Relationship	As at March 31, 2012		As at March 31, 2011	
		No of Equity shares held	%	No of Equity shares held	%
Babulal Jain	Promotor/Director	559998	5.23	559,998	5.23

2. RESERVES AND SURPLUS

Particulars	As at March 31, 2012	As at March 31, 2011
Surplus/Deficit		
Balance as per last Balance Sheet	(2,954,358)	(3,850,684)
Profit for the year transferred from Profit and Loss statement	1,044,128	896,326
Balance at the end of the year Total	(1,910,230)	(2,954,358)

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, 2012	As at March 31, 2011
Deferred Tax Liability		
Excess of net block of fixed assets as per books of accounts over net block for tax purpose	3,902.00	1,241.00
Total	3,902.00	1,241.00

VANDANA KNTWEAR LIMITED

ANNUAL REPORT 2011-12

4. TRADE PAYABLES

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Trade Payables	2,448,347	1,943,538
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.		
Total	2,448,347	1,943,538

5. OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
OTHER PAYABLES		
Payable to statutory authorities	89,500	21,000
Total	89,500	21,000

6. SHORT TERM PROVISION

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Provision for Income Tax	915,000	530,000
Total	915,000	530,000

7. NON-CURRENT ASSETS
(a) TANGIBLE FIXED ASSETS

PARTICULARS	Gross Block			Accumulated Depreciation			Net Block	
	As at April 1, 2011 (INR)	Additions (Deletions) during the Year (INR)	As at March 31, 2012 (INR)	As at April 1, 2011 (INR)	Depreciation charge for the year	As at March 31, 2012 (INR)	As at April 1, 2011 (INR)	As at March 31, 2012 (INR)
Tangible Assets								
Land	103,762	-	103,762	-	-	-	103,762	103,762
Computers	42,750	63,910	106,660	8,567	23,098	31,665	74,995	34,183
Furniture & Fixtures	12,500		12,500	867	2,106	2,973	9,527	11,633
Office Equipment		60,575	60,575	-	3,511	3,511	57,064	-
Total	159,012	124,485	283,497	9,434	28,715	38,149	245,348	149,578
Previous Year	103,762	55,250	159,012	-	9,434	9,434	149,578	103,762

8. Non Current Investments

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Unquoted Trade Investments (Valued at Cost)	26,449,820	38,649,820
Aggregate amount of Unquoted investments Total	26,449,820	38,649,820

9 - TRADE RECEIVABLES

Particulars	As at March 31, 2012	As at March 31, 2011
Trade receivables outstanding for a period less than six months Secured, considered good Unsecured, considered good Doubtful Less: Provision for doubtful debts	1,877,831	1,075,121
Total	1,877,831	1,075,121
Trade receivables outstanding for a period exceeding six months Secured, considered good Unsecured, considered good Doubtful Less: Provision for doubtful debts		
Total	1,877,831	1,075,121

10. CASH AND CASH EQUIVALENT

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Cash in Hand	258,462	35,487
Balance with Banks In current accounts	128,416	125,723
Total	386,878	161,210

11. SHORT-TERM LOANS AND ADVANCES

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Unsecured , Considered goods Staff advances	50,000	-
Total	50,000	-

12. OTHER CURRENT ASSETS

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Unsecured Considered Good		
Other loans & advances		
Deposits	250,000	150,000
Advances with government authorities	907,185	434,431
Advances to Suppliers	43,267,842	33,884,204
Other loans and advances	35,096,685	32,022,127
Total	79,521,712	66,490,762

VANDANA KNITWEAR LIMITED

ANNUAL REPORT 2011-12

VANDANA KNITWEAR LIMITED
Accompanying notes to the financial statements
for the year ended March 31, 2012

NOTE 3: Notes to the Balance Sheet**1. OTHER INCOME**

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Commission Income	874,500	850,000
Interest Received	4,077,042	2,758,971
Total	4,951,54	3,608,971

2. Employees benefit expenses

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Salary (including Director's remuneration)	1,509,500	1,220,000
Insurance-staff	3,903	-
Staff Welfare	113,234	45,012
Total	1,626,637	1,265,012

