YOUNG BRAND APPAREL PRIVATE LIMITED

Reg. Office : Kattuputhur Village, Ozhaiyur Post
Uthiramerur Taluk, Kanchipuram District
Tamilnadu - 603 107.

12TH ANNUAL REPORT
2018-2019

Factory & Registered Office:
Kattuputhur Village, Ozhaiyur Post, Uthiramerur Taluk,
Kanchipuram District, Tamil Nadu, India - 603 107.
Phone : +91-44-2728 3000| Fax : +91-44-2728 3051
Email: info@youngbrand.in| Web: www.youngbrand.in
CIN: U18101TN2006PTC081600

NOTICE is hereby given that 12th Annual General Meeting of the Members of Young Brand Apparel Private Limited will be held at the Registered Office of the Company at Kattuputhur Village, Ozhaiyur Post, Uthiramerur Taluk, Kanchipuram District 603107, on Monday, the 8th July, 2019 at 4.00 P.M to transact the following business:

You are requested to make it convenient to attend the Meeting.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2019, the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in the place of Sri S V Arumugam, (DIN 00002458) who retires by rotation and being eligible, offers himself for re-appointment.

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be valid should be deposited at the Registered Office of the Company at least 48 hours before the meeting.
3. A route map showing the route to the venue of the meeting is enclosed separately.

By order of the Board

S V ARUMUGAM
Chairman & Managing Director
(DIN 00002458)

Place : Coimbatore
Date : 23.5.2019

YOUNG BRAND APPAREL PRIVATE LIMITED

REGD OFF : Kattuputhur Village, Ozhaiyur Post, Uthiramerur Taluk

Kanchipuram, TamilNadu – 603 107.

CIN:U18101TN2006PTC081600, Email : info@youngbrand.in

Dear Members,

Yours Directors have pleasure in presenting the **TWELFTH** Annual Report together with the audited accounts of the company for the financial year ended 31st March 2019.

FINANCIAL RESULTS:

Amount in Rs.

Particulars	Year ended 31.3.2019	Year ended 31.3.2018
Income	191,57,44,190	174,38,98,608
Profit before Depreciation	11,37,79,083	8,90,91,900
Depreciation	3,91,50,414	4,29,71,985
Profit Before Tax	7,46,28,669	4,61,19,915
Deferred Tax	(1,80,44,402)	(1,42,51,052)
Profit /(Loss) After Tax	5,65,84,267	3,18,68,863
Other Comprehensive Income/(Loss)	(59,12,625)	(855,229)
Dividend	-	-
Carried to Profit & Loss A/c	5,06,71,642	3,10,13,634

REVIEW OF OPERATIONS

During the financial period under review, our company recorded sales of Rs. 191.57 Crores (Last financial year Rs.174.38 Crores). A total of 1,91,16,208 pieces (Last financial year 1,94,92,823 pieces) of garments were sold during the year.

During the year under review, the company gave lot of emphasis on increasing the productivity, capacity utilization and timely delivery which helped to achieve increase in sales turnover. The company made a Net Profit of Rs.5.06 Crores during the financial year ended 31st March 2019.

Our Directors are pleased to inform you that our company has received "Best Performance Award for the year 2018" from one of our customers - Jockey International USA.

DIVIDEND

No dividend is recommended for the year under review.

CUSTOMERS

The Company has been successful in consolidating its position with its core customers like American Eagle, Jockey International and Gelmart. By delivering high quality products, the company has increased its ordering position with its customers.

During the year, the Company has added new exports customers like Basic Resources-USA and ISACO International USA. On domestic front, where the potential for our products are huge, the company has Aditya Birla Retail Fashion as its customer who are selling under the brand name "Van Huesen".

Further the Company is taking concrete steps towards developing its core line of products and also on developing niche products for the international intimate fashion market in addition to the present line of products. The management is confident of a steady income in the future years from this lucrative segment.

QUALITY AT CONTROL

To ensure that the Company only procures quality material for production, the management has put in place a department of quality control which ensures quality at source by endorsing the systems of suppliers.

FUTURE PROSPECTS

The company is setting separate production line for active wear/sleep wear / outerwear products to take early advantage of market potential both internationally and domestically for which machines are available.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

There are no material changes and commitments affecting the Financial position of the Company subsequent to the end of the Financial Year.

DEPOSITS

The Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

ANNUAL RETURN

An extract of the Annual Return as on Financial Year Ended on 31 March, 2019, pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report, in Form MGT - 9 is enclosed as **Annexure - I** and is posted on the website of the Company viz., www.youngbrand.in

BOARD OF DIRECTORS AND MEETINGS

The Board comprised of five Directors. During the financial year, 4 Board Meetings were convened on 25.5.2018, 20.9.2018, 29.11.2018 and 25.3.2019. Details of attendance of each Director at the Board Meetings of the Company are as follows:

Name of the Director	No. of Board Meetings Attended
1. Mr S V Arumugam	4
2. Mr R Shanmugavelayutham (Attended through Video conference)	4 -
3. Mr K Sadhasivam (Attended through Video conference)	4 -
4. Mrs Laura Beth Trust (Attended through Video conference)	- 1
5. Mr Eduardo Adissi Cohen- Ceased from Directorship w.e.f 17.8.2018 (Attended through Video conference)	- -

Mr S V Arumugam, (DIN 00002458) is required to retire by rotation at the ensuing Annual General Meeting, he is eligible for re-appointment and seeks re-appointment.

Mr Eduardo Adissi Cohen, Director (DIN 03510710) ceased to be a Director by resignation with effect from 17.8.2018. The Board wishes to place on record its appreciation for the valuable services rendered by Sri S V Arumugam during the tenure of office as Director in the growth of the Company.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013.

KEY MANAGERIAL PERSONNEL

The Company has appointed the following persons as Key Managerial Personnel (KMP)

Name of the KMP	Designation
Mr S V Arumugam	Managing Director
Mr T V Gurukrishnan	Chief Financial Officer
Mr K Rajkumar	Company Secretary

AUDIT COMMITTEE

The Audit Committee was constituted w.e.f. 8.9.2017 which comprises of following members:

1. Mr S V Arumugam - Executive Director
2. Mr R Shanmugavelayutham - Non-Executive Independent Director
3. Mr K Sadhasivam - Non-Executive Independent Director

The Board has implemented the suggestions made by the Audit Committee from time to time.

NOMINATION AND REMUMERATION COMMITTEE

The Nomination and Remuneration Committee was constituted w.e.f. 8.9.2017 which comprises of following members:

1. Mr S V Arumugam - Executive Director
2. Mr R Shanmugavelayutham - Non-Executive Independent Director
3. Mr K Sadhasivam - Non-Executive Independent Director

The terms of reference specified by Board of Directors to the Nomination and Remuneration Committee are as under.

a. To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and also recommend to the Board a Policy relating to the Remuneration of the Directors, Key Managerial Personnel's and other Employees.

b. To be guided by the criteria laid down in Section 178 (4) of the Companies Act, 2013, while formulating the Policy for determining qualifications, positive attributes and independence of a Director.

c. To formulate criteria for evaluation of Independent Directors on the Board.

d. To devise a Policy on Board Diversity.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company has complied with the provisions of Section 186 of the Companies Act, 2013, in respect of the loans, guarantees and investments made and the Company has not provided any guarantee or security during the year under review. The Company has accepted Corporate Guarantee an amount of Rs.25 Crores from Bannari Amman Spinning Mills Limited, Holding Company for securing the credit facilities offered by Axis Bank Limited, Chennai.

EVALUATION OF BOARD OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 Independent Directors at their meeting without participation of non-Independent Directors and management, considered and evaluated the Boards' performance, performance of the Chairman and Managing Director.

The Board has carried out an annual evaluation of performance of Board and of individual Directors as well as the Committees of Directors. The evaluation has been conducted internally in the manner prescribed by Nomination and Remuneration Committee.

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a Vigil Mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics.

POLICY ON NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors have framed a policy setting out the framework for payment of Remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company. The salient features of Policy are:

a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully

b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks and

C. Remuneration to Directors, Key Managerial Personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

The policy on remuneration is available in the web link: www.youngbrand.in

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status and the Company's operation in future.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(3)(c) read with Section 134(5) of the Companies Act, 2013, the Directors of your Company state that:

a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. The directors had 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;

c. The directors had 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;

d. The directors had prepared the annual accounts on a going concern basis; and

e. The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS

The present Auditors of the Company M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore, were appointed for a term of 5 years, pursuant to the resolution passed by the members at the Annual General Meeting held on 9th September, 2017. Pursuant to Section 40 of the Companies (Amendment) Act, 2017, the proviso to Section 139 (1) relating to ratification of appointment of Auditors every year has been omitted. Accordingly, the term of office of present Auditors viz., M/s Deloitte Haskins & Sells LLP, Chartered Accountants, Bangalore (Firm Registration No: 117366W/W-100018), will be continued without ratification.

There is no audit qualification for the year under review.

