

# CADINI S.R.L. A SINGLE MEMBER COMPANY

## Financial Statements at 31-12-2019

General Details	
Registered office in	BAGNO A RIPOLI
Tax code	06759030486
Rea Number	FLORENCE 654053
VAT No.	06759030486
Share capital in Euro	1,000,000 fully paid up
Legal Status	LIMITED LIABILITY COMPANY
Main sector of activity (ATECO):	141310
Company under liquidation	no
Sole Director Company	yes
Company subject to the management and coordination of others	yes
Name of company or authority currently holding management and coordination of the company	SIYARAM SILK MILLS LIMITED
Belonging to a group	yes
Name of the Parent Company	SIYARAM SILK MILLS LIMITED
Country of the Parent Company	INDIA

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# Balance sheet

	31-12-2019	31-12-2018
Balance sheet		
Assets		
A) Receivables from the Shareholders for payments still due	0	0
B) Fixed assets		
I - Intangible fixed assets	417,590	446,858
II - Tangible fixed assets	53,011	63,526
III - Financial assets	0	0
Total fixed assets (B)	470,601	510,384
C) Current assets		
I - Inventory	237,607	219,188
II - Receivables		
due within the following fiscal year	239,314	220,407
Collectable after the next fiscal year	6,207	6,207
Prepaid taxes	11,650	11,650
Total receivables	257,171	238,264
III - Financial assets not constituting fixed assets	0	0
IV - Cash assets	53,026	63,931
Total current assets (C)	547,804	521,383
D) Adjustment accounts	8,769	6,493
Total assets	1,027,174	1,038,260
Liabilities		
A) Net equity		
I - Capital	1,000,000	1,000,000
II - Share premium reserve	0	0
III - Revaluation reserves	0	0
IV - Legal reserve	0	0
Statutory reserves	0	0
VI - Other reserves	(3)	(3)
VII - Cash flow hedge reserve	0	0
VIII - Profits (losses) carried forward	(299,913)	(36,997)
IX - Fiscal year profit (loss)	(308,687)	(262,916)
Loss offset in the fiscal year	0	0
X - Loss reserve for own shares held in portfolio	0	0
Total net equity	391,403	700,084
B) Provisions for risks and charges	0	0
C) Severance indemnities	2,020	2,540
D) Payables		
due within the following fiscal year	83,632	85,535
Collectable after the next fiscal year	550,000	250,000
Total payables	633,632	335,535
E) Adjustment accounts	119	101
Total liabilities	1,027,174	1,038,260

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# Income statement

	31-12-2019	31 -12-2018
Income statement		
A) Value of production		
1) revenues from sales and services	186,466	181,232
2), 3) Variations to leftover products in progress, semi-finished and finished and to products in progress on order	14,822	50,150
2) Variations to leftover products in progress semi-finished and finished	14,822	50,150
5) Other income and revenues		
Other	83	368
Total other income and revenues	83	368
Total production value	201,371	231,750
B) Costs of production		
6) costs for raw and subsidiary materials, consumables and goods	115,685	115,685
7) costs for services	147,374	210,249
8) leasing costs for third-party assets	73,544	74,158
9) personnel costs		
a) salaries and wages	59,439	38,228
b) social security expenses	15,692	7,548
c), d), e) employees' severance indemnity, pensions, other staff costs	4,436	2,540
c) severance indemnity	4,436	2,540
Total personnel costs	79,567	48,316
10) amortisation and devaluation		
a),b),c) Amortisation of intangible and tangible fixed assets, other fixed asset depreciation	50,296	45,789
a) Amortisations of intangible fixed assets	39,891	38,459
a) amortisation of tangible fixed assets	10,405	7,330
Total amortisation and devaluation	50,296	45,789
11) Variations to leftover stock of raw, subsidiary materials, consumables and goods	(3,597)	(134,540)
14) sundry operating expenses	8,187	3,316
Total production costs	471,056	486,269
Difference between production value and costs (A - B)	(269,685)	(254,519)
C) Financial revenue and expenses		
17) Interest and other financial expenses		
towards parent companies	38,996	7,064
Other	0	1,333
Total interests and other financial expenses	38,966	8,397
17-bis) Gains and losses on foreign exchange	(6)	0
Total income and financial expenses (15 + 16 - 17 + - 17-bis)	(39,002)	(8,397)
D) Valuation adjustments to financial assets and liabilities		
Total valuation adjustments to financial assets and liabilities (18 - 19)	0	0
Pre-tax result (A - B + - C + - D)	(308,687)	(262,916)
21) Fiscal year profit (loss)	(308,687)	(262,916)

