



Vandana Knitwear Limited

(formerly known as Trendy Knitwear Limited) CIN : L18101TG1995PLC019777

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

October 13, 2017

To
The Corporate Services Department
BSE Limited
PJ Towers
Dalal Street
Mumbai - 400 001

Sub.: Annual report for the financial year 2016-17

Ref.: Scrip Code: 532090

Dear Sir / Ma'am

In compliance with the Regulation 34 of SEBI Listing Regulations, 2015 (LODR), forwarding herewith the Annual report of the Company for the financial year 2016-17, for your reference.

Kindly take the same on record and oblige us.

Thanking You
Yours faithfully
For Vandana Knitwear Limited

Mukesh Gadiya

Mukesh Gadiya
(Chairman & Managing Director)
DIN: 03025764



Encl. As above

Corporate Office

Shop No. 1, D/27, Yogi Kripa CHS. Ltd., Yogi Nagar, Borivali (W), Mumbai-400091.
Tel No. 022 - 28335345 Fax : 28332172 Mob.: 93237 27379.

VANDANA KNITWEAR LIMITED
(Formerly Known as Trendy Knitwear Limited)

22ND ANNUAL REPORT AND ACCOUNTS
2016-17

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BOARD OF DIRECTORS

Mukesh Gadiya	-	Chairman & Managing Director
Babulal Khimraj Jain	-	Promoter & Executive Director
Pradeep Saremal Jain	-	Independent & Non-Executive Director
Pawan Mandowara	-	Independent & Non-Executive Director
Manish Tamboli	-	Independent & Non-Executive Director
Bhuneshwari	-	Executive Director
CS Nidhi Gupta	-	Company Secretary

BOARD COMMITTEES

- **AUDIT COMMITTEE**
- | | | |
|----------------------|---|----------|
| Manish Tamboli | - | Chairman |
| Babulal Khimraj Jain | - | Member |
| Pradeep Saremal Jain | - | Member |
- **SHARE TRANSFER / INVESTOR GRIEVANCES REDRESSAL COMMITTEE**
- | | | |
|----------------------|---|----------|
| Manish Tamboli | - | Member |
| Babulal Khimraj Jain | - | Chairman |
| Pradeep Saremal Jain | - | Member |
- **REMUNERATION COMMITTEE**
- | | | |
|----------------------|---|----------|
| Manish Tamboli | - | Member |
| Babulal Khimraj Jain | - | Member |
| Pradeep Saremal Jain | - | Chairman |

INTERNAL AUDITOR
M/s Ajay Gangrade & Co.
303, Silver Sanchora,
7 R.N.T. Marg, Indore.

COMPLIANCE OFFICER
Mr. Pradeep Saremal Jain

CHIEF EXECUTIVE OFFICER
Mr. Babulal Khimraj 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
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
E-mail ID: Mumbai@linkintime.co.in
Tel. No.: 022-2596 3838; Fax No.: 022-2594 6969
Website: www.linkintime.co.in

REGISTERED OFFICE ADDRESS
4-1-223, Hanuman Takdi,
Bank Street, Hyderabad,
Telengana – 500 095
E-mail : trendyknitwear@gmail.com
www.trendyknitwearlimited.com

BANKERS
Axis Bank Ltd.
Dena Bank

NOTICE OF THE ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of VANDANA KNITWEAR LIMITED (formerly known as Trendy Knitwear Limited) will be held on Thursday, 28th day of September, 2017 at 11:00 A.M. at the registered office of the Company at 4-1-223, Hanuman Takdi, Bank Street, Hyderabad, Telengana - 500 095 for transacting the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31st, 2017 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. Babulal Jain (DIN: 02387803), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company, and to fix their remuneration and to pass the following resolution as an ordinary resolution thereof:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s R. S. Bansal & Company, Chartered Accountants, (Registration No. FRN000939C), be and is hereby appointed as Auditors of the Company for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the sixth Annual General Meeting from this Annual General Meeting, at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. Re-appointment of Mr. Mukesh Gadiya (DIN: 03025764) as Chairman and Managing Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 read with other applicable provisions and Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof), all other statutory provisions, approvals including Central Government, if required and subject to the provisions of Articles of Association of the Company, Mr. Mukesh Gadiya (DIN: 03025764) be and is

hereby appointed as Chairman and Managing Director of the Company for a period of 5 (five) year with effect from 14th August, 2017, subject to such terms, conditions and stipulations, including remuneration as set out in Explanatory statement annexed to the notice convening this meeting, with the liberty to the Board of Directors to alter and vary the terms and conditions including remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification (s) or re-enactments thereof.

RESOLVED FURTHER THAT Mr Mukesh Gadiya, in the capacity of Managing Director will be entrusted with the powers, authorities, functions, duties, responsibilities etc. by Board of Directors of the company, from time to time.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things as may be necessary, proper and expedient for the purpose of giving effect to this resolution."

BY ORDER OF THE BOARD
FOR VANDANA KNITWEAR LIMITED

PLACE: HYDERABAD
DATE: 14/08/2017

MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)
DIN: 03025764

NOTES:

1. 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 ON A POLL INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Pursuant to the provisions of Section 105 of the Companies Act, 2013, read with applicable rules thereon, a person can act as a proxy on behalf of members not more than fifty members and holding in aggregate not more than ten percent of the total Share Capital of the Company, carrying voting rights. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as a proxy for any other Member.
3. The instrument of proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.
4. Members and Proxies attending the Meeting should bring the attendance slip duly

filled in along with their Annual Reports and PHOTO ID proof for attending the Meeting.

5. 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.
6. 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. As a part of "Green Initiative" in Corporate Governance, the Ministry of Corporate Affairs has

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)" Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg.If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. *Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

allowed sending communication to the shareholders through electronic mode. Accordingly, we propose to send documents like notices convening general meetings, Annual Reports, etc to the email addresses of the shareholders. For this purpose, shareholders holding shares in physical form are requested to register their email addresses and any changes therein from time to time with the Share Transfer Agents of the Company

13. Profiles of the Directors seeking re-appointment, as required by SEBI Listing Regulations, is annexed to this notice.
14. The Register of Members and Share Transfer Books of the Company shall remain closed from Friday, 22nd September, 2017 to Thursday, 28th September, 2017 (both days inclusive).

EXPLANATORY STATEMENTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following Explanatory Statement sets out all the material facts relating to the Special Business of the accompanying Notice of the Annual General Meeting of the Company to be held on Thursday, 28th September, 2017 at 11.00 AM.

Item No. 4

The Board of Directors of the Company ("the Board") at its meeting held on August 14, 2017 has, subject to approval of members, re-appointed Mr. Mukesh Gadiya (DIN: 03025764) as a Chairman and Managing Director, for a further period of 5 (five) years w.e.f 14th August, 2017, on terms and conditions including remuneration as recommended by the Remuneration Committee of the Board and approved by the Board.

It is proposed to seek members' approval for the re-appointment of and remuneration payable to Mr. Mukesh Gadiya as a Chairman and Managing Director, in terms of the applicable provisions of the Act.

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

- | | |
|--------------------------------|--------------------------------|
| (a) Salary | upto Rs. 2,50,000/- per annum; |
| (b) Perquisites and Allowances | upto Rs. 1,50,000/- per annum. |

The perquisites and allowances, as aforesaid, shall include accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs, medical assistance and leave travel concession for self and family including dependents. The said perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

Mr. Mukesh Gadiya has attained age of forty six years, and has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to re-appoint Mr. Mukesh Gadiya as Managing Director of the Company. Accordingly, approval of the members is sought for passing a Special Resolution for re-appointment of Mr. Mukesh Gadiya as a Managing Director.

Mr. Mukesh Gadiya is not disqualified from being appointed as Director in terms of Section 164 of the Act. The above may be treated as a written memorandum setting out the terms of re-appointment of

VANDANA KNITWEAR LIMITED

ANNUAL REPORT 2016-17

Mr. Mukesh Gadiya under Section 190 of the Act.