SECRETARIAL AUDIT

Pursuant to provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company appointed Mr R Dhanasekaran, Practicing Company Secretary to undertake the Secretarial Audit of the Company. The report is annexed herewith as **Annexure - II.**

No adverse qualifications/comments have been made in the said report by the Practicing Company Secretary.

DETAILS OF FRAUDS REPORTED BY AUDITORS

There were no frauds reported by the Statutory Auditors under provisions of Section 143 (12) of the Companies Act, 2013 and rules made thereunder.

COMPLIANCE OF SECRETARIAL STANDARD

The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India from time to time.

MAINTENANCE OF COST RECORDS

The Company has been maintaining cost records as prescribed under Section 148 (1) of the Companies Act, 2013.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

The Company has an Internal Audit Department which monitors and evaluates the efficiency and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. The scope and authority of the Internal Audit function is defined in the Internal Audit Manual. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee and to the Chairman and Managing Director.

Based on the report of internal audit function, corrective actions are taken in the respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013

All the related party transactions that were entered in to during the financial year in the ordinary course of business and the prices were at arm's length basis. Hence, the provisions of Section 188 of the Companies Act, 2013 are not attracted. There were no materially significant transactions made by the company with Promoters, Directors, Key Management Personnel which may have potential conflict with the interest of the Company at large. Hence, reporting in Form No.AOC-2 is not applicable.

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments affecting the financial position of the company and there is no change in the nature of business of the company.

RISK MANAGEMENT POLICY

The Company does not have any risk management policy as the element of risk threatening the company's existence is very minimal. At present the Company has not identified any element of risk which may be of threat to the existence of the Company.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any subsidiaries and associate companies as per the Rule 6 of the Companies (Accounts) Rules, 2014.

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

The Company has not received any complaint during the year 2018-19 requiring disclosure under the aforesaid Act.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

For the year under review, the provisions on Corporate Social Responsibility are not applicable to the company as per the Companies Act, 2013 and rules made there under.

CONSERVATION OF ENERGY AND OTHERS

The particulars in terms of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended 31st March 2019 relating to conservation of energy etc., are as below:

A.CONSERVATION OF ENERGY

I. **The steps taken or impact on conversation of energy;**
   i. Energy Audit and conservation measure is being adopted periodically.
   ii. The air leakages in the compressor pipe lines and in the machines are checked regularly and deviations are corrected.

II. **the steps taken by the company for utilizing alternate source of energy - Nil**

III. **the capital investment on energy conversation equipments - Nil**

B) TECHNOLOGY ABSORPTION

i. the efforts made towards technology absorption - Nil
ii. the benefits derived like product improvement, cost reduction, product development or import substitution - Nil
iii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - Nil
iv. the expenditure incurred on Research and Development - Nil

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review foreign exchange earnings were Rs.152,37.45 Lakhs (previous year Rs.156,90.20 Lakhs). Foreign exchange outgo was Rs.61,03.14 Lakhs (previous year Rs.56,50.08 Lakhs).

PARTICULARS OF EMPLOYEES

Particulars of Employees as per Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Name	Age in Years	Designation	Gross Remuneration In Rs.	Qualification	Date of commencement of employment	Experience in Yrs	Previous employment
D P A CHANDRARATHNA	56	COO	36,18,000	BE	2 Jan 2017	1	Shahi Exports Bangalore
T V GURUKRISHNAN	51	CFO	32,70,000	ACA	1 June 2010	8	Metropolitan Plastics Ltd Cameroon ,Africa
SURENDRANATH.M	47	Sr.Manager	19,57,864	MCA	01-Sep-07	10	Hide Design, Pondicherry
SHANTHA KUMAR M	40	Manager	13,07,836	B.COM	02-Mar-15	3	Sri Arvind Enterprises ,Chennai
PAUL HARRIS D	44	Manager	20,43,972	B.COM	04-Apr-16	2	Poppy's Knitwear Pvt Ltd., Tirupur
RAJITA MOHAN	30	VP-Sales	22,17,580	B.sc	07-Sep-16	2	Ambathur Clothing, Chennai
PRAKASH S	40	Manager	13,01,200	M.sc	02-Jan-17	1.5	Quantum Clothing Pvt ltd,Vizag
SUSANTHA ROHANA KUMARA	43	Operation Manger	15,63,400	Dip-Textile Technology	24-Apr-17	1	Shahi Exports-Bangalore
S.W.M.R.S.B.B.ALUDENIYA	43	Manager	11,88,550	Dip-Textile Technology	24-Apr-17	1	Shahi Exports-Bangalore
GLADWIN RODNEY	52	Factory Manager	15,04,800	UG-Textile Technology	05-May-17	1	Shahi Exports-Bangalore

None of the employees of the company is in receipt of remuneration in excess of the amount required to be disclosed under Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personal) Rules ,2014 are not furnished.

GENERAL

Your Directors wish to state that the requirement for disclosure or reporting to be made under the provisions of the Companies Act, 2013 and relevant rules framed there under, read with relevant notifications issued by the Ministry of Corporate Affairs, on the following matters are either not applicable to this Company or no such transactions were carried out by the Company during the year under review:

i. Issue of shares (including sweat equity shares) to employees of the company under any scheme.
ii. Appointment of Cost Auditors.

ACKNOWLEDGMENT

The board wishes to acknowledge the sincere thanks to the bankers for their financial assistance, suppliers & customers for their continued support and the employees for their dedication and hard work.

For and on behalf of the Board

S V ARUMUGAM
Chairman & Managing Director
DIN 00002458

Place: Coimbatore
Date : 23rd May, 2019

YOUNG BRAND APPAREL PRIVATE LIMITED

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) *of the Companies Act, 2013* and rule 12(1) of the Companies

(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: U18101TN2006PTC081600

ii) Registration Date: 11/12/2006

iii) Name of the Company: Young Brand Apparel Private Limited

iv) Category / Sub-Category of the Company: Company Limited by Shares/Non- Government Company

v) Address of the Registered office and contact details:Kattuputhur Village, Ozhaiyur Post, Uthiramerur Taluk, Kanchipuram, Tamilnadu - 603 107.

vi) Whether listed company: No

vii) Name, Address and Contact details of Registrar and Transfer Agent: Nil

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:-

Sl. No.	Name and Description of main products / services	NIC Code of theProduct/	% to total turnover
1	Manufacturer of Ready made Garments	14101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Bannari Amman Spinning Mills Limited 252, Mettupalayam Road, Coimbatore 641043	L17111TZ1989PLC002476	Holding Company	51.33	2 (46)

YOUNG BRAND APPAREL PRIVATE LIMITED

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year[As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	33449112	33449112	51.33	Nil	33449112	33449112	51.33	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub -total (A) (1) :-	**Nil**	**33449112**	**33449112**	**51.33**	**Nil**	**33449112**	**33449112**	**51.33**	**Nil**
(2) Foreign									
a) NRIs - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other - Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp	Nil	31711494	31711494	48.67	Nil	31711494	31711494	48.67	Nil
d) Banks/FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of promoter (A) =(A)(1)+(A)(2)	Nil	**65160606**	**65160606**	**100**	Nil	**65160606**	**65160606**	**100**	**Nil**

YOUNG BRAND APPAREL PRIVATE LIMITED

B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

YOUNG BRAND APPAREL PRIVATE LIMITED

2. Non-Institutions									
a) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Director & Their relatives	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
HUF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2):-	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
C. Shares held by Custodian for GDRs & ADRs	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Grand Total (A+B+C)	Nil	**65160606**	**65160606**	**100**	Nil	**65160606**	**65160606**	**100**	**Nil**

YOUNG BRAND APPAREL PRIVATE LIMITED

ii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Jacob Industries (USA) LLC	15855747	24.33	0	15855747	24.33	0	0%
2	Bannari Amman Spinning Mills Limited	33449112	51.33	0	33449112	51.33	0	0%
3	Intimark Holdings S.de.R.Lde.C.V	15855747	24.33	0	15855747	24.33	0	0%
	Total	**65160606**	**100**	**0**	**65160606**	**100**	**0**	**Nil**

(iii) ***Change in Promoters' Shareholding (please specify, if there is no change)***

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of totalshares of the company	No. of shares	% of totalshares of the company
1	At the beginning of the year	65160606	100.00	65160606	100.00
2	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweatequity etc):	No change			
3	At the End of the year	65160606	100.00	65160606	100.00

YOUNG BRAND APPAREL PRIVATE LIMITED

*(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):***

Sl. No	For Each of the Top 10 shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
-	-	-	-	-	-

*(v) **Shareholding of Directors and Key Managerial Personnel:***

Sl No	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr S V Arumugam, Managing Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	-	-	-	-
2	**Mr R Shanmugavelayutham, Director**				
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	-	-	-	-
3	**Mr Sadhasivam, Director**				

h

	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	- -	- -	- -	- -
4	**Ms Laura beth Trust, Director**				
	At the beginning of the year Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): At the end of the year	- -	- -	- -	- -

V) INDEBTEDNESS (Rs. In Lakhs)

