

Grace Home Fashions LLC
Standalone Balance Sheet as at March 31, 2019
(INR in crores)

Particulars	Note No.	As at March	As at March 31,
		31, 2019	2018
I. Assets			
(1) Non-current assets			
(a) Property, plant and equipment	3	1.03	1.61
(b) Other non-current financial assets	7	0.24	0.22
(2) Current assets			
(a) Inventories	4	101.29	49.35
(b) Financial assets			
(i) Trade receivables	5	23.50	21.99
(ii) Cash and cash equivalents	6	7.62	2.38
(c) Other current assets	7A	0.10	2.09
Total Assets		133.78	77.65
II. Equity and Liabilities			
Equity			
(a) Equity share capital	10	34.62	0.04
(b) Other equity	11	(31.01)	(15.77)
Liabilities			
(1) Current liabilities			
(a) Financial liabilities			
(i) Borrowings Short term	8	9.70	8.44
(ii) Trade payables	8A	114.66	78.88
(iii) Other current liabilities	9	5.82	6.06
Total Equity and Liabilities		133.78	77.65

The accompanying notes are Internal part of the financial statements.

For and on behalf of the Board of Directors

As per report of even date

For SAS & Co

(Firm's Registration Number: 020015N)

Chartered Accountants

per Ankleshwar Nanchahal

Partner

Membership Number: 504908

Place : New Delhi

Date: April 24, 2019

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive
Director-Finance

Place : New Delhi

Date: April 24, 2019

Grace Home Fashions LLC**Standalone Statement of Profit and Loss for the period ended March 31, 2019****(INR in crores)**

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue			
Revenue from Operations	12	106.32	155.60
Total Income		106.32	155.60
Expenses			
Purchase of stock in trade		148.84	118.19
(Increase)/ Decrease in inventories of finished goods	13	(51.93)	25.72
Depreciation and amortization expense	14	0.65	0.57
Finance costs	15	1.02	2.39
Other expenses	16	19.59	17.89
Foreign Exchange Loss/ (Profit) on Conversion into INR		3.42	0.14
Total expenses		121.59	164.90
Profit / (loss) before exceptional items and tax		(15.27)	(9.30)
Exceptional items		-	-
Profit / (loss) before tax		(15.27)	(9.30)
Tax expense:			
Current tax		(0.03)	0.07
Deferred tax		-	-
Profit / (loss) for the period		(15.24)	(9.38)

The accompanying notes are Internal part of the financial statements.

As per report of even date**For SAS & Co**

(Firm's Registration Number: 020015N)

Chartered Accountants

per Ankleshwar Nanchahal

Partner

Membership Number: 504908

Place : New Delhi

Date: April 24, 2019

For and on behalf of the Board of Directors

R. S. Jalan

Managing Director

Place : New Delhi

Date: April 24, 2019

Raman Chopra

CFO & Executive

Director-Finance

Grace Home Fashions LLC
Standalone Statement of Cash Flows for the period ended March 2019
(INR in crores)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Operating activities		
Profit before tax	(15.27)	(9.30)
Adjustments for:		
Depreciation/amortisation	0.65	0.57
Finance cost	1.02	2.39
Operating profit/(loss) before working capital changes	(13.60)	(6.34)
Movement in working capital		
(Increase) /Decrease in trade receivables	(1.51)	5.97
(Increase)/ Decrease in inventories	(51.94)	25.72
(Increase)/ Decrease in other current assets	1.99	0.70
(Increase)/ Decrease in Other non-current financial assets	(0.02)	-
Increase/ (Decrease) in trade payables	35.78	2.05
Increase/ (Decrease) in other current liabilities	(0.24)	(1.95)
Cash generated from operations	(29.54)	26.16
Direct taxes paid (net of refunds)	0.03	(0.07)
Net cash generated from operating activities	(29.50)	26.08
Cash flow from investing activities		
Purchase of fixed asset including CWIP and capital advances	(0.07)	(0.16)
Net cash used in investing activities	(0.07)	(0.16)
Cash flow from financing activities		
Proceeds from Member's contribution	34.58	-
Short term Borrowing	1.25	(24.15)
Interest paid	(1.02)	(2.39)
Net cash generated from financing activities	34.81	(26.54)
Net (decrease) / increase in cash and cash equivalents	5.24	(0.62)
Cash and cash equivalents at the beginning of the year	2.38	3.00
Cash and cash equivalents at the end of the year	7.62	2.38
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks:		
- On current accounts	7.62	2.38
Total cash and cash equivalents (note 6)	7.62	2.38

Notes:

1. The cash flow statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".

The accompanying notes are Internal part of the financial statements.

