

GRACE HOME FASHION LLC
BALANCE SHEET AS AT 31ST MARCH 2016

	<u>Note</u>	As at 31.03.2016 <u>(Rs in Cr)</u>	As at 31.03.2015 <u>(Rs in Cr)</u>
EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	2.1	0.04	0.04
Reserves and Surplus	2.2	0.29	0.43
Current Liabilities			
Trade Payables	2.3	77.03	71.01
Other Liabilities	2.4	45.25	60.19
Total		<u>122.60</u>	<u>131.66</u>
ASSETS			
Non-Current Assets			
Fixed Assets	2.11	1.69	1.52
Current Assets			
Inventories	2.5	95.68	70.06
Trade Receivables	2.6	23.30	47.84
Cash and cash equivalents	2.7	1.71	1.92
Short- Term Loans and Advances	2.8	<u>0.23</u>	<u>10.31</u>
		120.91	130.14
Total		<u>122.60</u>	<u>131.66</u>
Significant Accounting Policies Notes and on Accounts	1 & 2		

The Notes referred to above form an integral part of the Balance Sheet
As per our report attached

For and on behalf of
Jayantilal Thakkar & Co.
Chartered Accountants

For and on behalf of
Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of the Board

C. V. Thakker
Partner

Rahul Divan
Partner

Director

Director

Place : New Delhi
Date : 19th May 2016

Place : New Delhi
Date : 19th May 2016

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2016

	<u>Note</u>	For the year Ended 31.03.2016 <u>(Rs in Cr)</u>	For the year Ended 31.03.2015 <u>(Rs in Cr)</u>
REVENUE FROM OPERATION			
Revenue from operation- Gross		177.91	319.08
Other Income			
TOTAL INCOME		177.91	319.08
EXPENDITURE			
Purchase of Stock in Trade		185.50	219.02
Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.9	-25.61	68.15
Other Expenses	2.10	12.20	26.98
(Gain)/Loss on conversion into INR		5.10	4.47
SUB TOTAL		177.19	318.62
Profit Before Depreciation		0.72	0.47
Depreciation		0.01	0.47
Profit/(Loss) Before Taxation		0.71	0.00
- Current Tax		0.85	0.01
- Deferred Tax		-	
Profit/(Loss) after Tax		-0.14	-0.01
Earnings/(Loss) Per Share (Basic & Diluted) In Rs.		(1.8)	(0.0)

Significant Accounting Policies and Notes on Accounts 1 & 2

The Notes referred to above form an integral part of the Statement of Profit and Loss
As per our report attached

For and on behalf of
Jayantilal Thakkar & Co.
Chartered Accountants

For and on behalf of
Rahul Gautam Divan & Associates
Chartered Accountants

For and on behalf of the Board

C. V. Thakker
Partner

Rahul Divan
Partner

Director

Director

Place : New Delhi
Date : 19th May 2016

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NOTES FORMING PART OF BALANCE SHEET**NOTE 2.1 : SHARE CAPITAL**

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
SHARE CAPITAL		
Authorised		
10000 Equity Shares of \$ 1 Each	0.05.0735	0.05
	<u>-</u>	<u>0.05</u>
Issued, Subscribed and Paid up		
7500 Equity Shares of \$ 1	0.04	0.04
	<u>0.04</u>	<u>0.04</u>

NOTE 2.2 : RESERVES AND SURPLUS

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
Profit & Loss Account		
As per last Balance Sheet	0.43	0.44
Net Profit For The Year after Tax	0.14	0.01
Amount Available For Appropriation	<u>0.29</u>	<u>0.43</u>
Appropriation	-	-
Balance Carried To Balance Sheet	<u>0.29</u>	<u>0.43</u>
Total	<u>0.29</u>	<u>0.43</u>

NOTE 2.3 : TRADE PAYABLES

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
CURRENT LIABILITIES		
Sundry Creditors for Goods and Expenses	77.03	71.01
	<u>77.03</u>	<u>71.01</u>

NOTE 2.4 : OTHER LIABILITIES

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
CBC - Factoring	39.85	53.67
Other Liabilities	5.40	6.52
Total	<u>45.25</u>	<u>60.19</u>

NOTE 2.5 : INVENTORIES

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
Inventory (as taken, valued and certified by the Management)		
At cost or net realisable value which ever is lower		
Finished goods	95.68	70.06
Total	<u>95.68</u>	<u>70.06</u>