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	6158.14			6158.14
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	**6158.14**			**6158.14**
Change in Indebtedness during the financial year				
* Addition	39.79			39.79
* Reduction	(-)506.45			(-)506.45
Net Change	**(-)466.66**			**(-)466.66**
Indebtedness at the end of the financial year				
i) Principal Amount	5691.48			5691.48
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	**5691.48**			**5691.48**

YOUNG BRAND APPAREL PRIVATE LIMITED

VI) REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(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 (A)	-	-	-
	Ceiling as per the Act			

B. Remuneration to other directors: **(Amount in Rs.)**

SN.	Particulars of Remuneration	Name of Directors		Total Amount
1	Independent Directors	Mr R Shanmugavelayutham	Mr K Sadhasivam	
	Fee for attending board committee meetings	35,000	35,000	70,000
	Commission			
	Others, please specify			
	Total (1)	35,000	35,000	70,000
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			
	Commission			
	Others, please specify			
	Total (2)			
	Total (B)=(1+2)	35,000	35,000	70,000
	Total Managerial Remuneration			
	Overall Ceiling as per the Act			

YOUNG BRAND APPAREL PRIVATE LIMITED

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Rs. In Lakhs)

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
1	Gross salary	-	6.63	32.70	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-			
	(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	-	6.63	**32.70**	

VII.PENALTIES/PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

By Order of the Board

Place : Coimbatore
Date : 23rd May 2019

S V ARUMUGAM
Chairman and Managing Director
DIN 00002458

R. DHANASEKARAN M.Com., F.C.S.
Company Secretary in Practice

156/22, II Floor, Parsn Trade Plaza
Dr. Nanjappa Road, Coimbatore - 641 018
Phone : 0422 - 2304479 Mobile : 94420 14480
E-mail : sharpcs1@gmail.com

FORM NO.MR-3

SECRETARIAL AUDIT REPORT

(FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
YOUNG BRAND APPAREL PRIVATE LIMITED
(CIN: U18101TN2006PTC081600)
Kattuputhur Village
Ozhaiyur Post
Uthiramerur Taluk
Kanchipuram 603107

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. YOUNG BRAND APPAREL PRIVATE LIMITED (hereinafter called the "Company"). 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 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 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, 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 M/s. YOUNG BRAND APPAREL PRIVATE LIMITED ("the Company") for the financial year ended on 31st March 2019) ('Audit Period') according to the provisions of:

R. Dhanasekaran * Coimbatore * Company Secretary in Practice

Resi. : 3/2, Nadesa Mudaliar Street, Vadavalli, Coimbatore - 641 041

i. The Companies Act, 2013 (the Act) and the Rules made thereunder and applicable provisions of the Companies Act 1956;

ii. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder; (not applicable during the year under review)

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; (not applicable during the year under review)

iv. 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;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')** to the extent applicable to the Company;

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers)Regulations, 2011; (not applicable during the year under review)

   b. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (not applicable during the year under review)

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (not applicable during the year under review)

   d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (not applicable to the company during the Audit Period)

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (not applicable during the year under review)

   f. 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; (not applicable to the company during the Audit Period)

R. Dhanasekaran
Coimbatore
Company Secretary in Practice

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (not applicable to the Company during the Audit Period); and

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (not applicable to the Company during the Audit Period);

vi. The following other laws specifically applicable to the company:

a. Textile Committee Act, 1963

b. Textiles (Development and Regulation) order, 2001

c. Textiles (Consumer Protection) Regulation, 1985

I have also examined compliance with the applicable clauses of the following:

i) Secretarial Standards issued by The Institute of Company Secretaries of India.

I report that, during the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above.

I further report that, based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit, and also on the review of periodical compliance reports by respective department heads / company secretary / CFO taken on record by the Board of Directors of the Company, in my opinion, adequate systems and process and control mechanism exist in the Company to monitor and ensure compliance with applicable financial / general laws like, direct and indirect tax laws, labour laws, and environmental laws.

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. There was no change in the Composition of the Board of Directors that took place during the period under review.

R. Dhanasekaran
Coimbatore
Company Secretary in Practice

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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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.

I further report that, during the audit period:

The company has not taken any events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Coimbatore
Date: 23.5.2019

R.Dhanasekaran * Coimbatore * Company Secretary in Practice *

R Dhanasekaran
Company Secretary in Practice
FCS 7070 / CP 7745

Deloitte Haskins & Sells LLP

Chartered Accountants
Shanmugha Manram
41 Race Course
Coimbatore - 641 018
Tamil Nadu, India

Tel: +91 422 439 2801 / 803
Fax: +91 422 222 3615

INDEPENDENT AUDITOR'S REPORT
To The Members of Young Brand Apparel Private Limited
Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of Young Brand Apparel Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in

the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

DELOITTE HASKINS & SELLS COIMBATORE-18 CHARTERED ACCOUNTANTS

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W - 100018)

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS COIMBATORE-18

C.R. Rajagopal
Partner
(Membership No.23418)

Place : Coimbatore
Date : May 23, 2019

**ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph F under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Report on the Internal Financial Controls Over Financial Reporting 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 Young Brand Apparel Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS 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". 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, 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.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

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, to the best of our information and according to the explanations given to us, 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 March 31, 2019, based on "the criteria for internal financial control over financial reporting 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".

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.117366W/W - 100018)

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Rajagopal

C.R. Rajagopal
Partner
(Membership No.23418)

Place : Coimbatore
Date : May 23, 2019

ANNEXURE-B TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under "**Report on Other Legal and Regulatory Requirements**" section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.

(b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and the records examined by us, in respect of buildings constructed on leasehold land and disclosed as fixed asset in the financial statements, the lease agreement of such leasehold land is in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence compliance with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended with regard to the deposits accepted is not applicable.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 for Textile. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, *prima facie,* the prescribed cost records have been made and maintained.

DELOITTE HASKINS & SELLS CHARTERED ACCOUNTANTS

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Value Added Tax, Goods and Services Tax, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) Details of dues of Sales taxes which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of Statute	**Nature of Dues**	**Forum where Dispute is Pending**	**Period to which the Amount Relates**	**Amount Involved (Rs.in Lakhs)**	**Amount Unpaid (Rs.in Lakhs)**
Finance act, 1994	Service Tax	High Court of Madras, Chennai	2008-09 to 2012-13	75.08	75.08

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks. The Company has not issued any debentures and have not made any borrowings from financial institutions.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and in our opinion and according to the information and explanations given to us the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

(xiii) The Company is a private company and hence the provisions of section 177 and section 188 of the Companies Act, 2013 are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has disclosed the details of related party transactions in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiaries or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I A of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm Regn. No. 117366W/W - 100018)

Rajagopal

C.R. Rajagopal
Partner
(Membership No.23418)

COIMBATORE-18
CHARTERED ACCOUNTANTS

Place: Coimbatore
Date: May 23, 2019

YOUNG BRAND APPAREL PRIVATE LIMITED
Balance Sheet as at March 31, 2019

(INR in Lakhs)

	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	ASSETS			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	3A	7,002.88	7,101.99
	(b) Intangible Assets	3B	13.39	17.58
	(c) Deferred tax assets (Net)	28B	58.23	119.18
	(d) Other non-current assets	4	64.24	61.93
	Total Non - Current Assets		**7,138.74**	**7,300.68**
2	**Current assets**			
	(a) Inventories	5	5,808.07	4,409.20
	(b) Financial Assets	6		
	(i) Trade receivables - Unsecured, considered good	6.1	2,879.39	1,753.17
	(ii) Cash and cash equivalents	6.2	479.27	768.65
	(iii) Loans	6.3	17.00	39.67
	(iv) Other financial assets	6.4	37.98	33.54
	(c) Other current assets	7	1,392.78	1,349.53
	Total Current Assets		**10,614.49**	**8,353.76**
	Total Assets (1+2)		**17,753.23**	**15,654.44**
	EQUITY AND LIABILITIES			
1	**Equity**			
	(a) Equity Share capital	8	6,516.06	6,516.06
	(b) Other Equity	9	(100.28)	(607.00)
	Total equity		**6,415.78**	**5,909.06**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial Liabilities	10		
	(i) Borrowings	10.1	1,082.03	1,465.18
	(b) Provisions	11.1	203.59	112.57
	(c) Other liabilities	11.2	94.69	-
	Total Non - Current Liabilities		**1,380.31**	**1,577.75**
3	**Current liabilities**			
	(a) Financial Liabilities	12		
	(i) Borrowings	12.1	4,181.45	4,259.90
	(ii) Trade payables	12.2		
	- dues of micro enterprises and small enterprises		-	-
	- dues of creditors other than micro enterprises and small enterprises		3,792.52	2,265.54
	(iii) Other financial liabilities	12.3	428.00	428.00
	(b) Provisions	13	170.27	147.38
	(c) Other current liabilities	14	1,384.90	1,066.81
	Total Current Liabilities		**9,957.14**	**8,167.63**
	Total Equity and Liabilities (1+2+3)		**17,753.23**	**15,654.44**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