As per report of even date

For SAS & Co

(Firm's Registration Number: 020015N)

Chartered Accountants

per Ankleshwar Nanchahal

Partner

Membership Number: 504908

Place : New Delhi

Date: April 24, 2019

For and on behalf of the Board of Directors

R. S. Jalan

Managing Director

Raman Chopra

CFO & Executive
Director-Finance

Place : New Delhi

Date: April 24, 2019

Grace Home Fashions LLC
Statement on changes in equity as on March 31, 2019
(INR in crores)

A. Equity Share Capital

Equity Shares of USD 1 each issued, subscribed and fully paid up

	<u>Number</u>	<u>Amount</u>
Balance as at April 1, 2017	7,500	0.04
Changes in share capital during the year	-	-
Balance as at March 31, 2018	<u>7,500</u>	<u>0.04</u>
Member's contribution	-	34.58
Changes in share capital during the year	-	-
Balance as at March 31, 2019	<u>7,500</u>	<u>34.62</u>

B. Other Equity

	<u>Retained earnings</u>
Balance as at April 1, 2017	6.40
Profit / (loss) for the year	9.37
Balance as at March 31, 2017	<u>15.77</u>
Profit / (loss) for the year	15.24
Balance as at March 31, 2019	<u>31.01</u>

The accompanying notes are Internal part of the financial statements.

For and on behalf of the Board of Directors

As per report of even date

For SAS & Co

(Firm's Registration Number: 020015N)

Chartered Accountants

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive
Director-Finance

per Ankleshwar Nanchahal

Partner

Membership Number: 504908

Place : New Delhi

Date: April 24, 2019

Place : New Delhi

Date: April 24, 2019

1 Corporate information

Limited Liability Company "Grace Home Fashions LLC" (hereinafter, the "Company") was incorporated in 2008, situated in New York is involved in providing comprehensive product that addresses the specialised; challenging needs of today's home furnishing market place. It offer home textile furnishings products like sheets, pillows & duvet covers in 100% cotton & blends. We are currently catering to some of the largest Home Textile Retailers like Bed Bath & Beyond, Babies R US, etc. and other E-Commerce websites.

2 Significant accounting policies

2.1 Basis of preparation

The books of account of the company are maintained in US Dollars . The financial statements have been prepared in accordance with the local laws in United States Of America. The same have been translated into Indian Currency and reclassified in accordance with the Schedules III of the Companies Act, 2013 of India for the specific purpose of consolidation with the Indian Holding Company, GHCL Limited.

2.2 Use of Estimates

The preparation of financial statements is in conformity with the accounting principles generally accepted in the USA. which requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

2.3 Foreign Currency Transactions

The functional currency of the Company is US Dollar (USD). Accounts of the body corporate incorporated in USA, have been made out in accordance with the US laws and the same have been translated to INR as per Schedule III of the Companies act, 2013. This requires drawing up the Balance Sheet, Statement of Profit & Loss, and Cash Flows Statement in a manner so as to make it appear confirming to the requirements of Schedule III of the Companies Act, 2013.

2.4 Translation of accounts of the body corporate from the currency of the country of its incorporation (USD) to INR:

Unsecured loans, current assets and current liabilities are translated to INR at the exchange rates ruling at the year end. Equity share capital and other equity has been recognized in the accounts at the exchange rate ruling at the time of their issuance. Income and expenses have been recognized in the accounts on the basis of average of daily closing exchange rates ruling from beginning till the end of the period. The resultant difference is disclosed as exchange gain/loss on INR conversion in the Statement of Profit & Loss

- Revenue Recognition
- EPS

Grace Home Fashions LLC
Notes to the Standalone Financial statements as at March 31, 2019
(INR in crores)

3 Property, Plant and equipment

	Office Equipment	Furniture & fixtures	Total Amount
As at April 1, 2017	0.18	2.70	2.89
Additions	-	0.16	0.16
Disposals	-	-	-
As at March 31, 2018	0.18	2.86	3.05
Additions	-	0.07	0.07
Disposals	-	-	-
As at March 31, 2019	0.18	2.93	3.12

Depreciation

	Office Equipment	Furniture & fixtures	Total Amount
As at April 1, 2017	0.13	0.74	0.87
Additions	-	0.56	0.56
Disposals	-	-	-
As at March 31, 2018	0.13	1.30	1.43
Additions	-	0.65	0.65
Disposals	-	-	-
As at March 31, 2019	0.13	1.95	2.09

Net book value

	Office Equipment	Furniture & fixtures	Total Amount
As at March 31, 2018	0.05	0.98	1.03
As at March 31, 2019	0.05	1.56	1.61

Net book value	31-Mar-19	31-Mar-18
Property, plant and equipment	1.03	1.61

Grace Home Fashions LLC
Notes to the Standalone Financial statements as at March 31, 2019
(INR in crores)

	As at Mar 31, 2019	As at Mar 31, 2018
4 Inventories		
Finished Goods	101.29	49.36
Total inventories at the lower of cost and net realisable value	101.29	49.36

	As at Mar 31, 2019	As at Mar 31, 2018
5 Trade receivables		
Trade receivables	23.50	21.99
Total trade receivables	23.50	21.99

Break-up for security details:

Trade receivables

Secured, considered good	-	-
Unsecured, considered good	23.50	21.99
Doubtful	-	-
Current trade receivables	23.50	21.99

No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firm or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 45 to 90 days.