NOTE 2.6 : TRADE RECEIVABLES

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
Sundry Debtors (Unsecured, considered good unless stated otherwise)		
Outstanding over six months from due date	-	-
Considered good	-	-
Considered doubtful	-	-
Provision for Doubtful Debts	-	-
Other debts	23.30	47.84
Total	<u>23.30</u>	<u>47.84</u>

NOTE 2.7 : CASH AND CASH EQUIVALENTS

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
Cash & Bank Balances		
Current Account with Banks	1.71	1.92
Total	<u>1.71</u>	<u>1.92</u>

NOTE 2.8 : SHORT- TERM LOANS AND ADVANCES

	As at 31.03.2016 (Rs in Cr)	As at 31.03.2015 (Rs in Cr)
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received-considered good	0.23	10.31
Total	0.23	10.31

NOTES FORMING PART OF THE STATEMENT OF PROFIT AND LOSS**NOTE 2.9 : CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN-TRADE**

		For the year Ended 31.03.2016 (Rs in Cr)	For the year Ended 31.03.2015 (Rs in Cr)
Opening stock			
Finished Goods	A	70.06	138.21
Closing stock			
Finished Goods	B	95.68	70.06
(Increase)/Decrease in Stock	Total (A-B)	-25.61	68.15

NOTE 2.10 : OTHER EXPENSES

		For the year Ended 31.03.2016 (Rs in Cr)	For the year Ended 31.03.2015 (Rs in Cr)
Travelling & Conveyance		0.00	0.01
Rent and Lease Rent		0.74	1.07
Insurance		0.24	0.36
Communication Expenses		0.20	0.46
Legal & Professional Expenses		1.42	1.19
Advertisement expenses		0.11	0.36
Job work charges		-	5.04
FACTORING COMMISSION		0.85	1.87
FACTORING INTEREST		1.90	3.89
Factoring Charges		0.25	0.09
Salaries and Wages		-	0.38
Software & EDI Expenses		0.23	0.34
Miscellaneous Expenses		0.54	0.07
Audit Fees		-	0.23
Cash Discount		-	-
Rent on Godowns & Shipment Cost		2.00	6.26
Commission On Sales		3.71	5.49
Total		12.20	26.98

GRACE HOME FASHIONS LLC

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED ON 31ST MARCH 2015

	Schedules	For the Period Ended 31.03.2015 Amount (\$)	For the Period Ended 31.03.2014 Amount (\$)
INCOME			
Sales		2,71,78,182	5,21,73,991.89
Commsion on Sales		0	-
TOTAL INCOME		2,71,78,182	5,21,73,991.89
EXPENDITURE			
Purchase		2,83,37,177	3,58,12,378.16
Cash discount and charge back		0	-
Legal & Professional Fee		2,16,322	2,32,772.57
Insurance		36,985	59,501.25
Advertisement expences		17,250	17,159.28
Inventory Handling and Warehouse Charges		3,05,641	10,23,430.06
Commission paid		5,67,101	8,97,269.45
FACTORING COMMISSION		1,30,143	3,05,726.54
FACTORING INTEREST		2,90,192	6,36,831.32
Factoring Charges		38,423	14,520.04
Auditor's Rememeration		0	-
Travelling and Conveyance		132	1,745.95
Job work charges		0	8,23,746.79
Software & EDI Expenses		35,727	56,391.03
Communications Exp		30,815	74,726.57
Rent and Utility		1,13,240	1,49,500.00
Others Misc Expenses		82,410	1,18,442.33
(Increase)/Decrease in Stock		-32,30,974	1,18,65,842.82
SUB TOTAL		2,69,70,583	5,20,89,984
Profit/ (Loss) before Depreciation		2,07,599	84,007.73
Depreciation		85,103	76,072
Profit/ (Loss) After Depreciation		1,22,496	7,936
Provision for Tax			
-Current Tax		1,30,075	1,884.79
-Deferred Tax (Net)			-
Profit/ (Loss) for the period after Tax		-7,579	6,051
Profit/ (Loss) carried to the Balance Sheet		-7,579	6,051

For and on behalf of Grace Home Fashion

(Authorised Signatory)

GRACE HOME FASHION LLC
(Incorporated in United States Of America)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2016