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# Explanatory Notes to the Financial Statements ended on 31-12-2019

## Explanatory Notes, Initial Section

### Explanatory Notes to the Financial Statements at 31/12/2019 prepared in abridged form pursuant to article 2435 - bis of the Civil Code

#### OVERVIEW

The financial statements for the year ended 31/12/2019 of which these notes are an integral part pursuant to article 2423, first paragraph of the Civil Code, correspond to the accounting records properly kept and have been drawn up in compliance with articles 2423, 2423 ter, 2424, 2424 bis, 2425, 2425 bis of the Italian Civil Code, in accordance with the reporting principles that conform to the provisions of article 2423 bis, assessment criteria specified in article 2426 of the Civil Code.

The fiscal year's financial statements have been drawn up in abridged form in compliance with the provisions of article 2435-bis of the Civil Code, given that the conditions specified in paragraph 1 of said article apply. Consequently, these explanatory notes provide the information established in paragraph 1 of article 2427 limitedly to the entries specified in paragraph 5 of article 2435 bis of the Civil Code.

Furthermore, these notes to the financial statements contain the information requested in points 3) and 4) of article 2428 of the Civil Code and accordingly the Management Report has not been written, pursuant to article 2435 - b, paragraph 7 of the Civil Code.

The valuation criteria pursuant to article 2426 of the Civil Code are in compliance with those applied in the drafting of the previous financial statements.

Furthermore, where applicable, the principles and recommendations of the Italian Accounting Body (OIC) have been integrated, where lacking, by the IAS/IFRS issued by the IASB in order to give a true and fair view of the assets/liabilities, financial and economic situation of the Company. There are no asset and liability items falling under multiple entries in the financial statements.

There are no asset and liability items falling under multiple entries in the financial statements.

For comparison purposes of the financial statements amounts, pursuant to article 2423 ter, fifth paragraph of the Civil Code, the reclassification of the amounts related to the previous fiscal year was carried out.

#### REPORTING CRITERIA

In order to draw up the financial statements clearly and provide a true and accurate capital and financial situation and economic result description, pursuant to article 2423 bis of the Civil Code, it was decided to:

- value single items prudently and with business continuity in mind;
- only include profits effectively made during the year;
- calculate income and costs on an accruals basis, regardless of when they appeared financially;
- include all risks and losses for the period, even if known after the fiscal year had ended;
- consider separately, for the related valuation, heterogeneous elements included in the financial statement items;
- maintain valuation criteria the same as those adopted for the previous fiscal year.

#### Business continuity perspective

For what concerns this principle, the evaluation of the balance sheet items has been carried out with a perspective of business continuity and therefore taking into account the fact that the company constitutes a functioning economic structure, designed, at least for a foreseeable future period of time (12 months from the balance sheet reference date), for the production of income.

#### VALUATION CRITERIA

The criteria applied to value the financial statement items, detailed below, comply with art. 2426 of the Civil Code.

#### Intangible fixed assets

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Intangible fixed assets are entered, within their recoverable value limit, at purchase or internal production cost, including all directly attributable additional expenses, and are amortised systematically by constant percentages related to their residual possibility of use.