	As at Mar 31, 2019	As at Mar 31, 2018
6 Cash and cash equivalent		
Balances with bank	7.62	2.38
Cash on hand	-	-
Total cash and cash equivalents	7.62	2.38

7 Other non-current financial assets

	As at Mar 31, 2019	As at Mar 31, 2018
Security Deposit(Showroom Rent)	0.24	0.22
Total other current assets	0.24	0.22

7A Other current assets

	As at Mar 31, 2019	As at Mar 31, 2018
Advances recoverable in cash or kind	0.06	2.06
Prepaid expenses	0.04	0.03
Total other current assets	0.10	2.09

8 Borrowings Short term

	As at Mar 31, 2019	As at Mar 31, 2018
Advance from factor	9.70	8.44
Total other current assets	9.70	8.44

Dues to units registered under Micro, Small and Medium Enterprises in India - Not Applicable

8A Trade payables

	As at Mar 31, 2019	As at Mar 31, 2018
Trade Payables - GHCL	114.66	78.88
Total other current assets	114.66	78.88

Dues to units registered under Micro, Small and Medium Enterprises in India - Not Applicable

9 Other current liabilities

	As at Mar 31, 2019	As at Mar 31, 2018
Others	5.82	6.06
Total other current liabilities	5.82	6.06

10 Share capital

Authorised Share Capital

	Number of Shares	Amount
At April 1, 2017	10,000	0.05
Changes during the period	-	-
At March 31, 2018	10,000	0.05
Changes during the period	-	-
At March 31, 2019	10,000	0.05

Terms / rights attached to equity shares

The Company has one class of equity shares having a par value of USD 1 per share.

Issue Equity Capital

	Number of Shares	Amount
Equity shares of USD 1 each issued, subscribed and fully paid		
At April 1, 2017	7,500	0.04
Changes during the period	-	-
At March 31, 2018	7,500	0.04
Changes during the period	-	-
Member's Contribution	-	34.58
At March 31, 2019	7,500	34.62

	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017
Shareholder's holding more than 5 % Shares			
GHCL Limited	100%	100%	100%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No Shares have been issued by the Company for consideration other than cash, during the period of five years immediately preceding the reporting date.

11 Other equity

	Amount
Retained earnings	
At April 1, 2017	6.40
Changes during the period	9.37
At March 31, 2018	15.77
Changes during the period	15.24
At March 31, 2019	31.01

12 Revenue for operations

	As at March 31, 2019	As at March 31, 2018
Sale of products		
Sale of goods	106.32	155.60
Total	106.32	155.60

13 (Increase)/ Decrease Changes in inventories of finished goods

	As at March 31, 2019	As at March 31, 2018
Opening stock		
Finished Goods	49.36	75.08
	49.36	75.08
Closing stock		
Finished Goods	101.29	49.36
	101.29	49.36
Changes in inventories of finished goods	(51.93)	25.72

14 Depreciation and amortization expense

	As at March 31, 2019	As at March 31, 2018
Depreciation of tangible assets	0.65	0.57
	0.65	0.57

15 Finance costs

	As at March 31, 2019	As at March 31, 2018
Factoring cost	1.02	2.39
	1.02	2.39

16 Other expenses

	As at March 31, 2019	As at March 31, 2018
Freight and Forwarding	-	0.07
Miscellaneous expenses	4.28	1.27
Communication expenses	0.18	0.11
Rent and Lease Rent	1.41	0.98
Rent on Godowns & Shipment Cost	3.95	9.00
Commission On Sales	2.23	3.04
Advertisement expences	3.10	0.36
Travelling and conveyance	0.11	-
Insurance	0.25	0.30
Legal and professional expenses	3.75	2.54
Software & EDI Expenses	0.28	0.23
Packing expenses	0.05	-
	19.60	17.89

17 Related Party Transactions

The following table provides the list of related parties and total amount of transactions that have been entered into with related parties for

- a) GHCL Ltd.
- b) Dan River Properties LLC

Transactions with Related Party

	<u>As at March 31, 2019</u>	<u>As at Mar 31, 2018</u>
Trade Payables		
GHCL Ltd.	114.66	78.88
Purchase of Goods		
GHCL Ltd.	148.84	118.09
Investment		
GHCL Ltd.	34.62	0.04
Total other current assets	<u><u>298.12</u></u>	<u><u>197.01</u></u>

18 The Previous year's / year's figures have been regrouped to be the in conformity with the Schedule III of the Companies Act 2013.

As per report of even date

For SAS & Co

(Firm's Registration Number: 020015N)

Chartered Accountants

per Ankleshwar Nanchahal

Partner

Membership Number: 504908

Place : New Delhi

Date: April 24, 2019

For and on behalf of the Board of Directors

R. S. Jalan
Managing Director

Raman Chopra
CFO & Executive
Director-Finance

Place : New Delhi

Date: April 24, 2019