	For the Year Ended 31.03.2016 (Rs in Cr)	For the Year Ended 31.03.2015 (Rs in Cr)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax and Extraordinary items	0.71	0.00
Operating Profit before Working capital Changes		
Adjustments for :		
Depreciation	0.01	0.47
Inventory	25.61-	68.15
Trade & other Receivables	34.63	23.93
Trade & other payables	8.92-	92.98-
Provision for Tax	0.85-	0.01-
Net cash from Operating Activities	<u>0.04-</u>	<u>0.45-</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	0.17-	0.17-
Net cash used in Investing Activities	<u>0.17-</u>	<u>0.17-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES	-	
Proceeds from Un- Secured Loans		
Proceeds from Equity Capital		
C. Net Cash used from Financing Activities	<u>-</u>	<u>-</u>
Net Increase in Cash and Cash Equivalents (A+B+C)	<u>0.21-</u>	<u>0.62-</u>
Foreign Exchange Fluctuations		
Cash and Cash Equivalents at beginning of Year	1.92	2.54
Cash and Cash Equivalents at end of Year	<u>1.71</u>	<u>1.92</u>

As per our report attached

For and on behalf of
Jayantilal Thakkar & Co.
Chartered Accountants

For and on behalf of
Rahul Gautam Divan & Associates.
Chartered Accountants

For and on behalf of the Board

C. V. Thakker
Partner

Rahul Divan
Partner

Director

Director

Place : New Delhi
Date : 19th May 2016

Place : New Delhi
Date : 19th May 2016

GRACE HOME FASHION LLC

Note 2.11: Fixed Assets

INR CR

Particulars	Gross Block				Depreciation				Net Block	
	01.04.2015	Additions	Deductions	31.03.2016	01.04.2015	For the year	Deductions	31.03.2016	31.03.2016	31.03.2015
Office Equipment	0.18	-	-	0.18	0.14	0.00	-	0.14	0.05	0.10
Furniture	2.20	0.17	-	2.37	0.73	0.01	-	0.73	1.64	1.72
Total	2.38	0.17	-	2.55	0.86	0.01	-	0.87	1.69	1.82

Previous Year	221.52	16.93	-	238.45	39.57	46.52	-	86.10	152.36	1.82
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GRACE HOME FASHION LLC

Fixed Assets Schedule

IN USD'000

Particulars	Gross Block				Depreciation				Net Block	
	01.04.2015	Additions	Deductions	31.03.2016	01.04.2015	For the year	Deductions	31.03.2016	31.03.2016	31.03.2015
Tangible Assets										
295 5th	275.39	113.43		388.81	52.66	59.11	0	111.77	277.05	222.72544
Computer	6.34			6.34	6.34	-	-	6.34	-	-
Fax	0.30			0.30	0.30	-	-	0.30	-	-
Furniture	91.42	-		91.42	57.33	18.28	-	75.62	15.80	34.09
Office Equipments	1.52			1.52	1.52	-	-	1.52	-	-
Office Signane	1.80			1.80	1.80	-	-	1.80	-	-
Phone	0.30			0.30	0.30	-	-	0.30	-	-
Printer	23.13	-		23.13	14.30	7.71	-	22.01	1.13	8.84
Showroom	14.33			14.33	14.33	-	-	14.33	-	-
Wireless	0.11			0.11	0.11	-	-	0.11	-	-
Total	414.64	113.43	-	528.06	148.98	85.10	-	234.09	293.98	265.65

GHCL Ltd

Dan River Properties LLC

The following subsidiaries are not considered related parties since they are in Liquidation/dissolved and GHCL Ltd (Ultimate Holding Company) does not currently exercise significant influence over these companies :

Textile & Design Limited (under Liquidation since 25th September, 2009)

Rosebys Interiors India Limited (under Liquidation since 7th August ,2015)

Indian England N.V. (Liquidated 14th August 2015)

Indian Wales N.V. (Liquidated on 23rd January 2015)

Teilforce Holding India Limited (Liquidated on 28th April, 2015)

Disclosure of transactions between the Company and related parties and the status of outstanding balances as 31st March, 2016

Type of Transactions	Having Significant Influence	Current Year		Previous Year	
		Holding Company	Subsidiaries	Holding Company	Subsidiaries
Balances as on 31st March , 2016					
- Investment	NIL	0.04		0.04	

Accounts of Grace Home Fashion 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 conforming 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 AS-21, issued by the Institute of Chartered Accountants of India.

(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.

Income and Expenditure in Foreign Currency

This being a body corporate incorporated in USA, information related to import, export, expenditure in foreign currency and CIF value of imports- Not Applicable.

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

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

Signature to Notes 1 & 2

As per our report attached

For and on behalf of

For and on behalf of

For and on behalf of the Board

Jayantilal Thakkar & Co.

Rahul Gautam Divan & Associates.

Chartered Accountants

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C. V. Thakker

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Partner

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Place : New Delhi

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