C.R.Rajagopal
Partner

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors

K. Sadhasivam
Director
DIN: 00610037

S.V.Arumugam
Chairman & Managing Director
DIN: 00002458

K.Rajkumar
Company Secretary

T.V.Guru Krishnan
Chief Financial Officer

Place : Coimbatore
Date : May 23, 2019

YOUNG BRAND APPAREL PRIVATE LIMITED
Statement of Profit and Loss for the year ended March 31, 2019

(INR in Lakhs)

	Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
I	Revenue from operations	15	19,157.43	17,438.99
II	Other Income	16	107.09	66.01
III	**Total Revenue (I + II)**		**19,264.52**	**17,505.00**
IV	**EXPENSES**			
	(a) Cost of materials consumed	17A	12,163.35	10,410.69
	(c) Changes in stock of finished goods, work-in-progress and	18	(877.73)	(3.69)
	(d) Employee benefit expense	19	4,568.36	4,123.60
	(e) Finance costs	20	582.12	417.95
	(f) Depreciation and amortisation expense	3C	391.50	429.72
	(g) Other expenses	21	1,690.63	1,665.54
	Total Expenses (V)		**18,518.23**	**17,043.82**
V	**Profit Before Tax (III - IV)**		**746.29**	**461.19**
VI	**Tax Expense**			
	(1) Current tax	28A	119.49	-
	(2) MAT Credit Entitlement		(119.49)	-
	(3) Deferred tax	28A	180.44	142.51
	Total tax expense		**180.44**	**142.51**
VII	**Profit for the year (V + VI)**		**565.85**	**318.68**
VIII	**Other comprehensive income/(loss)**		**(59.13)**	**(8.55)**
	A (i) Items that will not be recycled to profit or loss		-	-
	(a) Remeasurements of the defined benefit liabilities / (asset)		(59.13)	(8.55)
	(b) Equity instruments through other comprehensive income		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss (Refer to Note No: 28B)		-	-
	B (i) Items that may be reclassified to profit or loss		-	-
IX	**Total Comprehensive Income for the year (VII + VIII)**		**506.72**	**310.13**
X	**Earnings per equity share:**	27		
	(1) Basic		0.87	0.49
	(2) Diluted		0.87	0.49

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP COIMBATORE - 18 CHARTERED ACCOUNTANTS

C.R.Rajagopal
Partner

For and on behalf of the Board of Directors

K. Sadhasivam
Director
DIN: 00610037

S.V.Arumugam
Chairman & Managing Director
DIN: 00002458

K.Rajkumar
Company Secretary

T.V.Guru Krishnan
Chief Financial Officer

Place : Coimbatore
Date : May 23, 2019

YOUNG BRAND APPAREL PRIVATE LIMITED
Statement of cash flows for the year ended March 31,2019

(INR in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before taxes		746.29		461.19
Adjustments for:				
Depreciation and amortisation expenses	391.51		429.72	
Finance costs	582.12		417.95	
Interest income	(28.08)		(31.98)	
Liabilities / provisions no longer required written back	(34.34)		-	
		911.21		815.69
Operating profit / (loss) before working capital changes		1,657.50		1,276.88
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Financial Assets				
Trade receivables	(1,126.23)		1,047.12	
Loans	22.67		(15.40)	
Non-financial assets				
Inventories	(1,398.87)		(522.76)	
Other assets	(17.58)		(459.67)	
Adjustments for increase / (decrease) in operating liabilities:				
Financial liabilities				
Trade payables	1,561.31		(97.63)	
Other liabilities	-		(546.44)	
Non-financial liabilities				
Provisions	54.78		22.24	
Other liabilities	412.79		86.60	
		(491.12)		(485.94)
Cash generated from operations		1,166.37		790.92
Net income tax paid		(129.95)		(1.37)
Net cash flow from / (used in) operating activities (A)		**1,036.42**		**789.55**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property plant and equipment, including Capital advances	(288.20)		(383.51)	
Interest received	28.08		31.98	
Net cash flow from / (used in) investing activities (B)		**(260.12)**		**(351.52)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from non-current borrowings	45.37		314.51	
Repayment of non-current borrowings	(428.52)		(976.75)	
Increase / (decrease) in working capital borrowings	(78.45)		719.27	
Finance costs paid	(586.56)		(397.53)	
Net cash flow from / (used in) financing activities (C)		**(1,048.16)**		**(340.50)**

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED
Statement of cash flows for the year ended March 31,2019 (Cont....)

(INR in Lakhs)

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(271.86)**		**97.53**
Add: Cash and cash equivalents at the beginning of the year		751.14		653.59
Cash and cash equivalents at the end of the year *		**479.27**		**751.14**
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 6.2)		479.27		768.65
Less: Bank balances not considered as cash and cash equivalents, as defined in Ind AS 7 *Cash Flow Statements:*				
(i) In earmarked accounts				
- Margin money deposits		-		(17.52)
Cash and cash equivalents as per Cash Flow Statement		**479.27**		**751.14**
* Comprises:				
(a) Cash on hand	1.92		1.43	
(b) Balances with banks:				
(i) In current accounts	49.20		156.25	
(ii) In deposit accounts	428.15		593.45	
Total		**479.27**		**751.13**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

C.R.Rajagopal
Partner

For and on behalf of the Board of Directors

K.Sadhasivam
Director
DIN: 00610037

S.V.Arumugam
Chairman & Managing Director
DIN: 00002458

K.Rajkumar
Company Secretary

T.V.Guru Krishnan
Chief Financial Officer

Place : Coimbatore
Date : May 23, 2019

YOUNG BRAND APPAREL PRIVATE LIMITED
Statement of changes in equity for the year ended March 31, 2019

(INR in Lakhs)

(a) Equity share capital

Balance as at the March 31, 2018	6,516.06
Changes in equity shares during the year	-
Balance as at March 31, 2019	**6,516.06**

(b) Other equity

Particulars	Retained earnings (refer note 09)		Total other equity
	Retained earnings / (Deficit)	Other Comprehensive Income	
Balance at the March 31, 2018	**(598.80)**	**(8.20)**	**(607.00)**
Profit for the year	565.85	-	565.85
Other comprehensive income (net of taxes)		(59.13)	(59.13)
Balance as at the March 31, 2019	**(32.95)**	**(67.33)**	**(100.28)**

See accompanying notes to the financial statements

In terms of our report attached.
For Deloitte Haskins & Sells LLP
Chartered Accountants

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

C.R.Rajagopal
Partner

For and on behalf of the Board of Directors

K. Sadhasivam
Director
DIN: 00610037

S.V.Arumugam
Chairman & Managing Director
DIN: 00002458

K.Rajkumar
Company Secretary

T.V.Guru Krishnan
Chief Financial Officer

Place : Coimbatore
Date : May 23, 2019

Note No.	
1.	**Corporate Information** Young Brand Apparel Private Limited ("the Company") is engaged in manufacturing and exporting of ready made garments . The Company was incorporated in the year 2006 and has its registered office and factory at Kattuputhur Village, Ozhaiyur Post, Uthiramerur Taluk, Kanchipuram Dist., Tamil Nadu 603107.
2.	**Significant Accounting Policies** This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.
2.1	**Basis of accounting and preparation of financial statements** **(i) Compliance with Ind AS** The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. Except for the changes below, the Company has consistently applied accounting policies to all periods. The Company has adopted Ind AS 115 'Revenue from Contracts with Customers' with the date of initial application being April 1, 2018. Ind AS 115 establishes a comprehensive framework on revenue recognition. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The application of Ind AS 115 did not have material impact on the financial statements. As a result, the comparative information has not been restated. Appendix B to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates': On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment is effective from April 1, 2018. The Company has evaluated the effect of this amendment on the financial statements and concluded that the impact is not material. **(ii) Historical cost convention** The financial statements have been prepared on a historical cost basis, except for the following: (a) certain financial assets and liabilities that are measured at fair value and (b) defined benefit plans – plan assets measured at fair value
2.2	**Segment reporting** Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The board of directors, which has been identified as being the chief operating decision maker.
2.2	**Use of estimates** In the application of the Company's accounting policies, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a **Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This assessment may result in change in the depreciation expense in future periods.

b **Deferred tax assets**

The carrying amount of deferred tax asset is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

c **Employee Benefits**

The cost of defined benefit plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

2.3 Inventories

Inventories are valued at lower of cost and net realisable value (NRV). Cost of raw materials, Packing materials, Stores and Spares and consumables are valued at lower of cost and net realisable value. Cost is determined on weighted average basis and is inclusive of applicable relevant duties. Value of finished goods is based on lower of cost or net realisable value. Cost is determined on weighted average cost and include appropriate share of overheads. Value Work-in-progress is determined on weighted average cost basis and include appropriate share of overheads. NRV represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make sales.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with banks other than deposits pledged with government authorities and margin money deposits.

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of six months or less, which are subject to insignificant risk of changes in value. Bank borrowings are generally considered to be financing activities. However, where bank overdrafts which are repayable on demand form an integral part of an entity's cash management, bank overdrafts are included as a component of cash and cash equivalents. A characteristic of such banking arrangements is that the bank balance often fluctuates from being positive to overdrawn.