Details of Mr. Mukesh Gadiya are provided in the "Annexure" to the Notice pursuant to the provisions of (i) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Mr. Mukesh Gadiya is interested in the resolution set out at Item No. 4 of the Notice.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the aforementioned resolution.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

BY ORDER OF THE BOARD
FOR VANDANA KNITWEAR LIMITED

PLACE: HYDERABAD
DATE: 14/08/2017

MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)
DIN: 03025764

PROCEDURE FOR E-VOTING

The Company has entered into an arrangement with Central Depository Services (India) Limited (CDSL) for facilitating e-voting for AGM. The instructions for e-voting are as under:

- (i) Log on to the e-voting website www.evotingindia.com
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form

PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)" Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg.If your name is Ramesh Kumar with folio number 100 then enter Ra00000100 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. *Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (i) After entering these details appropriately, click on "SUBMIT" tab.
- (ii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (iii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (iv) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (v) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/ NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (vi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (vii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (viii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (ix) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (x) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to logon to [https:// www.evotingindia.co.in](https://www.evotingindia.co.in) and register themselves as Corporate.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF

format in the system for the scrutinizer to verify the same.

- (xi) The voting period begins on Monday, 25.09.2017 (9.30am) and ends on Wednesday, 27.09.2017 (5.30pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 22.09.2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xii) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xiii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 22nd September, 2017.
- (xiv) Ms. Sunita Manish Agarwal, Practicing Company Secretaries (Membership No.23524 CP No.10097) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xv) The Scrutinizer shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two(2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xvi) The Results shall be declared on or after the AGM of the Company. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.trendyknitwearlimited.com and on the website of CDSL within two(2) days of passing of the resolutions at the AGM of the Company and communicated to the BSE Limited.

BY ORDER OF THE BOARD
FOR VANDANA KNITWEAR LIMITED

PLACE: HYDERABAD

DATE: 14/08/2017

MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)
DIN: 03025764

ANNEXURE TO THE NOTICE OF 22ND AGM

Information 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, 2017:

NAME OF DIRECTOR	Mr. Babulal Jain	Mr. Mukesh Gadiya
DIN	02387803	03025764
AGE	65 Years	46 Years
DATE OF APPOINTMENT	20/05/1997	10.05.2010
Designation	Director	Chairman and Managing Director
Expertise in specific functional area	Trading of Hosiery goods, readymade garments, gold, silver jewellery and other commodity	Trading & Export of Garments, fabrics, Textiles & Other Commodity Trading
Qualification	Secondary Education	B. Com
Directorship in other Public Limited Companies as on 31/03/2015	NIL	NIL
Member/Chairman of the Committees of the Board of other Companies as on 31/03/2017	NIL	NIL

BY ORDER OF THE BOARD

FOR VANDANA KNITWEAR LIMITED
MUKESH GADIYA
(CHAIRMAN & MANAGING DIRECTOR)
DIN: 03025764

PLACE: HYDERABAD
DATE: 14/08/2017

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, 2017:

1. FINANCIAL PERFORMANCE

(Amount in Rs.)

Particulars	2016-17	2015-16
Total Income	6242670	41644508
Total Expenditure	5501002	39632806
PROFIT BEFORE TAX (PBT)	741668	2011702
Less: Provision of Taxation Including Deferred Tax	321452	576996
PROFIT AFTER TAX (PAT)	420216	1434706
Add: Balance Brought Forward From Previous Year	3231002	1796299
Add: Excess / (Short) Provision for taxation for Earlier year written back	NIL	NIL
Balance Carried To Balance Sheet	3651218	3231005

2. STATE OF COMPANY'S AFFAIRS:

The net revenue from the operations of the Company decreased from Rs. 416 lacs to Rs. 62 Lacs. The Profit for the year is Rs. 4.20 Lacs as against Rs. 14.34 Lacs of previous year.

3. DIVIDEND

Following the conservative approach to retain profits, your directors did not recommend payment of any dividend for the financial year 2016-17.

4. DECLARATION OF INDEPENDENCE BY DIRECTORS

All the Independent Non-Executive Directors of the Company, have affirmed that they continue to meet all the requirements specified under sub-section (6) of section 149 of Companies Act, 2013 in respect of their position as an "Independent Director" of VANDANA KNITWEAR LIMITED.

5. MANAGEMENT AND BOARD OF DIRECTORS

Mr. Babulal Jain, Executive Director of the Company whose period is liable to retire by rotation pursuant to the provisions of the Companies Act, 2013 and the Articles of Association of the Company retires by rotation in the ensuing AGM and being eligible, offers himself for re-appointment.

Mr. Mukesh Gadiya, Chairman and Managing Director of the Company be re-appointed for a period of 5 (five) years w.e.f 14th August, 2017 as per the terms stated in the notice attached to the report.

6. AUDITORS

➤ Statutory Auditors

As per the provisions of the Act, the period of office of M/s S. N. Kabra & Co., Chartered Accountants, expires at the conclusion of the ensuing Annual General Meeting.

It is proposed to appoint M/s R. S. Bansal & Company, Chartered Accountants, as Statutory Auditors of the Company, for a term of 5 (five) consecutive years. M/s R. S. Bansal & Company, Chartered Accountants, has confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The Company had received letters from M/s R. S. Bansal & Company, Chartered Accountants to the effect that their appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified for such appointment within the meaning of Section 141 of the Act.

AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks made by M/s S. N. Kabra & Co., Statutory Auditors in their report for the Financial Year ended March 31, 2017. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review

➤ Secretarial Auditor

As per Section 204 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, every Listed Company is required to appoint Secretarial Auditor to carry out Secretarial Audit of the Company.

In consonance with the requirements of Section 204 of the Companies Act, 2013 and rules made thereunder, Ms. Sunita Agarwal, Practicing Company Secretary, was appointed to conduct the secretarial audit of the Company for the financial year 2016-17.

A Secretarial Audit Report issued by Ms. Sunita Agarwal, Practicing Company Secretary, in respect of the secretarial audit of the Company for the financial year ended 31st March, 2017, is given as an Annexure to this Report.

The Secretarial Audit report for the financial year ended 31st March, 2017 is self-explanatory and does not call for any further comments.

The Board has re-appointed Ms. Sunita Agarwal, Practicing Company Secretary, as Secretarial Auditor of the Company to carry out secretarial audit of the Company for the financial year 2017-18.

➤ Internal Auditor

As per Section 138 of Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, every Listed Company is required to appoint an Internal Auditor or a firm of Internal Auditors to carry out Internal Audit of the Company.

In consonance with the aforementioned, M/s Ajay Gangrade & Co., Chartered Accountants, Indore, was appointed to conduct the Internal Audit of the Company for the financial year 2016-17.

The Internal Audit report for the financial year ended 31st March, 2017 is self-explanatory and does not call for any further comments.

The Board re-appointed M/s Ajay Gangrade & Co., Chartered Accountants, Indore as the Internal Auditor of the Company for the financial year 2017-18.

7. RELATED PARTY TRANSACTIONS

All the related party transactions that were entered during the financial year are done on arm's length basis. Relevant Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 is given in Annexure to this Report.

8. FIXED DEPOSITS

The Company has not invited or accepted any fixed deposit from the public during the year under review.

9. CORPORATE GOVERNANCE

The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the Country. Your Company is in compliance with the governance requirements provided under the new law and listing regulations. A separate report on Corporate Governance along with Auditors' Certificate confirming Compliance is attached to this report.

10. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Provisions of Section 314 (3) (m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, 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.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to sub section 3 (c) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

- i. in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards have been followed and there are no material departures from the

same;

- ii. 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 a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- iii. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. the directors have prepared the annual accounts on a going concern basis;
- v. the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- vi. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. LISTING FEES

The shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE) and the Listing Fee for the year 2017-18 had been duly paid.

13. 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.

14. CODE OF CONDUCT COMPLIANCE:

Pursuant to the SEBI Listing Regulations, 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 2016-17 is annexed and forms part of the Directors and Corporate Governance Report.

15. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has always believed in providing a safe and harassment free workplace for every individual working in its premises through various interventions and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

- Number of complaints received: NIL
- Number of complaints disposed off: NIL

16. EMPLOYEE REMUNERATION

- (A) None of the employees of the company was in receipt of the remuneration exceeding the limits prescribed u/s 197 (12) read with rule 5, sub-rule 2 of The Companies (Appointment and Remuneration of Managerial Personnel) of the Companies Act, 2013 during the year under review.
- (B) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are forming part of this report.

17. MANAGEMENT DISCUSSION & ANALYSIS

Management Discussions and Analysis Report, forming part of the Directors' Report for the year under review, is presented in a separate section forming part of the Annual Report.

