

## AUDIT REPORT

### Audit Report of Dan River Properties LLC to Auditors of GHCL Limited (Parent Company)

1. We have examined the attached balance sheet of M/s Dan River Properties LLC in United States Dollars as at 31st March 2022, and also the profit & loss account for the year ended as on that date and other reconciliations and information. There is no requirement under the laws of the United States of America for the entity to have its financial statements audited. The said accounts were converted into the reporting currency of GHCL Limited (Parent Company) i.e. INR (all collectively referred to as the Fit for Consolidation (FFC) Accounts. These accounts are the responsibility of the entity's management. Our responsibility is to express an opinion on these FFC accounts based on our audit.
2. We conducted our audit in accordance with auditing, standards generally accepted in India. Those standards require that we plan and perform the audit to obtain a reasonable assurance about whether FFC Accounts are free of material misstatement. An audit includes examining on a test check basis, evidence supporting the amounts and disclosures in the FFC Accounts. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall FFC Accounts presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, these FFC Accounts have been prepared, in all material respects in conformity with accounting policies of GHCL Limited (Parent company), in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and are suitable for inclusion in the consolidated financial statements of GHCL Limited (Parent company) prepared in accordance with the requirements of Indian Accounting Standard (Ind AS) 110 "Consolidated Financial Statements" issued by Institute of Chartered Accountants of India.

**For SAS & Co**  
**Chartered Accountants**  
**(ICAI Firm's Registration Number: 020025N)**

**Ankleshwar Nanchahal**  
**Partner**  
**Membership Number: 504908**  
**UDIN: 22504908AIFHMA5374**  
**Place : New Delhi**  
**Date : 29<sup>th</sup> April 2022**

**Dan River Properties LLC**  
**Standalone Balance Sheet as at March 31, 2022**  
**(INR in Lakhs)**

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
<b>I. Assets</b>			
<b>(1) Non-current assets</b>			
<b>(a) Financial assets</b>			
(i) Loans	3	818.61	-
<b>(2) Current assets</b>			
<b>(a) Financial assets</b>			
(i) Cash and cash equivalents	4	20.19	0.45
<b>Total Assets</b>		<b>838.81</b>	<b>0.45</b>
Assets held for sale		-	855.94
		<b>838.81</b>	<b>856.38</b>
<b>II. Equity and Liabilities</b>			
<b>Equity</b>			
<b>(a) Equity share capital</b>		0.00	0.00
<b>(b) Other equity</b>	5	682.81	625.48
<b>Liabilities</b>			
<b>(1) Non-current liabilities</b>			
<b>(a) Financial liabilities</b>			
(i) Other non-current financial liabilities	6	155.99	230.90
<b>Total Equity and Liabilities</b>		<b>838.81</b>	<b>856.38</b>

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: 020025N)

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 29, 2022

Place : New Delhi

Date: April 29, 2022

**Dan River Properties LLC****Standalone Statement of Profit and Loss for the period ended March 31, 2022**

(INR in Lakhs)

Particulars	Note No.	For the year ended	
		period March 31, 2022	For the year ended March 31, 2021
<b>Revenue</b>			
Revenue from Operations	7	132.52	40.83
<b>Total Income</b>		<b>132.52</b>	<b>40.83</b>
<b>Expenses</b>			
Employee benefit expenses	8	29.36	24.61
Finance costs		-	-
Other expenses	9	217.35	31.25
Foreign Exchange Loss/ ( Profit) on Conversion into INR		(171.52)	(7.41)
<b>Total expenses</b>		<b>75.19</b>	<b>48.45</b>
<b>Profit before exceptional items and tax</b>		57.33	(7.62)
Exceptional items		-	-
<b>Profit before tax</b>		<b>57.33</b>	<b>(7.62)</b>
<b>Tax expense:</b>			
Current tax		-	-
Deferred tax		-	-
<b>Profit for the year</b>		<b>57.33</b>	<b>(7.62)</b>

The accompanying notes are Internal part of the financial statements.

As per report of even date

For SAS &amp; Co

(Firm's Registration Number: 020025N)

Chartered Accountants

per Ankleshwar Nanchahal

Partner

Membership Number: 504908

Place : New Delhi

Date: April 29, 2022

For and on behalf of the Board of Directors

R. S. Jalan  
Managing DirectorRaman Chopra  
CFO & Executive  
Director-FinancePlace : New Delhi  
Date: April 29, 2022

**Dan River Properties LLC**  
**Standalone Statement of Cash Flows for the year ended March 31, 2022**  
**(INR in Lakhs)**

Particulars	For the year ended period March 31, 2022	For the year ended March 31, 2021
<b>Operating activities</b>		
<b>Profit before tax</b>	57.33	(7.62)
<b>Adjustments for:</b>		
Depreciation/amortisation	-	-
<b>Operating profit/(loss) before working capital changes</b>	<b>57.33</b>	<b>(7.62)</b>
<b>Movement in working capital</b>		
Increase/ (Decrease) in other non current financial liabilities	(74.91)	(7.69)
<b>Cash generated from operations</b>	<b>(17.58)</b>	<b>(15.30)</b>
Direct taxes paid (net of refunds)	-	-
<b>Net cash generated from operating activities</b>	<b>(17.58)</b>	<b>(15.30)</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed asset including CWIP and capital advances	-	-
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Short term Borrowing	-	-
Interest paid	-	-
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(17.58)</b>	<b>(15.30)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>0.44</b>	<b>15.75</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>(17.13)</b>	<b>0.44</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	-	-
Balances with banks:		
- On current accounts	20.19	0.45
<b>Total cash and cash equivalents (note 4)</b>	<b>20.19</b>	<b>0.45</b>