2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

2.6 Taxes on income

a) **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the standalone statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted and are applicable as at the end of the reporting period. In the absence of adequate taxable profits, the Company is required to pay Minimum Alternate Tax (MAT) on the book profits, as adjusted for certain provisions.

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

b) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c) Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

2.7 Property plant and equipment

The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred. Major shut-down and overhaul expenditure is capitalised as the activities undertaken improves the economic benefits expected to arise from the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment except freehold land held for use in the production, supply or administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses, if any.

Capital work-in-progress:

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost , comprising direct cost and related incidental expenses.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

2.8 Leases

Where the company is Lessee:

a. Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals for non-cancellable leases are recognised in the Statement of Profit and Loss on a straight-line basis over the period of lease where the lease payments are structured to increase in line with expected general inflation.

Where the company is Lessor:

b. Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Revenue recognition

2.9 Sale of goods

a. Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

2.10 Other income

Interest

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

2.11 Employee benefits

Employee benefits include provident fund, employee state insurance, gratuity fund and compensated absences.

Retirement benefit costs and termination benefits

a. Payments to defined contribution Retirement Benefit Plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit Retirement Benefit Plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

b. -service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

-net interest expense or income; and

-remeasurement

DELOITTE HASKINS & SELLS LLP COIMBATORE - 18 CHARTERED ACCOUNTANTS

For defined benefit plan, in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the scheme.

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.12 Foreign currency transactions and translations

(i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

2.13 Borrowings and Borrowing cost

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

2.14 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

2.15 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the notes.

2.16 Financial Instruments

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date. While, financial liabilities like loans and borrowings and payables are recognised net of directly attributable transaction costs.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: non-derivative financial assets comprising amortised cost, and financial liabilities at amortised cost or FVTPL.

The classification of financial instruments depends on the objective of the business model for which it is held. Management determines the classification of its financial instruments at initial recognition.

1) Non-derivative financial assets
(i) Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Financial assets at amortised cost are represented by trade receivables, cash and cash equivalents, employee and other advances and eligible current and non-current assets.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other Income" line item.

2) Equity instruments at FVTOCI

All equity instruments are measured at fair value. Equity instruments held for trading is classified as FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument-by-instrument basis.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividend are recognised in OCI which is not subsequently recycled to statement of profit and loss.

3) Financial assets at FVTPL

FVTPL is a residual category for financial assets. Any financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL
In addition the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

4) Derecognition of financial assets
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

b) Non-derivative financial liabilities
(i) Financial liabilities at amortised cost
Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently carried at amortized cost using the effective interest rate method.
(ii) Financial liabilities at FVTPL
Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance costs' line item. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in Statement of Profit and Loss.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the statement of profit and loss. The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

(iii) Derecognition of non-derivative financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.17 Impairment

Financial Assets

(a) In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.
The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive(i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

(ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historically observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the year is recognised as income/expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

Financial assets measured at amortised cost, contractual revenue receivable: ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

Non-financial assets

(b) The Company assesses at each reporting date whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.18 Government grants

Grants from the government are recognised when there is reasonable assurance that:
(i) the Company will comply with the conditions attached to them; and
(ii) the grant will be received.

Government grants related to revenue are recognised on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense. When the grant relates to an asset, it is recognized as income over the expected useful life of the asset.

Where the Company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost it is recognised at a fair value. When loan or similar assistance are provided by government or related institutions, with an interest rate below the current applicable market
rate, the effect of this favourable interest is recognized as government rate. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

2.19 Operating cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2019

(INR in Lakh

3A Property Plant and equipment

Description of Assets	Freehold Land	Building	Plant and Machinery	Office Equipment	Furniture & Fittings	Vehicles	Computers	Total
I. Cost								
Balance as at April 1, 2018	2,875.20	2,073.77	5,093.81	77.48	132.62	6.90	215.26	10,475.
Additions	-	18.98	254.38	0.83	7.00	-	7.02	288.
Disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**2,875.20**	**2,092.75**	**5,348.20**	**78.31**	**139.62**	**6.90**	**222.28**	**10,763.**
II. Accumulated depreciation and impairment								
Balance as at April 1, 2018	-	570.00	2,480.61	41.74	104.31	6.59	169.80	3,373.
Depreciation / amortisation expense for the year	-	65.01	296.69	10.63	4.91	-	10.07	387.
Eliminated on disposal of assets	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	-	**635.01**	**2,777.31**	**52.37**	**109.22**	**6.59**	**179.86**	**3,760.**
Net block (I-II)								
Balance as at March 31, 2019	2,875.20	1,457.74	2,570.89	25.94	30.40	0.31	42.42	7,002.
Balance as at March 31, 2018	2,875.20	1,503.77	2,613.20	35.74	28.31	0.31	45.46	7,101.

3B Intangible Assets

Description of Assets	Computer Software
I. Cost/Deemed cost	
Balance as at April 1, 2018	226.49
Additions	
Disposals	-
Balance as at March 31, 2019	**226.49**
II. Accumulated depreciation and impairment	
Balance as at April 1, 2018	208.91
Depreciation / amortisation expense for the year	4.19
Eliminated on disposal of assets	
Balance as at March 31, 2019	**213.10**
Net block (I-II)	
Balance as at March 31 2019	13.39
Balance as at March 31 2018	17.58

3C Depreciation and amortisation expenses

Particulars	As at March 31, 2019	As at March 31, 2018
Tangible assets	387.32	423.01
Intangible assets	4.19	6.71
Total	**391.51**	**429.72**

Notes:
All fixed assets are owned by the company, unless stated as taken on lease.

DELOITTE HASKINS & SELLS COIMBATORE CHARTERED ACCOUNTANTS

(INR in Lakhs)

Non-current assets

4 Other non-current assets

Particulars	As at March 31 2019	As at March 31 2019
Deposits	42.26	50.41
Advance tax and Tax deducted at Source (Net) (Provision for Income Tax March 2019- 119.49 Lakhs,March 2018-Nil)	21.98	11.52
Total	**64.24**	**61.93**

Current Assets

5 Inventories
(At lower of cost and net realisable value)

Particulars	As at March 31 2019	As at March 31 2018
Raw Materials	3,184.76	2,638.69
Work-in-progress	398.99	416.99
Finished Goods	2,165.91	1,270.18
Stores and Spares	58.41	83.34
Total	**5,808.07**	**4,409.20**

6 Financial Assets

6.1 Trade receivables (Unsecured)

Particulars	As at March 31 2019	As at March 31 2018
Other trade receivables:		
Unsecured, considered good	2,879.39	1,753.17
Unsecured, considered doubtful	-	-
	2,879.39	**1,753.17**
Less: Provision for doubtful trade receivables	-	-
	2,879.39	**1,753.17**
Total	**2,879.39**	**1,753.17**

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. Based on such analysis no accrual is required for expected credit losses.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

(INR in Lakhs)

6.2 Cash and Cash Equivalents

Particulars	As at March 31 2019	As at March 31 2018
Cash on hand	1.92	1.43
(c) Balances with banks :		
(i) In current accounts	49.20	156.25
(ii) In deposit accounts	428.15	593.45
(iii) In earmarked accounts		
- Margin money deposits	-	17.52
Total	**479.27**	**768.65**
Of the above, balances that meet the definition of cash and cash equivalents as per Ind AS 7 *Cash Flow Statements* is	479.27	751.13

6.3 Loans
(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31 2019	As at March 31 2018
Employee Advance	17.00	39.67
Total	**17.00**	**39.67**

6.4 Other financial assets
(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31 2019	As at March 31 2018
Accruals:		
- TUF subsidy Receivable	37.98	33.54
Total	**37.98**	**33.54**

7 Other Current Assets
(Unsecured and considered good, unless stated otherwise)

Particulars	As at March 31 2019	As at March 31 2018
Prepaid expenses	36.82	48.91
Balances with government authorities:		
- VAT credit receivable	-	6.95
- GST receivable	495.07	336.13
- Duty Drawback Receivable	14.95	36.69
- Export incentive receivable	736.56	868.97
Advance to Suppliers	109.38	51.88
Total	**1,392.78**	**1,349.53**

DELOITTE HASKINS & SELLS LLP
COIMBATORE - 18
CHARTERED ACCOUNTANTS

(INR in Lakhs)

8 Equity Share Capital

Particulars	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised:				
(i) Equity Share Capital				
Equity Shares of Rs.10/- each	800.00	8,000.00	800.00	8,000.00
Total	**800.00**	**8,000.00**	**800.00**	**8,000.00**
(b) Issued, Subscribed and Fully paid-up:				
(i) Equity Share Capital				
Equity shares of Rs. 10/- each	651.61	6,516.06	651.61	6,516.06
Total	**651.61**	**6,516.06**	**651.61**	**6,516.06**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Number of shares	As at March 31, 2019	Number of shares	As at March 31, 2018
		Rs.		Rs.
Equity shares of Rs. 10/- each				
At the beginning of the year	651.61	6,516.06	651.61	6,516.06
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	**651.61**	**6,516.06**	**651.61**	**6,516.06**

(ii) Terms / rights attached to the Equity Shares:
The Company has issued only one class of equity share having a face value of Rs. 10/- per share. The holder of each equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution to all preferential creditors and other creditors, in the order of priority. The distribution will be in proportion to the number of equity shares held by shareholders. The company declares and pays dividend in Indian Rupees. The dividend proposed by Board of Directors is subject to the approval of Shareholders in the ensuing Annual General Meeting.