3. OTHER EXPENSES

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Advertisement	65,195	-
Audit Fees	20,000	10,000
Bank Charges	5,980	9,086
Books and Periodicals	38,445	65,851
BSE Listing Fees	1,585,021	444,031
Buisness Promotion Expenses	609,764	-
Commission and Brokerage	415,000	-
Conveyance Expenses	129,858	138,884
Electricity Expenses	11,901	-
Interest on TDS	2,381	-
Office Expenses	256,211	95,262
Printing & Stationery	165,210	62,500
Professional Fees	585,150	216,250
RTA Charges	198,966	-
Rent	174,000	14,000
Repair & Maintenance	48,274	-
Security Charges	75,000	-
Sundry Bal W/off	5,810	-
Telephone Expenses	15,817	-
Travelling Expenses	279,618	58,200
Web side Expenses	17,800	-
Total	4,705,401	1,114,064

4. EARNINGS PER EQUITY SHARES

Particulars	As at March 31, 2012 (INR)	As at March 31, 2011 (INR)
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	1,044,128	896,327
Weighted average number of equity shares	10,698,507	10,698,507
Basic Earnings Per Share	0.10	0.08
Face value per Share	10	10

VANDANA KNITWEAR LIMITED

4- Notes to Financial Statements for the year ended 31st March 2012

(B) OTHER NOTES:

1. The balances of sundry debtors & sundry creditors are subject to confirmation.
2. In the opinion of Board of Directors, the Current Assets, Loans and advances have value on realization in ordinary course of business at least equal to the amount at which they are stated.
3. There are no amounts payable to any small scale industrial undertaking as identified by the management from the information available with the company and relied upon by the Auditors.

4. Remuneration to auditors

Particulars	2011-2012	2010-2011
Statutory Audit	20,000	8,000
Taxation Matters	Nil	2,000/-
Tax Audit fee	10,000	Nil
Other Services	10,000	Nil

5. Managerial Remuneration

PARTICULARS	2011-2012	2010-2011
a) Salary	1,35,000	60,000
b) Perquisites	Nil	Nil

6. Expenditure in foreign currency

Particulars	2011-12(Rs)	2010-11(Rs)
a) Foreign Traveling (Rs.)	Nil	Nil

7. Earning in foreign currency

Earning in Foreign Exchange during the year	2011-12(Rs)	2010-11(Rs)
Exports at FOB Value	Nil	Nil
Others (Reimbursement of Exp.)	Nil	Nil

8. C.I.F. Value of Imports

C.I.F. VALUE OF IMPORTS	2011-12(RS)	2010-11(RS)
a) Material Imports-Traded goods	Nil	Nil
b) Capital Goods & Spare parts	Nil	Nil

9. Related Party Disclosures

- a) The names of the related parties and description of their relationship are as under

Key Management Personnel	Mr. Babulal Jain
	Mr. Pradeep S. Jain
	Mr. Satanarayan Gadiya
	Mr. Mukesh Gadiya

VANDANA KNIWEAR LIMITED

ANNUAL REPORT 2011-12

b) Transaction with related parties

NAME OF COMPANY	NATURE OF PAYMENT	2011-2012	2010-2011
Babulal Jain	Directors Remuneration	60,000	60,000
Mukesh Gadiya	Directors Remuneration	75,000	Nil

10. Additional information pursuant to the provision of part II of the Schedule VI to the Companies Act, 1956 (As certified by Director's)

Opening stock, purchase sales and closing stock in respect of goods traded

Particulars /Units	Opening Stock		Purchase		Sales		Closing Stock	
	Qty	Value Rs.	Qty	Value Rs.	Qty	Value Rs.	Qty	Value Rs.
Fabric/Mts	Nil	Nil	99,441	1,22,31,250	99,441	1,51,86,010	Nil	Nil
	(Nil)	(Nil)	(7,389)	(9,87,514)	(7,389)	(10,75,121)	(Nil)	(Nil)