18. EXTRACT OF THE ANNUAL RETURN

Relevant extract of annual return in form no. MGT-9 as on the financial year ended on March 31, 2017 is given in Annexure to this Report.

19. CASH FLOW ANALYSIS:

In conformity with the clauses of the Listing Regulations, the Cash Flow Statement for the year ended 31st March, 2017 is annexed hereto.

20. ACKNOWLEDGMENT

Your Board acknowledges with appreciation, the invaluable support provided by the Company's stakeholders, auditors, advisors and business partners, all its customers for their patronage. Your Board records with sincere appreciation the valuable contribution made by employees at all levels and looks forward to their continued commitment to achieve further growth and take up more challenges that the Company has set for the future.

Date: 14/08/2017
Place: Hyderabad

For and on behalf of the Board
Mukesh Gadiya
Chairman & Managing Director
DIN: 03025764

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]*

To,
The Members,
Vandana Knitwear Limited
(Formerly known as Trendy Knitwear Limited)
CIN: L18101TG1995PLC019777
4-1-223, Hanuman Takdi, Bank Street,
Hyderabad, Telangana – 500 095

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by VANDANA KNITWEAR LIMITED (hereinafter called “the company”). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent and in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

I have also examined compliance with the applicable clauses of the SEBI (Listing Obligations and disclosure Requirements) Regulations, 2015 made effective w.e.f 1st December, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

During the period under review, provisions of the following regulations were not applicable to the company:

- a) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- c) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- d) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

I further report that the Company's website is not updated properly as per the disclosures requirements, but the Board ensures its compliance during the current financial year.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place: Mumbai

Date: 14.08.2017

Sunita Manish Agarwal
Practicing Company Secretary
ACS: 23524; CoP: 10097

Form No. AOC-2

(Pursuant to *clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014*)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NIL

- (a) Name(s) of the related party and nature of relationship: N.A.
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: Nil
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Justification for entering into such contracts or arrangements or transactions: Nil
- (f) Date(s) of approval by the Board: Nil
- (g) Amount paid as advances, if any: Nil
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Nil

2. Details of material contracts or arrangement or transactions at arm's length basis: N.A.

- (a) Name(s) of the related party and nature of relationship: Nil
- (b) Nature of contracts/arrangements/transactions: Nil
- (c) Duration of the contracts / arrangements/transactions: Nil
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Nil
- (e) Date(s) of approval by the Board, if any: Nil
- (f) Amount paid as advances, if any: Nil

Date: 14/08/2017

Place: Hyderabad

For and on behalf of the Board

Mukesh Gadiya

Chairman & Managing Director

DIN: 03025764

RELEVANT EXTRACT OF ANNUAL RETURN
for the financial year ended on 31st March, 2017

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1. CIN L18101TG1995PLC019777
2. Registration Date 22.03.1995
3. Name of the Company VANDANA KNITWEAR LIMITED
4. Category/Sub-category of the Company Company limited by shares/ Indian Non-Government Company
5. Address of the Registered office & contact details 4-1-223, Hanuman Takdi, Bank Street, Hyderabad, Telangana – 500 095
6. Whether listed company Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any. Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai – 400 078.
E-mail ID: Mumbai@linkintime.co.in
Tel. No.: 022-2596 3838; Fax No.: 022-2594 6969
Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company (approx)
1	FD Suitings		

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES : N.A

S. No.	Name and Address of the Company	CIN/GLN	HOLDING/SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
			-----N.A.-----		

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

I) sCategory-wise Share Holding

			Table (I)(a)					
Category code	Category of Shareholder	Number of Shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares		Shares Pledged or otherwise encumbered	
					As a percentage of(A+B) ¹	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group²							
1	Indian							
(a)	Individuals/ Hindu Undivided Family	7	16900070	16900070	15.80	15.80	0	
(b)	Central Government/ State Government(s)	0	0	0	0.00	0.00	0	
(c)	Bodies Corporate	0	0	0	0.00	0.00	0	
(d)	Financial Institutions/ Banks	0	0	0	0.00	0.00	0	
(e)	Any Others(Specify)	0	0	0	0.00	0.00	0	
(e-i)	Other Individuals	0	0	0	0.00	0.00	0	
(e-ii)	Mutual Fund	0	0	0	0.00	0.00	0	
(e-iii)	Body Corp in Concert	0	0	0	0.00	0.00	0	
(e-iv)	Non Government Institutions	0	0	0	0.00	0.00	0	
	Sub Total(A)(1)	7	16900070	16900070	15.80	15.80	0	0.00

2	Foreign							
a	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00	0.00	0	
b	Bodies Corporate	0	0	0	0.00	0.00	0	
c	Institutions	0	0	0	0.00	0.00	0	
d	Any Others(Specify)	0	0	0	0.00	0.00	0	
	Sub Total(A)(2)	0	0	0	0.00	0.00	0	0.00
	Total Share holding of	7	16900070	16900070	15.80	15.80	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7	16900070	16900070	15.80	15.80	0	0.00
(B)	Public shareholding							
1	Institutions							
(a)	Mutual Funds/ UTI	0	0	0	0.00	0.00		
(b)	Financial Institutions / Banks	0	0	0	0.00	0.00		
(c)	Central Government/ State Government(s)	0	0	0	0.00	0.00		
(d)	Venture Capital Funds	0	0	0	0.00	0.00		
(e)	Insurance Companies	0	0	0	0.00	0.00		
(f)	Foreign Institutional Investors	0	0	0	0.00	0.00		
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0.00		
(h)	Any Other (specify)	0	0	0	0.00	0.00		
	Sub-Total (B)(1)	0	0	0	0.00	0.00		
B 2	Non-institutions							
(a)	Bodies Corporate	0	0	0	0	0		
(a-i)	Corporate Client Bene	0	0	0	0.00	0.00		
(a-ii)	Corporate client Margin	0	0	0	0.00	0.00		
(a-iii)	Corporate Body (Offer)	0	0	0	0.00	0.00		
(b)	Individuals				0.00	0.00		
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 2 lakh	2765	42417805	42417805	39.65	39.65		

VANDANA KNITWEAR LIMITED
ANNUAL REPORT 2016-17

II	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakh.	63	29728879	29728879	27.79	27.79		
(c)	Any Other (specify)	0	0	0	0.00	0.00		
(c-i)	HUF	142	5680366	5680366	5.31	5.31		
(c-ii)	OCB	0	0	0	0.00	0.00		
(c-iii)	Foreign Bodies	0	0	0	0.00	0.00		
(c-iv)	NRI (Repatriation)	17	874698	874698	0.82	0.82		
(c-v)	NRI (Non-repatriation)	2	82600	82600	0.08	0.08		
(c-vi)	Clearing Members	32	4179685	4179685	3.90	3.90		
(c-vii)	Bodies Corporates	63	7120967	7120967	6.65	6.65		
	Sub-Total (B)(2)	3084	90085000	90085000	84.20	84.20		
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	3084	90085000	90085000	84.20	84.20		
	TOTAL (A)+(B)	3091	106985070	1069850700	100.00	100.00		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
(1)	Promoter and Promoter Group	0	0	0		0.00		0.00
(2)	Public	0	0	0		0.00		
	GRAND TOTAL (A)+(B)+(C)	3091	106985070	1069850700	100.00	100.00		

ii) Share Holding of Promoters

Sr. No.	Name of the shareholder	Details of Shares held		Encumbered shares (*)			Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
		Number of shares held	As a % of grand total	No.	As a %	As a % of grand total	Number of warrants held	As a % total number of warrants of the same class	No. of convertible securities held	As a % total number of convertible securities of the same class	
1	BABULAL KHIMRAJ JAIN	5599980	5.23	-	-	-	-	-	-	-	5.23
2	CHANDADEV I BABULALJI JAIN	1000000	0.93	-	-	-	-	-	-	-	0.93
3	KUSUM NILESH MOHILE	3000090	2.80	-	-	-	-	-	-	-	2.80
4	MANOJ GUPTA	1900000	1.78	-	-	-	-	-	-	-	1.78
5	RATHOD JAIN KISHORE B	1000000	0.93	-	-	-	-	-	-	-	0.93
6	SANGEETA SANJAY RATHOD	1000000	0.93	-	-	-	-	-	-	-	0.93
7	SANJAY BABULAL RATHOD	3400000	3.18	-	-	-	-	-	-	-	3.18
Total		16900070	15.80	-	-	-	-	-	-	-	15.80

iii) Public Share Holding

Sr. No.	Name of the shareholder	Number of shares held	Shares as a percentage of total number of shares	Details of warrants		Details of convertible securities		Total shares (including underlying shares assuming full conversion of warrants and convertible securities) as a % of diluted share capital
				Number of warrants held	As a % total number of warrants of the same class	Number of convertible securities held	% w.r.t total number of convertible securities of the same class	
1	SPICE MERCHANTS PVT. LTD.	1550283	1.45	0	0.000000	0	0.000000	1.45
2	APEX COMMOTRADE PVT. LTD.	1465717	1.37	0	0.000000	0	0.000000	1.37
3	JHP SECURITIES PVT. LTD.	2871639	2.68	0	0.000000	0	0.000000	2.68
4	MANVI RAJALBANDIPAVAN KUMAR	1500000	1.40	0	0.000000	0	0.000000	1.40
5	PRATIK PRABHU DAS JAJAL	1376529	1.29	0	0.000000	0	0.000000	1.29