(iii) Details of shares held by holding company
Equity Shares

Name of the Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	Rs. In lakhs	Number of shares held	Rs. In lakhs
Bannari Amman Spinning Mills Limited, Holding Company with effect from July 7, 2017	334.49	51.33%	334.49	51.33%

(iv) Details of shareholders holding more than 5% of the share capital:
Equity Shares

Name of the Shareholder	As at 31 March, 2019		As at 31 March, 2018	
	Number of shares held	% of holding	Number of shares held	% of holding
Bannari Amman Spinning Mills Limited [India]	334.49	51.33%	334.49	51.33%
Jacob Industries LLC (USA)	158.56	24.34%	-	-
Jacob Apparel Limited [Mauritius]	-		158.56	24.33%
Intimark Holdings S.DE.R.L.DE,C.V [Mexico]	158.56	24.33%	158.56	24.33%
	651.61	**100.00%**	**651.61**	**100.00%**

9 Other Equity

Particulars	As at March 31 2019	As at March 31 2018
Retained deficit Retained deficit comprise of the Company's current and prior years' undistributed earnings after taxes or accumulated losses.	(32.95)	(598.80)
Other comprehensive income Other items of other comprehensive income consist of fair value changes on FVTOCI financial assets and re-measurement of net defined benefit liability/asset.	(67.33)	(8.20)
	(100.28)	**(607.00)**

Movement of Reserves & Surplus

Particulars		Retained earnings		Total other equity
	General reserve	Retained earnings / (Deficit)	Other Comprehensive Income	
Balance at the March 31, 2018	-	**(598.80)**	**(8.20)**	**(607.00)**
Profit for the year		565.85	-	565.85
Other comprehensive income (net of taxes)	-		(59.13)	(59.13)
Balance as at the March 31, 2019	-	**(32.95)**	**(67.33)**	**(100.28)**

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

10 Financial Liabilities

10.1 Borrowings

Particulars	As at March 31 2019	As at March 31 2018
(a) Term Loans - Secured(Refer Note (i) below) -From banks	1,082.03	1,465.18
Total	**1,082.03**	**1,465.18**

(i) Details of terms of repayment and security provided in respect of secured term loans:

Particulars	As at March 31 2019	As at March 31 2018
Oriental Bank of Commerce - Rupee Term Loan	1,176.70	1,359.85
Less: Current Maturities of long term debt	(228.00)	(228.00)
	948.70	**1,131.85**

Security: First charge on Property plant and equipment of the Company, including equitable mortgage over factory land and building and hypothecation of other property plant and equipment acquired out the loan. After the initial holiday period of 24 months, repayable in 84 equal quarterly instalments commencing from June 2017, last instalment due in March 2024. Rate of interest is 13.5% as at the year end.

Particulars	As at March 31 2019	As at March 31 2018
Oriental Bank of Commerce - Corporate Rupee Term Loan	333.33	533.33
Less: Current Maturities of long term debt	(200.00)	(200.00)
	133.33	**333.33**

Security: First charge on Property plant and equipment of the Company, including equitable mortgage over factory land and building. After the initial holiday period of 12 months, repayable in 60 equal quarterly instalments commencing from June 2017, last instalment due in December 2020. Rate of interest is 13.5% as at the year end.

Non-Current borrowings - Total	1,082.03	1,465.18
Current Maturities of long term borrowings - Total	428.00	428.00
	1,510.03	**1,893.18**

11.1 Provisions

Particulars	As at March 31 2019	As at March 31 2018
(a) Provision for employee benefits Provision for Gratuity (Refer No.24.1.b)	203.59	112.57
Total	**203.59**	**112.57**

11.2 Other liabilities

Particulars	As at March 31 2019	As at March 31 2018
Deferred income pending apportionment	94.69	-
Total	**94.69**	**-**

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS COIMBATORE-18

YOUNG BRAND APPAREL PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2019 **(INR in Lakhs)**

Current Liabilities

12 Financial Liabilities

12.1 Borrowings

Particulars	As at March 31 2019	As at March 31 2018
(a) Working capital loan from banks (Secured) (Refer Note 1 below)	4,181.45	4,259.90
Total	**4,181.45**	**4,259.90**

Note 1

Particulars	As at March 31 2019	As at March 31 2018
Oriental Bank of commerce	4,181.45	4,259.90

Security: First Charge by way of Hypothecation of Raw materials, Stock in-process, Finished goods, stores ands spares and receivables of the Company. Second charge on the Assets secured on term loans.
Rate of Interest : LIBOR plus 3.5% p.a Short Term Loan : 12.90% (Fixed)

12.2 Trade payables

Particulars	As at March 31 2019	As at March 31 2018
Trade payables		
Acceptances	-	
Other than acceptances:		
- total outstanding dues of micro enterprises and small enterprises (Refer Note 24)	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises (Refer Note		
- Materials	2,905.71	1,956.95
- Others	886.81	308.59
Total	**3,792.52**	**2,265.54**

12.3 Other financial liabilities

Particulars	As at March 31 2019	As at March 31 2018
Current Maturities of Long-term Debt	428.00	428.00
Total	**428.00**	**428.00**

13 Provisions

Particulars	As at March 31 2019	As at March 31 2018
(a) Provision for employee benefits		
Provision for compensated absences	110.46	101.25
Provision for Gratuity (Refer No.24.1.b)	59.81	46.13
Total	**170.27**	**147.38**

14 Other Current Liabilities

Particulars	As at March 31 2019	As at March 31 2018
Statutory remittances	154.17	25.32
Other Advances	831.08	1,041.49
Other Acceptances	399.66	-
Total	**1,384.90**	**1,066.81**

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

15 Revenue from operations

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	**Sale of goods**	18,474.49	16,117.77
	a. Manufactured goods		
	Garments	18,353.56	16,067.73
	Fabric Sales	90.73	39.75
	Trims	-	-
	Waste	30.20	10.29
(c)	**Other operating revenues**	682.94	1,321.22
	(Refer Note 1 below)	19,157.43	17,438.99
	Total	**19,157.43**	**17,438.99**

Note	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Other operating revenues comprises:		
	Duty drawback and other export incentives	682.94	1,321.22
	Total	**682.94**	**1,321.22**

16 Other income

Note	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Interest income (Refer Note 1 below)	28.08	31.98
(b)	Other non-operating income (Refer Note 2 below)	79.01	34.03
	Total	**107.09**	**66.01**

Note	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Interest income comprises:		
	Interest from financial assets at amortised cost	28.08	31.98
	Total - Interest income	**28.08**	**31.98**
2	Other non-operating income comprises:		
	Insurance claim received	-	13.63
	TUF Capital subsidy received	10.52	-
	Income from training	0.14	1.28
	Payables no longer required written back	34.34	-
	Fluctuation Gain	27.39	-
	Rental income	6.62	6.20
	Service Tax Refund	-	12.92
	Total - Other non-operating income	**79.01**	**34.03**

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

17A Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock	2,638.69	2,158.69
Add: Purchases	12,709.42	10,890.69
	15,348.11	13,049.38
Less: Closing stock	(3,184.76)	(2,638.69)
Cost of material consumed	**12,163.35**	**10,410.69**
Material consumed comprises:		
-Fabric	7,416.10	5,457.06
-Trims	4,747.25	4,953.63
Total	**12,163.35**	**10,410.69**

18 Changes in inventories of finished goods, work-in-progress and stock in trade

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the end of the year:		
Finished goods	2,165.91	1,270.18
Work-in-progress	398.99	416.99
	2,564.90	**1,687.17**
Inventories at the beginning of the year:		
Finished goods	1,270.18	1,177.09
Work-in-progress	416.99	506.39
	1,687.17	**1,683.48**
Net (increase) / decrease	**(877.73)**	**(3.69)**

19 Employee benefit expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	3,822.40	3,308.71
Gratuity expenses	78.00	37.58
Contributions to provident and other funds	139.60	185.36
Staff welfare expenses	528.36	591.95
Total	**4,568.36**	**4,123.60**

20 Finance costs

	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a)	Interest expense on financial liabilities at amortised cost:		
	(i) Borrowings	582.12	417.95
	(ii) Trade payables - Micro and small enterprises		
	Total	**582.12**	**417.95**

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED

Notes forming part of financial statements for the year ended March 31, 2019 **(INR in Lakhs)**