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

S. N. Kabra & Company
(Chartered Accountants)
(Firm Registration Number: 03439C)

Satyanarayan Kabra
Partner

Membership No 072497
Indore, 14th August, 2012

VANDANA KNITWEAR LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2012

PARTICULARS	2011-2012		2010-2011	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit as per Profit and Loss Account		1,545,549		1,308,068
Adjustments :-				
Depreciation	28,715	-	9,434	-
Dividend Received		-	-	-
Interest Received	-4,077,042	-	-2,758,971	-
Interest and Financial Charges	-	-	-	-
Preliminary expenses written off	-	-4,048,327	-	-2,749,537
Operating profit before Working Capital changes	-	-2,502,778	-	-1,441,469
Adjustments for :				
Miscellaneous Expenditure	-	-	-	-
Trade and other Receivables	-802,710	-	625,151	-
Loans & Advances	-12,943,680	-	-43,360,460	-
Trade Payables	573,309	-13,173,081	34,280	-42,701,029
CASH FLOW FROM OPERATIONS		-15,675,859		-44,142,498
Less : Income Tax paid	-	500,000	-	415,000
NET CASH FLOW FROM OPERATING ACTIVITIES	-	-16,175,859	-	-44,557,498
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	124,485	-	55,250	-
Sale of Fixed Assets	-	-	-	-
Purchase of Investments	-	-	-	-
sale of shares	12,200,000	-	41,875,180	-
Dividend received	-	-	-	-
Interest Received	4,077,042	-	2,758,971	-
NET CASH FLOW FROM INVESTMENT ACTIVITIES	-	16,401,527	-	44,689,401
C CASH FLOW FROM FINANCING ACTIVITIES				
Dividend paid	-	-	-	-
Tax on Dividend	-	-	-	-
Secured Loans	-	-	-	-
Increase in Share Capital	-	-	-	-
Unsecured Loans	-	-	-	-
Interest and Financial Charges	-	-	-	-
NET CASH USED FROM FINANCING ACTIVITIES	-	-	-	-
D NET INCREASE\ (DECREASE) IN CASH FLOW DURING THE YEAR (A +B + C)		225,668		131,903
E CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE FINANCIAL YEAR	-	161,210	-	29,307
F CASH AND CASH EQUIVALENT AT THE END OF THE FINANCIAL YEAR	-	386,878	-	161,210
G NET CHANGE IN CASH AND CASH EQUIVALENT	-	225,668	-	131,903

BLANK

ATTENDANCE SLIP

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

I hereby record my presence at the 17th Annual General Meeting of the Company to be held at on Friday, 28th September 2012, at 10.30 a.m. at Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095

Full Name of the Member (in block letters)

Signature

Folio No: _____

Full Name of the proxy (in block letters)

Signature

- Note: 1] Member / Proxy holder wishing to attend the meeting must bring the Attendance Slip to the Meeting.
 2] Member / Proxy holder desiring to attend the meeting should bring his copy of the Notice for reference at the meeting.

PROXY

I / We
 of in the district of
 or failing him of
 in the District of
 as my / our proxy to attend and vote for me / us and on my / our behalf at the 17th Annual General Meeting of the Company to be held on Friday, 28th September 2012, at 10.30 a.m. at Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad, Andhra Pradesh – 500 095

Signed this day of 2012.

Folio No: _____

No. of Shares

This form is to be used _____ the resolution. Unless otherwise instructed

The proxy will act as he thinks fit.

** Strike out whichever is not desired.

- Notes: 1] The proxy must be returned so as to reach the Registered Office of the Company, 4-1-223, Hanuman Takdi, Bank Street, Hyderabad-500095, not less than 48 (Forty-Eight) Hours before the time for holding the aforesaid meeting.
 2] Those members who have multiple folios with different joint holders may use copies of this Proxy form.

BOOK POST

If undelivered, please return to

VANDANA KNITWEAR LIMITED

4-1-223, Hanuman Takdi, Bank Street,

Hyderabad, Andhra Pradesh – 500 095

Tel No. 040-2476 322