V. INDEBTEDNESS (Indebtedness of the Company including interest outstanding/accrued but not due for payment)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

Change in Indebtedness during the financial year				
* Addition	--	--	--	--
* Reduction	--	--	--	--
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	--	--	--	--

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Nil

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Mukesh Gadiya, MD	Babulal Jain (Executive Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,80,000	1,80,000	3,60,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit	--	--	--
5	Others, please specify	--	--	--
	Total (A)	1,80,000	1,80,000	3,60,000
	Ceiling as per the Act	--	--	--

B. Remuneration to other directors- Nil

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		-----	----	----	---	
1	Independent Directors					
	• Fee for attending board committee meetings					Nil
	• Commission					Nil
	• Others, please specify					Nil
	Total (1)					Nil
2	Other Non-Executive Directors					
	• Fee for attending board committee meetings					Nil
	• Commission					Nil
	• Others, please specify					Nil
	Total (2)					Nil
	Total (B)=(1+2)					Nil
	Total Managerial Remuneration					Nil
	Overall Ceiling as per the Act					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN	Particulars of Remuneration	Key Managerial Personnel		
		CS	CFO	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,85,400	--	1,85,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission			
	- as % of profit	--	--	--
	- others, specify...	--	--	--
5	Others, please specify	--	--	--
	Total	1,85,400	--	1,85,400

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act, 1956	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.
B. DIRECTORS					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.
C. OTHER OFFICERS IN DEFAULT					
Penalty	N.A.	NIL	NIL	N.A.	N.A.
Punishment	N.A.	NIL	NIL	N.A.	N.A.
Compounding	N.A.	NIL	NIL	N.A.	N.A.

Date: 14/08/2017
Place: Hyderabad

For and on behalf of the Board

Mukesh Gadiya
Chairman & Managing Director
DIN: 03025764

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. The industry provides employment to millions of workers directly and indirectly. This industry contributes to 14% of the country's industrial output and to 11% its export earnings.

The demand for textile products in India is very large and growing with the increase in disposable income of the people. A very high proportion of young and working population is also a favourable factor influencing domestic demand for textiles. 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 platform is running well.

During the year under report, the company was not been able to perform at a higher side. The profit after tax (PAT) comes down to Rs. 4.20 Lacs in comparison to Rs. 14.34 lacs of previous year.

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 Regulations 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.

Date: 14/08/2017

Place: Hyderabad

For and on behalf of the Board

Mukesh Gadiya

Chairman & Managing Director

DIN: 03025764

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. The Board of Directors is typically central to Corporate Governance. Its relationship to the other primary participants, typically shareholders and management, is critical. Additional participants include employees, customers, suppliers, and creditors. The Corporate Governance framework also depends on the legal, regulatory, institutional and ethical environment of the community.

The Corporate Governance report is pursuant to Regulation 27 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and contains the details of Corporate Governance

systems and practices at Vandana Knitwear Limited (VKL).

I. COMPANY'S PHILOSOPHY

Vandana Knitwear Limited (VKL or the 'Company') believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in maintaining good corporate governance, preserving shareholders' trust and maximizing long-term corporate value.

The Company's philosophy on Corporate Governance focuses on the attainment of the highest standards of transparency, accountability, ethics and equity with management flexibility, empowerment and responsiveness in the interest of shareholders, customers, employees, business associates and the society at large.

II. BOARD OF DIRECTORS

Composition of the Board

The Company has a very balanced structure of Board of Directors, which take care of the business necessity and stakeholders' interest. The Board consists of 6 Directors comprising of 3 Executive and 3 Non-Executive Independent Directors. The 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 2016-17 i.e. from 1st April, 2016 to 31st March, 2017, the Board met 6 (six) 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 30th May, 2016, 26th July, 2016, 1st September, 2016, 8th November, 2016, 13th February, 2017 and 25th March, 2017.

The Board composition (name & category) as on 31st March, 2017, 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 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	Mahadev Knitwear Private Limited	Nil	Nil	7	7	Yes
3.	Mr. Pradeep Saremal Jain	Non-Executive Independent	Marvel Capital and Finance (India) Ltd., Ramchandra Leasing and Finance Limited	Nil	Nil	7	7	Yes
4.	Mr. Pawan Mandowara	Non-Executive Independent	Nil	Nil	Nil	7	7	Yes
5.	Mr. Manish Tamboli	Non-Executive Independent	Vishwamangal Dairies & Farming Pvt. Ltd.	Nil	Nil	7	7	Yes
6.	Ms. Bhuneshwari	Non-Executive Independent	Nil	Nil	Nil	7	7	No

#includes directorship held in Private Limited Companies, Foreign Companies and Companies u/s 8 of the Companies Act, 2013.

- None of the directors on the Board were Directors in more than 10 (Ten) Public Limited Companies and were members of more than 10 committees or acted as Chairperson of more than 5 committees across all the companies in which they were directors.
- None of the Directors were related to any director or were a member of an extended family.
- None of the Independent Directors of the Company served as Independent Director in more than 7 Listed Companies.
- As required under section 149(3) of the Companies Act, 2013, Ms. Bhuneshwari, a lady Director, has been appointed as Director on the Board.
- Remuneration paid to Directors during the year 2016-17:
 - Mr. Babulal Jain – Rs. 1,80,000/-
 - Mr. Mukesh Gadiya – Rs. 1,80,000/-
- None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- The individual details of the directors seeking appointment / re-appointment 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 2016-17 are as follows:

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

No. of meetings: During the year 2016-17, the Committee met 4 (four) times on 30th May, 2016, 26th July, 2016, 5th November, 2016 and 13th February, 2017.

As required under SEBI Listing regulation, 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, 2016 and was attended by Mr. Manish Tamboli, the than Chairman of the Audit Committee.

The role of Audit Committee broadly includes the following:

1. The Audit Committee acts as a link between the auditors and the Board of Directors.
 2. 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.
 3. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and fixation of audit fees.
 4. Approval of Payment to Statutory Auditors for any other services rendered by them.
 5. 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.
 6. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 7. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of Internal Control Systems.
 8. 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.
 9. Discussion with Internal Auditors any significant findings and follow up thereon.
 10. 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.
 11. 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.
 12. 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. STAKEHOLDERS' RELATIONSHIP COMMITTEE
- The Stakeholders' Relationship 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 2016-17 are as follows:

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

- No. of meetings: During the year 2016-17, the Committee met 4 (four) times on 30th May, 2016, 26th July, 2016, 8th November, 2016 and 13th February, 2017.
- 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 2016-17

Total Complaints Received	Total Complaints Redressed	Pending as on 31/03/2017
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 2016-17 are as follows :

Name of Members	Designation	No. of Meetings held during the year	Meetings Attended
Mr. Manish Tamboli	Member	1	1
Mr. Babulal Khimraj Jain	Member	1	1
Mr. Pradeep Saremal Jain	Chairman	1	1

- No. of meetings: During the year 2016-17, the Committee met once on 30th May, 2016, 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.