21 Other expenses

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Consumption of stores and spare parts	202.41	128.21
Power, fuel and water charges	201.73	226.94
Printing & Processing charges	360.87	359.43
Freight charges	118.06	256.25
Communication expenses	27.84	25.96
Fabric Testing Charges	54.38	54.14
Insurance	74.12	71.43
Business Promotion	30.07	14.38
Legal and Professional charges	78.00	60.47
Auditor's Remuneration [Refer bote 1 below]	7.50	7.50
Rates and Taxes	7.55	8.97
Rent & Amenities	23.54	20.39
Repairs and Maintenance - Building	51.30	51.54
Repairs and Maintenance - Electrical	6.43	8.91
Repairs and Maintenance - Machinery	25.28	30.04
Repairs and Maintenance - Others	25.30	29.03
Repairs and Maintenance - Vehicles	0.11	0.33
Travelling and Conveyance	219.09	160.46
Miscellaneous Expenses	177.05	151.16
Total	**1,690.63**	**1,665.54**

Note 1 - Payments to auditors:

Particulars	**For the year ended March 31, 2019**	**For the year ended March 31, 2018**
Payments to auditors comprises		
Statutory audit fees	7.50	7.50
For taxation matters	-	-
For other services	-	-
Reimbursement of expenses	-	-
Total	**7.50**	**7.50**

COIMBATORE-18 CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2019 **(INR in Lakhs)**

Additional information to the financial statements

Note	Particulars	As at March 31, 2019	As at March 31, 2018
22	**Contingent liabilities and commitments (to the extent not**		
(i)	Contingent liabilities:		
(a)	Demand of Service tax on the amounts paid to Foreign Service Providers is under dispute and an appeal has been filed before the Honourable Madras High Court, Chennai.	75.08	75.08
(b)	Infrastructure and amenities charges levied by Department of Town and Country Planning, for which the Company has jointly made appeal to Honourable High Court along with industrial units in the location and the Honourable High Court has given a stay	79.60	79.60
(ii)	Commitments: (a) Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	Tangible assets	-	-
(iii)	"The Supreme court of India vide judgement dated February 28, 2019, has issued clarification on the definition of "basic wage" considered for the contribution for Provident Fund which provides for the inclusion of special allowances. The said judgement is retrospective in nature. However, since all employer bodies have pleaded with EPFO and Ministry and the actual liability to be provided is unascertainable, no liabilities in the books of accounts has been created."	-	-

23 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

	Particulars	As at March 31, 2019	As at March 31, 2018
	(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	-	-
	(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
	(iii) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
	(iv)The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
	(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23	-	-
	Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.		

DELOITTE HASKINS & SELLS LLP ★ COIMBATORE-18 ★ CHARTERED ACCOUNTANTS

Note	
24	**Employee benefit plans**
24.1.a	Defined contribution plans - provident fund.
	The Company makes Provident Fund contributions for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised the following contributions in the Statement of profit and loss.

Particulars	For the year ended	For the year ended
Provident fund	139.60	185.36

24.1.b	Defined benefit plan - gratuity In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan (Gratuity plan). The Gratuity plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn eligible salary and the years of employment with the Company. The Company provides the gratuity benefit through annual contributions to a fund managed by the Insurer included as part of 'Contribution to provident and other funds' in Note 20 Description of Risk Exposures Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit
A	Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).
B	Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.
C	Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
D	Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
E	Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity pay outs. This may arise due to non-availability of enough cash/cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

COIMBATORE-18 CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

F In respect of the plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2018 by Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The following table sets out the funded status of the gratuity scheme:

Particulars	For the year ended	For the year ended
Components of employer expense		
Current service cost	68.19	27.68
Interest cost	9.81	9.90
Expected return on plan assets	-	-
	78.00	37.58
Re-measurement - actuarial (gain)/loss recognised in OCI	59.13	8.55
Total expense recognised in the Statement of Profit and L	**137.13**	**46.13**
Other Comprehensive Income (OCI)		
Actuarial (gain)/loss due to DBO experience	115.07	(11.43)
Actuarial (gain)/loss due to Demographic Assumption changes in	(59.83)	-
Actuarial (gain)/loss due to DBO assumption changes	2.36	(4.49)
Actuarial (gain)/loss arising during period	57.60	(15.92)
Actual return on plan assets (greater)/less interest on plan asset	-	-
Actuarial (gains)/ losses recognized in OCI	**57.60**	**(15.92)**
Defined Benefit Cost		
Service cost	68.19	27.68
Net interest on net defined benefit liability / (asset)	9.81	9.90
Actuarial (gains)/ losses recognized in OCI	57.60	(15.92)
Defined Benefit Cost	**135.60**	**21.66**
Actual contribution and benefit payments for year		
Actual benefit payments	(32.43)	(24.79)
Actual contributions	-	-
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	263.39	158.70
Fair value of plan assets	-	-
Funded status [Surplus / (Deficit)]	(263.39)	(158.70)
Net asset / (liability) recognised in the Balance Sheet (Re	**(263.39)**	**(158.70)**
Details of current and non-current liability		
Current	(59.81)	(46.13)
Non-current	(203.59)	(112.57)
Net asset / (liability)	**(263.39)**	**(158.70)**
Change in defined benefit obligation (DBO) during the year		
Present value of DBO at beginning of the year	158.70	137.04
Current service cost	68.19	27.68
Interest cost	9.81	9.90
Actuarial (gains) / losses	57.60	(15.92)
Benefits paid	(32.43)	-
Present value of DBO at the end of the year	**261.87**	**158.70**
Actuarial assumptions		
Discount rate	6.87%	7.22%
Expected return on plan assets	NA	NA
Salary escalation	10.00%	10.00%

The discount rate is based on the prevailing market yields of Government of India securities as at the Balance Sheet date for the estimated term of the obligations.

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

Sensitivity Analysis
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Gratuity Plan	As at March 31,	As at March 31,
Estimate value of obligation if discount rate is taken 1% higher	254.45	150.98
Estimated value of obligation if discount rate is taken 1% lower	273.17	167.20
Estimate value of obligation if salary escalation rate is taken 1% higher	271.40	165.83
Estimate value of obligation if salary escalation rate is taken 1% lower	255.98	152.09

Maturity profile of defined benefit obligation:

Maturity profile, if it ensues	As at March 31, 2019	As at March 31, 2018
Within 1 year	85.89	21.31
2-3 years	45.79	18.73
3-4 years	25.29	16.46
4-5 years	18.52	14.47
5-10 years	50.72	58.01

The Sensitivity analysis presented above may not be representative of the actual change of defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2019

(INR in Lakhs)

Note

25 Segment Reporting

(a) Primary Business Segment Information

The Company's operations relate to only one business segment, viz., manufacture and sale of ready made garments. Accordingly, this is the only reportable business segment.

(b) Secondary Geographic Segment Information

Geographic Segment	Revenues	Segment assets	Capital expenditure
Outside India			
March 31, 2019	15,237.47	2,067.25	-
March 31, 2018	15,607.51	1,528.38	-
India			
March 31, 2019	3,237.02	15,605.76	288.21
March 31, 2018	510.25	13,995.36	383.51
Unallocated			
March 31, 2019	-	80.21	-
March 31, 2018	-	130.71	-
Total			
March 31,2019	**18,474.49**	**17,753.23**	**288.21**
March 31, 2018	**16,117.77**	**15,654.45**	**383.51**

COIMBATORE-18
CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2019

(INR in Lakhs)

Note	
26 A.	**Related party transactions** **Details of related parties:**

Description of relationship	Name of related parties
Holding Company	Bannari Amman Spinning Mills Limited ("BASML") [With effect from July 7, 2017]
Joint venture partners	Bannari Amman Spinning Mills Limited ("BASML") [Till July 6, 2017] Jacob Industries LLC -USA Intimark Holdings SDER LDE CV
Enterprises which have significant influence in the	Jacob Industries LLC USA Intimark Holdings SDER LDE CV
Enterprises in which the Key management Personnel or relatives have significant influence.	Shiva Texyarn Limited ("STYL")
Key Management Personnel (KMP)	Sri S V Arumugam, Managing Director ("KMP") Sri TV. Guru Krishnan - CFO Sri K.Raj Kumar CS

B. **Details of transactions during the year and balance outstanding as at the balance sheet date:**

Particulars	Related Party	For the year ended March 31, 2019	For the year ended March 31, 2018
Transactions during the year:			
Purchases of Yarn	BASML	532.70	-
	STYL	0.38	20.72
Purchases of fabric	BASML	311.95	207.15
	STYL	-	-
Purchases of Greige	BASML	129.12	-
	STYL	-	-
Processing charges	BASML	282.81	106.43
	STYL		-
Purchases of Capital Goods	BASML	132.79	-
	STYL	-	-

C **Balance outstanding as at**

Related party	As at March 31, 2019	As at March 31, 2018
Other Payables - BASML	1,604.99	508.50

DELOITTE HASKINS & SELLS LLP COIMBATORE-18 CHARTERED ACCOUNTANTS

YOUNG BRAND APPAREL PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
27	**Earnings per equity share**		
	Profit attributable to equity shareholders (Rs.)	565.85	318 68
	Weighted average number of equity shares (Nos.)	651.61	651 61
	Par value per equity share (Rs.)	10.00	10.00
	Earning per share - Basic & Diluted (Rs.)	0.87	0.49