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: 020025N)  
Chartered Accountants

**per Ankleshwar Nanchahal**  
Partner  
Membership Number: 504908  
Place : New Delhi  
Date: April 29, 2022

**For and on behalf of the Board of Directors**

R. S. Jalan	Raman Chopra
Managing Director	CFO & Executive Director-Finance

Place : New Delhi  
Date: April 29, 2022

Dan River Properties LLC  
Statement on changes in equity as on March 31, 2022  
(INR in Lakhs)

**A. Equity Share Capital**

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

	<u>Number</u>	<u>Amount</u>
<b>Balance as at April 1, 2020</b>	0.00	0.00
Changes in share capital during the year	-	-
<b>Balance as at March 31, 2021</b>	<u>0.00</u>	<u>0.00</u>
Changes in share capital during the year	-	-
<b>Balance as at March 31, 2022</b>	<u>0.00</u>	<u>0.00</u>

**B. Other Equity**

	<u>Retained earnings</u>
<b>Balance as at April 1, 2020</b>	633.10
Profit / (loss) for the year	(7.62)
<b>Balance as at March 31, 2021</b>	<u>625.48</u>
Profit / (loss) for the year	57.33
<b>Balance as at March 31, 2022</b>	<u>682.81</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: 020025N)

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 29, 2022

Place : New Delhi

Date: April 29, 2022

## **1 Corporate information**

Limited Liability Company "Dan River Properties LLC" (hereinafter, the "Company") was incorporated in USA, situated in Danville, Virginia is involved in renting of immovable properties.

## **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 year. The resultant difference is disclosed as exchange gain/loss on INR conversion in the Statement of Profit & Loss.

**Dan River Properties LLC**  
**Notes to the Standalone Financial statements as at March 31, 2022**  
(InR in Lakhs)

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>4 Cash and cash equivalent</b>		
Balances with bank	20.19	0.45
Cash on hand	-	-
<b>Total cash and cash equivalents</b>	<b>20.19</b>	<b>0.45</b>

	<b>Amount</b>
<b>5 Retained earnings</b>	
<b>At April 1, 2020</b>	<b>633.10</b>
Changes during the year	(7.62)
<b>At March 31, 2021</b>	<b>625.48</b>
Changes during the year	57.33
<b>At March 31, 2021</b>	<b>682.81</b>

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>6 Other non-current financial liabilities</b>		
Holding Company	155.99	230.90
<b>Total other current financial liabilities</b>	<b>155.99</b>	<b>230.90</b>

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>7 Revenue for operations</b>		
Rental Income	132.52	40.83
<b>Total</b>	<b>132.52</b>	<b>40.83</b>

**Note:**

The Company has a Property which has been rented out to a Tenant on a long term basis from which the Company secures monthly Rental Income.

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>8 Employee benefit expenses</b>		
Salaries, Wages and Bonus	29.36	24.61
	<b>29.36</b>	<b>24.61</b>

	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
<b>9 Other expenses</b>		
Rate and Taxes paid	31.44	31.20
Repair and Maintenance	51.20	0.05
Loss on Sale of assets	126.14	-
Consultancy Paid	8.57	-
	<b>217.35</b>	<b>31.25</b>

**10 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 the

- a) GHCL Ltd.
- b) Grace Home Fashions LLC

**Transactions with Related Party**

	As at March 31, 2022	As at March 31, 2021
<b>Other Non-Current Financial Liabilities</b>		
GHCL Ltd.	155.99	230.90
<b>Other Non-Current Financial Liabilities</b>	<b>155.99</b>	<b>230.90</b>

- 11** Accounts of Dan River properties LLC a body corporate (a subsidiary of GHCL Ltd (100% holding, incorporated in India ), a company incorporated in USA have been made out as per requirement of Indian Companies Act in due adherences of sub section 3 of section 129 Companies Act, 2013. This entailed drawing up the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement of the subsidiary in a manner so as to make it confirming to the requirements of the Companies Act, 2013, for the purpose of annexing the particulars of the body corporate with its ultimate holding company under section 129 of the Companies Act, 2013.

**Modification of accounts predominantly related to:**

(a) Translation of treatment of various heads of accounts in terms of the Companies (Accounting Standards) Rules, 2014 read with accounting policy of parent company, the latter being embarked upon to facilitate the cause of consolidation with the holding company as required under IND AS.

(b) Presentation of accounts in terms of Schedule III of the Companies Act, 2013, including disclosure of necessary information as laid down under section 133 of the Companies Act, 2013.

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

**As per report of even date**

**For SAS & Co**

(Firm's Registration Number: 020025N)

Chartered Accountants

**per Ankleshwar Nanchahal**

Partner

Membership Number: 504908

Place : New Delhi

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