IV. GENERAL BODY MEETINGS

The details of last three AGMs are mentioned hereunder:

Year	Day, Date & Time	Venue
2015-16	Friday, 30 th September, 2016 at 11:00 A.M.	4-1-223, Hanuman Takdi, Bank Street, Telengana – 500 095
2014-15	Tuesday, 29 th September, 2015 at 10:00 A.M.	Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Telengana – 500 095
2013-14	Saturday, 27 th September, 2014 at 9.30 A.M.	Jain Dharamshala, Next to Axis Bank, Hanuman Takdi, Bank Street, Hyderabad – 500 095

Extra-Ordinary General Meeting

No Extra-ordinary General Meeting was held in the year 2015-16, 2014-15 and 2013-14.

Special resolutions: No special resolution was passed at the AGM held on 29th September, 2015 and 28th September, 2013, while at AGM held on 27th September, 2014, a special resolution was passed with regard to the increase in remuneration of Mr. Babulal Jain, Executive Director of the Company.

POSTAL BALLOT

During the current year, no approval of shareholders was taken 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 2016-17. 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 the SEBI Listing Regulations duly signed by the CEO was placed before the Board and the same is also provided with this report.

- Secretarial Audit Report: The Company has undertaken Secretarial Audit for the financial year 2016-17 which, inter alia, includes audit of compliance with the Companies Act, 2013, and the Rules made under the Act, Listing Regulations and applicable Regulations prescribed by the Securities and Exchange Board of India and Foreign Exchange Management Act, 1999 and Secretarial Standards issued by the Institute of the Company Secretaries of India. The Secretarial Audit Report forms part of this Annual Report.
- Compliance with the mandatory requirements of the SEBI Listing Regulations: The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated under the Listing Regulations. 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 Telangana, 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 INFORMATION

1.	<u>Annual General Meeting</u>	
	Annual General Meeting	Twenty Second
	Financial Year	2016-17
	Day, date and time	Thursday, 28 th September, 2017 at 11:00 A.M.
	Venue	4-1-223, Hanuman Takdi, Bank Street, Telengana-500 095

As required by Listing Regulations, 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 2017-18)

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

First Quarter Ending Results (June, 2017)	Within 45 days from end of quarter.
Second Quarter Ending Results (September, 2017)	Within 45 days from end of quarter.
Third Quarter Ending Results (December, 2017)	Within 45 days from end of quarter.
Fourth Quarter / Year Ending Results (March, 2018)	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 Friday, 22nd September, 2017 to Thursday, 28th September, 2017 (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 Jeejebhoy Towers, Dalal Street,
Mumbai - 400 001, Maharashtra.

The Company has paid Listing Fees to BSE for the year 2017-18.

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.)
Apr-16	0.41	0.31	1786277
May-16	0.45	0.32	616415
Jun-16	0.34	0.29	436250
Jul-16	0.44	0.31	1419902
Aug-16	0.41	0.28	889433
Sep-16	0.32	0.23	1043916
Oct-16	0.34	0.26	591085
Nov-16	0.32	0.23	925249
Dec-16	0.29	0.24	1064149
Jan-17	0.29	0.21	1485903
Feb-17	0.34	0.23	476769
Mar-17	0.30	0.21	456077

7. Shareholding Pattern As On 31st March, 2017

Category	No. of Shares held	% of shareholding
Indian Promoters	16900070	15.80
Foreign Promoters	00	00
Persons Acting In Concert	00	00
Mutual Funds & UTI	00	00
Banks, FIs, Insurance Companies (Central /State Govt. Institutions/ Non -Govt. Institutions)	00	00
Foreign Institutional Investors	00	00
Private Corporate Bodies	7120967	6.66
Indian Public	77827050	72.75
NRI's/ OCB	957298	0.88
Any Other (Clearing Members Demat Transit)	4179685	3.91
GRAND TOTAL	106985070	100

8. Distribution Schedule As On 31st March, 2017

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

No. of Equity Shares held	No. of Share Holders	% of Share holders	No. of Shares	Amount (In Rs.)	% of Total Shares
0001 - 500	636	20.5759	103772	103772	0.0970
501 - 1000	320	10.3526	298309	298309	0.2788
1001 - 2000	253	8.1851	430541	430541	0.4024
2001 - 3000	145	4.6910	389156	389156	0.3637
3001 - 4000	89	2.8793	330824	330824	0.3092
4001 - 5000	206	6.6645	1012884	1012884	0.9468
5001 - 10000	411	13.2967	3594812	3594812	3.3601
10001 & above	1031	33.3549	100824772	100824772	94.2419
TOTAL	3091	100.0000	106985070	106985070	100.0000

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, 2017, 10,21,97, 653 Equity shares of Re. 1/- each consisting of 95.53% of the Total Paid up Share Capital were held in dematerialized form.

10. Share Transfer System

95.53% 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 Link Intime India Pvt. Ltd.). 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 Link Intime India Pvt. Ltd., 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, of

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, 2017, the Company does not have any outstanding GDRs/ADRs/Warrants or any convertible instruments.

12. Registrar & Share Transfer Agent (RTA)

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400078.
E-mail ID: Mumbai@linkintime.co.in
Tel. No.: 022-2596 3838; Fax No.: 022-2594 6969
Website: www.linkintime.co.in

13. Depository

Central Depository Services (India) Limited
Phiroze Jeejebhoy 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, 2014

INE219M01013

15. Registered Office:

4-1-223, Hanuman Takdi, Bank Street, Hyderabad, Telangana – 500095

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:

Link Intime India Pvt. Ltd.
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West),
Mumbai – 400078.
E-mail ID: Mumbai@linkintime.co.in
Tel. No.: 022-2596 3838; Fax No.: 022-2594 6969
Website: www.linkintime.co.in

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

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

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

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

Place: Hyderabad
Dated: 14/08/2017

(Mr. 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, 2017, received from the members of the Board, a declaration of compliance with the code of conduct as applicable to them.

Place Hyderabad
Dated: 14/08/2017

(Mr. 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 for the year ended on March 31, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchanges in India.

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 Regulations.

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/-
S. N. Kabra
Partner

Place: Hyderabad
Date: 14.8.2017

INDEPENDENT AUDITOR'S REPORT

To
The Members of
VANDANA KNITWEAR LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of VANDANA KNITWEAR LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to 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 principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of these financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid 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, 2017;
- (b) In the case of the statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order 2016('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that;

a. We have sought and obtained all 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 accounts as required by the law have been kept by the Company so far as appears from our examination of those books.

c. The Balance Sheet, the statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.

d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014

e. On the basis of the written representations received from directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has not any pending litigations as of March 31, 2017;
- (ii) The Company has not any foreseeable losses on long term contracts.
- (iii) The Company has not required transferring any amount to Investor Education and Protection Fund.
- (iv) The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2017:

- i) In respect of fixed assets of the Company:
 - a) The company has maintained proper records showing full particulars including the quantitative details and situations of fixed assets.
 - b) Fixed assets were physically verified during the year by the management in accordance with the Program of verification. According to the information and explanations given to us no material discrepancies were noticed on such verification.
 - c) The title deeds of immovable properties are held in the name of the company.
- ii) In respect of the inventories of the Company:
 - a) As explained to us inventories were physically verified during the year by the management at reasonable intervals.
 - b) In our opinion and according to the information and explanations given to us, the procedure of physical verification of inventories followed by the management was reasonable and adequate in relation to the size of the Company and nature of its business.
 - c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

- iii) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- v) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii) According to the information and explanations given to us in respect of Statutory dues:
- a) According to the information and explanations given to us the company has been regular in depositing undisputed statutory dues including Provident Fund , Employees State Insurance, Income Tax, Wealth Tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, value added tax, Cess and any other material statutory dues with the appropriate authorities. There are no arrears as at March 31, 2017 for a period of more than six months from the date these becomes payable.
- b) According to the information and explanations given to us there are no dues of disputed sales tax/custom duty/wealth tax/service tax/excise duty/cess which have not been deposited as on 31st March 2017 on account of any dispute.
- Viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in the payment of dues to financial institution and banks The Company has not taken any loan from the government and has not issued any debentures.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. The company had not raised any Term Loan during the year.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.

xiii) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

“ANNEXURE B” TO THE INDEPENDENT AUDITORS’ REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of VANDANA KNITWEAR LIMITED (“the Company”) as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance

with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements. Inherent Limitations of Internal Financial Controls over Financial Reporting Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Vandana Knitwear Limited
(Formerly known as Trendy Knitwear Limited)
Balance Sheet as at 31-03-2017