Note	Particulars	For the year ended 31 March, 2019	For the year ended 31 March, 2018
28A	**Income Tax recognised in profit or loss**		
	Current Tax:		
	In respect of current year	**119.49**	-
	Deferred Tax:		
	In respect of current year	180.44	142.51
	Mat Credit (Availed)/ Utilized	(119.49)	
	Income tax expense	**180.44**	**142.51**

Note	Particulars	Opening Balance	Recognised in profit and Loss	Recognised in Other Comprehensive Income *	Closing Balance
28B	**Movement in deferred tax balances**				
	For the year ended 31 March, 2019				
	Tax effect of items constituting deferred tax asset				
	Unabsorbed Depreciation	984.29	(98.11)	-	886.18
	Brought Forward Business Loss	55.94	(41.66)	-	14.28
	On account of difference in treatment of expenditure	109.44	(6.33)	-	103.11
	MAT Credit Entitlement	-	119.49		119.49
	Tax effect of items constituting deferred tax asset	1,149.67	(26.61)	-	1,123.06
	Tax effect of items constituting deferred tax (liability)				
	On difference between book balance and tax balance of fixed assets	(1,030.49)	(34.34)		(1,064.83)
	Tax effect of items constituting deferred tax (liability)	(1,030.49)	(34.34)	-	(1,064.83)
	Net Deferred tax asset/(liability)	**119.18**	**(60.95)**	-	**58.23**
	For the year ended 31 March, 2018				
	Tax effect of items constituting deferred tax asset				
	Unabsorbed Depreciation	984.29	-	-	984.29
	Brought Forward Business Loss	176.33	(120.39)	-	55.94
	On account of difference in treatment of expenditure	100.53	8.91	-	109.44
	Tax effect of items constituting deferred tax asset	1,261.15	(111.48)	-	1,149.67
	Tax effect of items constituting deferred tax (liability)				
	On difference between book balance and tax balance of fixed assets	(999.45)	(31.03)		(1,030.49)
	Tax effect of items constituting deferred tax (liability)	**(999.45)**	**(31.03)**	-	**(1,030.49)**
	Net Deferred tax asset/(liability)	**261.70**	**(142.51)**	-	**119.18**

* Deferred Tax for current year : Rs.(2,64,265)

*Deferred Tax for Previous Year : Rs. 10,828

YOUNG BRAND APPAREL PRIVATE LIMITED
Notes forming part of financial statements for the year ended March 31, 2019

(INR in Lakhs)

Note	Particulars	As at March 31, 2019	As at March 31, 2018
28C	**Deferred tax (liability) / asset**		
	The company has significant unabsorbed depreciation and carry forward losses .Deferred tax assets are recognised only to the extent of deferred tax liabilities, since deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise		
	Tax effect of items constituting deferred tax Assets		
	Unabsorbed Depreciation	886.18	984.29
	Brought Forward Business Loss	14.28	55.94
	On account of difference in treatment of expenditure	103.11	109.44
	MAT Credit Entitlement	119.49	
	Tax effect of items constituting deferred tax Ass	**1,123.06**	**1,149.67**
	Tax effect of items constituting deferred tax (liability)		
	On difference between book balance and tax balance of fixed assets	(1,064.83)	(1,030.49)
	Tax effect of items constituting deferred tax (liability)	**(1,064.83)**	**(1,030.49)**
	Net deferred tax (liability) / asset	**58.23**	**119.18**

The Company has not created deferred tax assets on the following

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

(INR in Lakhs)

29 Financial instruments

The carrying value and fair value of financial instruments by categories as at March 31, 2019 and March 31, 2018 is as follows:

Particulars	Carrying value		Fair value	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Financial assets				
Amortised cost				
Loans	17.00	39.67	17.00	39.67
Trade receivable	2,879.39	1,753.17	2,879.39	1,753.17
Cash and cash equivalents	479.27	768.65	479.27	768.65
Other financial assets	37.98	33.54	37.98	33.54
Total assets	**3,413.64**	**2,595.03**	**3,413.64**	**2,595.03**
Financial liabilities				
Amortised cost				
Borrowings	5,691.49	6,153.09	5,691.49	6,153.09
Trade payables	3,792.52	2,265.54	3,792.52	2,265.54
Other financial liabilities	-	-	-	-
Total liabilities	**9,484.01**	**8,418.63**	**9,484.01**	**8,418.63**

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

I) Long-term fixed-rate receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected losses of these receivables.

iii) Fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non- performance risk as at March 31, 2019 was assessed to be insignificant.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

30 Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the company's operations and to provide guarantees to support its operations. The Company's principal financial assets include loans, trade and other receivables, and cash and short-term deposits that derive directly from its operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk, foreign currency risk and interest rate risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the company is foreign exchange risk. The Company has receivables in foreign currency and similar amount of foreign currency borowings which mitigates certain level of foreign exchange related risk exposures.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

The following table gives details in respect of percentage of revenues generated from top customer and top 5 customers:

Particulars	For the year ended March 31 2019	March 31 2018
Revenue from top customer	9,623.85	7,019.78
Revenue from top 5 customers	17,935.30	15,691.26

Three customers accounted for more than 10% of the revenue for the year ended March 31, 2019 , however two of the customers accounted for more than 10% of the receivables for the year ended March 31, 2019. Three customers accounted for more than 10% of the revenue for the year March 31, 2018, however two of the customers accounted for more than 10% of the receivables for the year ended March 31, 2018.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through credit limits with banks.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The working capital position of the Company is given below:

Particulars	As at March 31, 2019	As at March 31, 2018
Cash and cash equivalents	479.27	768.65
Total	**480.27**	**768.65**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019 and March 31, 2018

Particulars	As at	Less than 1 year	1-2 years	2 years and above
Borrowings				
	March 31, 2019	4,609.45	428.00	654.03
	March 31, 2018	4,687.90	428.00	1,037.18
Trade payables				
	March 31, 2019	3,792.52	-	-
	March 31, 2018	2,265.54	-	-
Other financial liabilities				
	March 31, 2019	-	-	-
	March 31, 2018	-	-	-

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

Foreign Currency risk

The Company's exchange risk arises from its foreign operations, foreign currency revenues and expenses, (primarily in U.S. dollars) and foreign currency borrowings (primarily in U.S. dollars). A significant portion of the Company's revenues and expenses are in US Dollar, while also a significant portion of its costs are in Indian rupees. As a result, if the value of the Indian rupee appreciates relative to the foreign currency, the Company's revenues measured in rupees may decrease. The exchange rate between the Indian rupee and foreign currencies has changed substantially in recent periods and may continue to fluctuate substantially in the future. The Company's management meets on a periodic basis to formulate the strategy for foreign currency risk management.

Consequently, the Company management believes that the borrowings in foreign currency and its revenues in foreign currency shall mitigate the foreign currency risk mutually to some extent

The following table presents foreign currency risk from non-derivative financial instruments as of March 31, 2019, March 31, 2018

Particulars	As at	US$ Rs.	Euro Rs.	Pound/sterling Rs.	Total Rs.
Assets					
Trade receivables	March 31, 2019	2,067.25	-	-	2,067.25
	March 31, 2018	1,528.38	-	-	1,528.38
Cash and cash equivalents	March 31, 2019	0.78	0.02	0.21	1.01
	March 31, 2018	0.20	0.02	0.38	0.59
Liabilities					
Trade payable	March 31, 2019	221.62			221.62
	March 31, 2018	1,096.59			1,096.59
Borrowings	March 31, 2019	4,181.45			4,181.45
	March 31, 2018	3,159.50			3,159.50
Net assets/(liabilities)	March 31, 2019	**(2,335.04)**	**0.02**	**0.21**	**(2,334.81)**
	March 31, 2018	**(2,727.51)**	**0.02**	**0.38**	**(2,727.12)**

Foreign currency sensitivity analysis

The Company is mainly exposed to the currency USD on account of outstanding trade receivables and trade payables in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens *5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or* equity, and the balances below would be negative.

Particulars	For the year ended March 31 2019	For the year ended March 31 2018
Impact on profit or (loss) for the year	116.74	136.49

For a 5% weakening of the INR against the relevant currency, there would be equivalent amount of impact on the profit as mentioned in the above table.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS

Notes forming part of financial statements for the year ended March 31, 2019 (INR in Lakhs)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates and investments.

Interest rate sensitivity analysis

If interest rates had been 1% higher and all other variables were held constant, the company's profit for the year ended would have impacted in the following manner:

Particulars	For the year ended	
	March 31 2019	March 31 2018
Increase / (decrease) in the Profit for the ye	(96.57)	(44.35)

If interest rates were 1% lower, the company's profit would have increased by the equivalent amount as shown in the above table.

Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The capital structure is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Total equity attributable to the equity share holders of the company	6,415.78	5,909.06
As percentage of total capital	53%	49%
Current borrowings	4,181.45	4,259.90
Non-current borrowings	1,510.03	1,893.18
Total borrowings	5,691.49	6,153.09
As a percentage of total capital	47%	51%
Total capital (borrowings and equity)	**12,107.26**	**12,062.15**

The Company is predominantly debt financed which is evident from the capital structure table.

DELOITTE HASKINS & SELLS LLP
COIMBATORE-18
CHARTERED ACCOUNTANTS