Particulars	Note No.		As at 31-03-2017 [Rs.]		As at 31-03-2016 [Rs.]
I EQUITY AND LIABILITIES					
(1) Shareholders' Funds					
(a) Share Capital	1	10,69,85,070		10,69,85,070	
(b) Reserves and surplus	2	36,51,218	11,06,36,288	32,31,003	11,02,16,073
(c) Money Received against Share Warrants	-				
(2) Non-current liabilities					
(a) Long-term borrowings	3	-			
(b) Deferred Tax Liability (Net)	4	-			
(c) Other Long-term Liabilities	-	-			
(d) Long-term Provisions	-	-			
(3) Current liabilities					
(a) Short-term borrowings	5	-			
(b) Trade Payables	6	4,01,58,200		7,66,50,195	
(c) Other Current Liabilities	7	18,89,700		3,13,979	
(d) Short Term Provisions	8	3,19,580	4,23,67,480	19,10,040	7,88,74,214
Total			15,30,03,768		18,90,90,287
II ASSETS					
Non-current assets					
(1) (a) Fixed Assets	9				
(i) Tangible assets		2,65,882		2,94,378	
(ii) Intangible assets		-		-	
(iii) Capital Work -in-progress		-		-	
(b) Non-Current investments	10	16,60,000		2,08,34,000	
(c) Deferred tax assets (Net)	11	60,606	-	73,044	-
(d) Long-term loans and advances	12	2,54,650		2,54,650	
(e) Other Non Current Assets	13	1,67,50,000	1,89,91,138	1,67,92,164	3,82,48,236
(2) Current assets					
(a) Current Investments					
(b) Inventories	14	-		-	
(c) Trade receivables	15	5,09,82,767		7,02,98,320	
(d) Cash and Cash equivalents	16	7,90,134		64,16,751	
(e) Short-term loans and advances	17	8,16,69,140		7,21,77,682	
(f) Other Current Assets	18	5,70,589	13,40,12,630	19,49,298	15,08,42,051
(3) Miscellaneous Expenses & Losses					
Deferred Revenue Expenditure		-		-	
Total	25		15,30,03,768		18,90,90,287

Significant Accounting Policies and
Notes on Financial Statements

As per our report of even date
For S.N. Kabra & Co.
Chartered Accountants
Firm Registration No. 03439C

Satyanarayan Kabra
Partner
M No.072497

For Vandana Kintwear Limited

Mukesh Gadiya
Managing Director

Babulal Jain
Director

Nidhi Gupta
Company Secretary

Place : Hyderabad
Date : 30.05.2017

VANDANA KNITWEAR LIMITED
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Vandana Knitwear Limited
(Formerly known as Trendy Knitwear Limited)
Statement of Profit and Loss for the year ended 31-03-2017

Particulars	Note No.		YEAR ENDED 31-03-2017	YEAR ENDED 31-03-2016
I Revenue from operations	19		62,42,670	4,16,44,508
II Other Income	20		-	-
III Total Revenue (I+II)		Total	62,42,670	4,16,44,508
IV Expenses :				
Purchase of Stock in Trade			-	3,42,58,965
Changes in Inventories of Finished Goods	21		-	-
Employee Benefits Expenses	22		27,44,561	22,38,343
Finance Costs	23		-	-
Depreciation and Amortization Expenses	24		28,496	1,81,909
Other Expenses	25		27,27,945	29,53,591
Total expenses (IV)		Total	55,01,002	3,96,32,808
V Profit before exceptional and extraordinary items and tax (III-IV)			7,41,668	20,11,700
VI Exceptional items			-	-
VII Profit/(Loss) before extraordinary items and tax (V-VI)			7,41,668	20,11,700
VIII Extraordinary Items			-	-
IX Profit Before Tax			7,41,668	20,11,700
X Tax expense :				
(1) Income Tax for earlier years				
(2) Current Year Tax			3,09,014	5,76,996
(3) Deferred tax			12,438	
XI Profit(Loss) for the period from Continuing Operations		Total	4,20,216	14,34,704
XII DISCONTINUING OPERATIONS				
Profit / (Loss) from discontinuing operations			-	-
XIII TOTAL OPERATIONS			4,20,216	14,34,704
XIV Earnings per equity share of face value of Re.1 each Basic and Diluted			0.00	0.01
Significant Accounting Policies and Notes on Financial Statements	25			

As per our report of even date
For S.N. Kabra & Co.
Chartered Accountants
Firm Registration No. 03439C

Satyanarayan Kabra
Partner
M No.072497

Place : Hyderabad
Date : 30.05.2017

For Vandana Kintwear Limited

Mukesh Gadiya
Managing Director

Babulal Jain
Director

Nidhi Gupta
Company Secretary

Vandana Knitwear Limited
(Formerly known as Trendy Knitwear Limited)
for the year ended 31-03-2017

NOTES TO THE ACCOUNTS

		31-03-2017 [Rs.]		31-03-2016 [Rs.]	
NOTE No. 1 - Share Capital					
SHARE CAPITAL					
(a)	Authorised 12,00,00,000 Equity shares of Rs.1/- each (Previous Year 12,00,00,000 Equity shares of Rs.1/- each)	12,00,00,000		12,00,00,000	
		12,00,00,000		12,00,00,000	
(b)	Issued Subscribed & Paid up 10,69,85,070 Equity Shares of Rs. 1/- each fully paid up (Previous Year 10,69,85,070 Equity shares of Rs.1/- each)	10,69,85,070		10,69,85,070	
	Total	10,69,85,070		10,69,85,070	
		31-03-2017		31-03-2016	
<u>1.1 Details of Shareholders holding more than 5% shares</u>		No of Shares	% Held	No of Shares	% Held
Name of the Share holder					
Babulal Khimraj Jain		55,99,980	5.23%	55,99,980	5.23%
<u>1.2 Reconciliation of number of shares outstanding</u>					
Opening Balance			10,69,85,070		10,69,85,070
Add: Issued During the Year					-
Closing Balance at the year end			10,69,85,070		10,69,85,070
(Equity shares of Re 1 each (PY Equity Shares of Rs.1/- each)					
NOTE No. 2 - Reserves & Surplus :					
RESERVES & SURPLUS					
CURRENT YEAR		Balance As at 01.04.2016 [Rs.]	Additions [Rs.]	Deductions [Rs.]	Balance As at 31-03-2017 [Rs.]
a.	Security Premium Account	-	-	-	-
b.	General Reserve				
	Balance in Profit & Loss A/c	32,31,003	4,20,215		36,51,218
	Depreciation written back as per companies act 2013				
	Total	32,31,003	4,20,215	-	36,51,218
PREVIOUS YEAR		Balance [Rs.]	Additions Tr from P & L A/c [Rs.]	Deductions [Rs.]	Balance [Rs.]
a.	Security Premium Account	-	-	-	-
b.	General Reserve				
	Balance in Profit & Loss A/c	17,96,299	14,34,703		32,31,003
	Depreciation written back as per companies act 2013				
<u>SECURED LOANS</u>					-
<u>UNSECURED LOANS</u>					-
	Total				-
NOTE No. 4 - DEFERRED TAX LIABILITY (Net)					
a.	On Account of depreciation on Fixed Assets				-
	Total				-
NOTE No. 5 - Short term borrowings:					
Unsecured Loan: Loans repayable on demand					-
	Total				-
Rate of Interest					-

Vandana Knitwear Limited
(Formerly known as Trendy Knitwear Limited)
for the year ended 31-03-2017

		31.03.2017 [Rs.]	31.03.2016 [Rs.]
NOTE No. 6 - Trade payables :			
Trade Creditors			
Total outstanding dues of Micro Enterprises and Small Enterprises		-	-
Total outstanding dues of creditors other than Micro and small Enterprises and Small Enterprises		4,01,58,200	7,66,50,195
Total		4,01,58,200	7,66,50,195
<u>Additional Information:</u>			
The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:			
Principal amount due and remaining unpaid		-	-
Interest due on (1) above and the unpaid interest		-	-
Interest paid on all delayed payments under the MSMED Act		-	-
Payment made beyond the appointed day during the year		-	-
Interest due and payable for the period of delay other than (3) above		-	-
Interest accrued and remaining unpaid		-	-
Amount of further interest remaining due and payable in succeeding years		-	-
NOTE No. 7 - Other Current Liabilities			
Other Current Liabilities		18,89,700	3,13,979
Total		18,89,700	3,13,979
NOTE No. 8 - Short Term Provisions			
a. Duties and Taxes Payable		10,500	7,000
b. Other Provisions			
Directors Remuneration Payable/Sitting Fees Payable		-	-
Provision for Income Tax		3,09,080	19,03,040
Professional Fees Payable		-	-
Total		3,19,580	19,10,040

Note No.9

Fixed Asset and Depreciation as on 31.03.2017

ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST ON 01.04.2016	ADDITIONS DURING THE YEAR	ASSETS SOLD DURING THE YEAR	TOTAL AS ON 31.03.2017	WRITTEN OFF 01.04.2016	WRITTEN BACK DURING THE YEAR	FOR THE YEAR	TOTAL WRITTEN OFF UP TO 31.03.2017	AS AT 01.04.16	AS AT 31.03.2017
Furniture	12,500	-	-	12,500	9,566	-	732	10,298	2,934	2,202
Car - Ford Figo	6,66,478	-	-	6,66,478	4,78,796	-	27,764	5,06,560	1,87,682	1,59,918
Land	1,03,762	-	-	1,03,762	-	-	-	-	1,03,762	1,03,762
Totals as at										
31.03.2017	7,82,740	-	-	7,82,740	4,88,362	-	28,496	5,16,858	2,94,378	2,65,882
31.03.2016	11,76,880	-	-	11,76,880	7,00,592	-	1,81,910	8,82,502	4,76,287	2,94,378

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Vandana Knitwear Limited
(Formerly known as Trendy Knitwear Limited)
for the year ended 31-03-2017

NOTE No. 10 - Non Current Investment :

		31-03-2017 [Rs.]	31-03-2016 Rs
INVESTMENTS			
Non Current Investments - Long Term			
A. Investment in Equity Instruments - Unquoted		16,60,000	2,08,34,000
	Total	16,60,000	2,08,34,000
Aggregate Value of -Unquoted Investments		16,60,000	2,08,34,000
		16,60,000	2,08,34,000
NOTE No. 11 - Deferred Tax Assets			
Opening difference of taxes		73,044	73,044
Add:- Timing difference of taxes for current year		12,438	-
	Total	60,606	73,044
NOTE No. 12- Long Term Loan and advances			
Security Deposits			
Electricity Deposit		4,650	4,650
Office Deposit Hyderabad		1,00,000	1,00,000
Office Deposit Mumbai		1,50,000	1,50,000
	Total	2,54,650	2,54,650
NOTE No. 13 - Other Non Current Assets			
Other Non Current Assets		1,67,50,000	1,67,92,164
	Total	1,67,50,000	1,67,92,164
NOTE No. 14 - Inventories :			
INVENTORIES			
(As certified & valued by the management)			
Finished goods: Trading		-	-
	Total	-	-
NOTE No. 15 - Trade receivables :			
(Unsecured-Considered good)			
-Exceeding six months		5,09,82,767	7,02,98,320
-Others			
	Total	5,09,82,767	7,02,98,320
NOTE No. 16 - Cash and Cash equivalents :			
Cash in hand			
Head Office		7,72,359	39,86,033
Balances with Scheduled Banks			
Head Office		17,775	24,30,718
	Total	7,90,134	64,16,751
NOTE No. 17 - Short Term Loans and advances: Unsecured			
(i) Other loans and advances (specify nature)			
Unsecured, considered good		8,16,69,140	7,21,77,682
	Total	8,16,69,140	7,21,77,682
NOTE No. 18 - Other Current Assets			
Advance Income Tax/TDS (FY 13-14)		9,313	6,89,313
Advance Income Tax/TDS (FY 14-15)		31,491	6,11,491
Advance Income Tax/TDS (FY 15-16)		-	6,48,494
Advance Income Tax/TDS (FY 16-17)		5,27,285	-
Sunita Agrawal		2,500	-
	Total	5,70,589	19,49,298

Vandana Knitwear Limited (Formerly known as Trendy Knitwear Limited) for the year ended 31-03-2017			
	YEAR ENDED 31-03-2017 [Rs.]		YEAR ENDED 31-03.2016 [Rs.]
NOTE No. 19 - Revenue from operations:-			
SALES OF PRODUCT COMPRISES: FABRIC CLOTH	-		3,49,43,707
SALES OF SERVICE COMPRISES: Interest on Lending of Advances	62,42,670		67,00,801
Total	<u>62,42,670</u>		<u>4,16,44,508</u>
NOTE No. 20 - Other Income :			
a. Dividend income	-		-
- from long term investments	-		-
b. Net gain on sale of:			
Current investments	-		-
Long-term investments	-		-
Total	<u>-</u>		<u>-</u>

VANDANA KNITWEAR LIMITED
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Vandana Knitwear Limited (Formerly known as Trendy Knitwear Limited) for the year ended 31-03-2017				
		YEAR ENDED 31.03.2017 [Rs.]		YEAR ENDED 31.03.2016 [Rs.]
NOTE No. 21 - Change in Inventory :				
Inventories at the end of the year:				
Stock-in-trade		-		-
Inventories at the beginning of the year:				
Stock-in-trade		-		-
	Total	-		-
NOTE No. 22 - Employee benefits :				
Salaries		18,59,400		12,11,700
Conveyance		2,18,180		3,36,176
Staff Welfare Expenses		3,06,981		3,06,467
Directors Remuneration		3,60,000		3,84,000
	Total	27,44,561		22,38,343
NOTE No. 23 - Financial Charges :				
a. Interest				
- Banks		-		-
	Total	-		-
NOTE No. 24 - Depreciation and Amortisation:				
Depreciation		28,496		1,81,909
	Total	28,496		1,81,909
NOTE No. 25 - Other Expenses :				
Advertisement Expenses		-		37,960
Audit Fees		25,000		25,000
Books and Periodicals		41,262		94,296
Bank Charges/Commission		18,868		30,322
Business Promotion Expenses		1,46,342		4,30,522
Electricity Charges		96,604		68,227
Insurance		-		39,506
Interest on TDS		1,956		11,295
Motor Car Expenses		1,48,010		1,61,606
Membership Fees		3,02,286		2,24,720
Office Expenses		1,97,737		2,75,943
Postage & Telegram		53,283		37,634
Printing & Stationery		63,952		1,35,581
Professional Fees		85,599		3,67,500
Rent		3,30,000		3,30,000
Repairs and Maintenance		84,663		1,53,631
ROC Fess		-		618
RTA Fees and Expenses		31,943		44,092
Security Charges		-		48,223
Sundry Expenses		46,677		20,805
Sundry Balance Written off		-		501
Telephone Expenses		25,324		25,604
Travelling Expenses		4,00,262		2,82,002
CDSL CHARGE		57,093		56,478
NSDL CHARGES		85,875		51,525
Donation		3,86,000		-
Society Charges		99,209		-
	Total	27,27,945		29,53,591

Note 24

NOTES TO THE ACCOUNTS

(A) SIGNIFICANT OF ACCOUNTING POLICIES

1. 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.

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

Fixed assets are stated at cost less depreciation. Depreciation has been provided on the written down value method and at the rates and in the manner specified in Schedule II of the Companies Act, 2013.

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 realisable value which ever is less.

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, 2013.

7. 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.

8. TREATMENT OF CONTINGENT LIABILITES

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

9. ACCOUNTING FOR TAXES ON INCOME

Income tax expenses comprises current tax (i.e. amount of tax for the year determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year)

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward business loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets / liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realised.

The company offsets assets and liabilities representing current tax and deferred tax where it has a legally enforceable right to set off the recognised amounts and it intends to settle those assets and liabilities on a net basis.

10. BORROWING COSTS

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

11. The company does not have any intangible assets

12. IMPAIRMENT OF ASSETS

Impairment is ascertained at each balance sheet date in respect of Cash Generating Units. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable value. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

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 31.03.2017

(B) 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 31.03.2017.

4. Auditor's Remuneration

SR NO.	Particulars	31.03.2017	31.03.2016
1	Statutory Audit Fees	25,000	25,000
2	Tax Audit Fees	-	-
3	Income Tax Matters	-	-
	Total	25,000	25,000

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:

SR NO.	Particulars	31.03.2017	31.03.2016
1	DEFERRED TAX LIABILITY		73044
	Related to Fixed Assets		0
2	DEFERRED TAX ASSETS		0
	Related to Disallowance Under Income Tax		0
	NET DEFERRED TAX LIABILITY		73044

6. EARNING PER SHARE

SR NO.	Particulars	31.03.2017	31.03.2016
1.	Net Profit as per Profit and Loss Account	4,20,216	14,34,704
2.	Number of Shares: Weighted (Rs.1 per share)	10,69,85,070	10,69,85,070
3	Basic and Diluted Earning Per Share	0.00	0.01

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

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

9. Quantitative details of goods traded :

FOR THE YEAR ENDING 31.03.2017

SR NO	PARTICULARS	UNIT	OPENING STOCK	PURCHASES	SALES	CLOSING STOCK
1	FABRIC	MTRS	-			

FOR THE YEAR ENDING 31.03.2016

SR NO	PARTICULARS	UNIT	OPNING STOCK	PURCHASES	SALES	CLOSING STOCK
1	FABRIC	MTRS	-	248015	248015	-

10. Disclosure in accordance with AS 18 "Related Party Disclosures"

FOR THE YEAR ENDING 31.03.2017

	Associates	Key Management Personnel	Relative of Key Management Personnel	TOTAL
Expenditure on Services	NIL	5,45,400	NIL	5,45,400
FINANCE				
Equity /Capital Contribution Outstanding as at the year end.	NIL	NIL	NIL	NIL

FOR THE YEAR ENDING 31.03.2016

	Associates	Key Management Personnel	Relative of Key Management Personnel	TOTAL
Expenditure on Services	NIL	5,89,200	NIL	5,89,200
FINANCE				
Equity /Capital Contribution Outstanding as at the year end.	NIL	NIL	NIL	NIL

NOTE: Name of related parties and description of relationship :

1.Key Management Personnel :-

Mr. Mukesh Gadiya	(Managing Director)
Mr. Babulal Khimraj Jain	(Executive Director)
Mr. Pradeep Saremal Jain	(Independent Director)
Mr. Pawan Mandowara	(Independent Director)
Mr. Manish Tamboli	(Independent Director)
CS Nidhi Gupta	(Company Secretary)
Mrs. Bhuvneshwari	(Women Executive Director)

- 11 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.”

DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes (SBNs) and other denomination notes as defined in the MCA notification G.S.R. 308(E) dated 31st March, 2017, on the details of Specified Bank Notes (SBNs) held and transacted during the period from 8th November, 2016 to 30th December, 2016, SBNs and other notes as per the notification is given below:

(Amount in `)

Particulars	SBNs*	Other Denomination Notes	Total
Closing cash in hand as on 8th November, 2016	1162000/-	6885/-	1168885/-
(+) Permitted receipts	-	20000/-	20000/-
(+) Amount Withdrawn From Bank	-	38200/-	38200/-
(-) Permitted payments	-	-	-
(-) Amount deposited in banks	1162000/-	-	1162000/-
Closing cash in hand as on 30th December, 2016	-	45085/-	45085/-

For the purpose of this clause 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

Vanadana Knitwear Limited
Cash Flow Statement For The Year Ended 31st March 2017

		For the Year ended 31.03.2017		For the Year ended 31.03.2016	
A.	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit(Loss) before tax and Extra Ordinary Item				
	Ordinary Items		7,41,668		20,11,700
	Adjustment for:				
	Depreciation	28,496		1,81,909	
	Dividend	0		0	
	Profit(Loss) on sale of Investments	0		0	
	Profit (Loss) on Sale of Other Assets	0		0	
		0		0	
	Interest Income (Expenses) : NET	-62,42,671	-62,14,175	67,00,800	68,82,709
	Operating Profit before Working Capital Changes		-54,72,507		88,94,409
	Adjustment for:				
	Reduction In Inventory	0		0	
	Trade Receivables	1,93,15,553		-3,14,40,852	
	Other Receivables	0		0	
	Other Current Liability	15,75,721		-16,09,595	
	Other non Current Assets	42,164		-6,48,494	
	Other Current Assets	-2,500		0	
	Other Provisions	3,500		-6,22,424	
	Deffered Revenu Expenditure	0			
	Trade Payable	-3,64,91,995	-1,55,57,557	3,42,58,965	-62,400
	Cash Generated from Operations		-2,10,30,064		88,32,009
	Direct Taxes Paid/(Refund)		5,21,765		5,76,996
	Cash Flow before Extraordinary Item		(2,15,51,828.5)		82,55,013
	Extraordinary Items				
	NET CASH FROM/(USED IN) OPERATING ACTIVITIES	A	-2,15,51,829	A	82,55,013
B.	CASH FLOW FROM INVESTING ACTIVITIES				
	Sale (Purchase) of Fixed Assets:NET		0		56,15,820
	Sale/(Purchase)of Investments: Net		1,91,74,000		0
	Loans and Advances		-94,91,458		-1,33,074
	Interest Received		0		0
	Profit/(Loss) on Sale of Investment		0		0
	NET CASH FROM/(USED IN) INVESTING ACTIVITIES	B	96,82,542	B	54,82,746
C.	CASH FLOW FROM FINANCE ACTIVITIES				
	Proceeds from Issue of Share Capital		0		0
	Premium on Issue of Share Capital		0		0
	Proceeds from Long Term Borrowings		0		-10,62,000
	Proceeds from Short Term Borrowings		0		0
	Interest Income (Expenses):NET		62,42,671		-67,00,800
	NET CASH FROM/(USED IN) FINANCE ACTIVITIES	C	62,42,671	C	-77,62,800
	NET INCREASE(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C)		-56,26,616		59,74,959
	OPENING BALANCE OF CASH AND CASH EQUIVALENTS		64,16,751		4,41,792
	CLOSING BALANCE OF CASH AND CASH EQUIVALENTS		7,90,134		64,16,751
Place : Hyderabad Date : 30.05.2017		On behalf of the Board, For Vandana Knitwear Limited			
		Managing Director	Director	Company Secretary	

VANDANA KNITWEAR LIMITED

CIN : L18101TG1995PLC019777

(Formerly known as Trendy Knitwear Limited)

Regd. Office : 4-1-223, Hanuman Takdi, Bank Street, Hyderabad 500095

Tel No : 9441271629, 040-24763322, Email Id: trendyknitwear@gmail.com,

Website : www.trendyknitwearlimited.com

ATTENDANCE SLIP

Registered Folio / DP ID & Client ID	
No. of Shares held	
Name and Address of the Shareholder	

1. I hereby record my presence at the 22nd Annual General Meeting of the Company being held on thursday 28th September, 2017 at 11.00 am 4-1-223, Hanuman Takdi, Bank Street, Hyderabad, Telangana - 500 095.
2. Signature of the Shareholder/Proxy Resent
3. Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and Handover at the entrance duly signed.
4. Shareholder/Proxy holder desiring to attend the meeting may bring his/her copy of Annual Report for reference at the meeting

VANDANA KNITWEAR LIMITED

CIN : L18101TG1995PLC019777

(Formerly known as Trendy Knitwear Limited)

Regd. Office : 4-1-223, Hanuman Takdi, Bank Street, Hyderabad 500095

Tel No : 9441271629, 040-24763322, Email Id: trendyknitwear@gmail.com,

Website : www.trendyknitwearlimited.com

PROXY FORM

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

Name of the member (s)	
Registered address	
E-mail Id	
Folio No./ DP Id / Client Id	

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

1. Name : _____

Address _____

Email Id : _____ Signature : _____ or failing him

2. Name : _____

Address _____

Email Id : _____ Signature : _____ or failing him

3. Name : _____

Address _____

Email Id : _____ Signature : _____ or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual general meeting of the company, to be held on Thursday 28th Sept. 2017 at 11.00 am at 4-1-223, Hanuman Takdi, Bank Street, Hyderabad, Telangana - 500 095

and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Audited Financial Statements, Directors' and Auditors' Report for the year ended 31st March, 2017		
2	Appointment of Director in place of Mr. Babulal Jain (DIN: 02387803) who retires by rotation and being eligible, offers himself for re-appointmnt		
3	Appointment of Director in place of Mrs. Bhuneshwari (DIN: 07019169) who retires by rotation and being eligible, offers herself for re-appointmnt		
4	Appointment of Auditors and fix their remuneration		

Signed this _____ day of _____ 2017

Signature of shareholder _____

Signature of Proxy holder(s) _____



Notes :

01. This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.
02. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 22nd Annual General Meeting of the Company