In particular, plant and expansion costs derive from the capitalisation of the charges related to the start-up stage or expansion of the operating capacity and they are amortised on a 5-year basis.

The industrial patent rights and the exploitation rights of intellectual property assets are amortised on the basis of their presumed term of use; however, never exceeding those established by the licence agreements.

Intangible assets in progress are not subjected to amortisation.

The amortisation whose value at the end of the fiscal year is durably less than the residual less than the cost to be amortised are posted their lesser value; this is not maintained if in the subsequent fiscal years the reasons that led to the correction performed no longer apply.

### **Tangible Fixed Assets**

The tangible fixed assets have been recognised on the date in which the transfer of risks and benefits related to the assets acquired took place and they have been posted, within the limit of their recoverable value, at the purchase cost or production cost at net of related amortisation provisions, including all charges and ancillary charges directly related to them, as well as the indirect charges associated to them due to the internal production and until the moment in which the assets can be used.

The costs sustained on existing assets for the expansion, modernisation and improvement of structural elements, and those sustained to increase correspondence with the reasons for their purchase, and the extraordinary maintenance in compliance with OIC 16 in paragraphs from 49 to 53, were capitalised when there was a significant, measurable increase to production capacity or useful lifespan.

For those assets, amortisation was applied in a unitary way on the new book value considering the residual useful life span.

For tangible fixed assets represented by a group of assets related to each other, in compliance with what is established by OIC 16 pursuant to paragraphs 45 and 46, the value for each asset has been determined in order to identify the different duration of their useful life.

The capitalisation of the financial charges has not been performed.

The cost of assets where use is limited in time is amortised systematically in each fiscal year based on the economic-technical percentages calculated based on residual possible use. All assets, including those that are not being used at the moment, have been depreciated, except for those whose utility does not diminish and which consist of land and non-instrumental buildings and works of art.

Amortisation starts from when the assets become available and ready for use.

Rates have been applied that reflect the technical depreciation schedules. The rates take into account the Company's actual situation and have been reduced by 50% for acquisitions over the year as such acquisitions meet the conditions specified by OIC 16, paragraph 61.

Amortisation plans, in compliance with OIC 16 paragraph 70 are reviewed if there is a change to the residual possibility of use.

Obsolete assets and those that will or can no longer be used in the production cycle, have not, in accordance with OIC 16, paragraph 80, been amortised and have been entered at their net book value, or at their recoverable value if the latter value is lower. The rates applied are set out below:

Other assets:

- furniture and furnishings: 15%
- electronic office equipment: 20%
- plants: 15%

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### **Public contributions towards plants and operating expenses**

No contributions towards plants and/or operating expenses have been issued by the State

### **Shareholdings**



No shareholdings in other companies appear in the financial statements.

### **Debt instruments**

No debt instruments appear in the financial statements.

### **Inventories**

Inventory is recognised at the date on which the risks and benefits associated with the assets acquired are transferred and are posted at the lower value between the purchase cost, including all directly attributable ancillary costs and expenses and indirect costs related to internal production, and the estimated realisable value based on market trends.

More precisely:

Fungible assets were assessed by applying the "Specific cost" method.

With reference to the assessment criteria adopted, the following should also be noted:

In compliance with OIC 13 paragraph 42, it is reported that the Company did not receive any contributions in the fiscal year.

Financial charges are not included in the value of inventory.

### **Derivative financial instruments**

The Company does not hold derivative financial instruments.

### **Receivables**

Receivables are classified in fixed assets or in current assets based on their intended use/origin compared to ordinary activities, and are entered at presumed collection value. On the basis of experience, trend of the seniority indexes of overdue receivables, general economic situation, sector and country risk, as well as events occurring after the end of the fiscal year, it is considered that there are no receivables at risk that cannot be collected. Amounts due within and after the fiscal year are subdivided on the basis of contractual or legal due dates, also taking into account facts and events that may lead to a change in the original due date, the debtor's realistic ability to fulfil its obligation within the contractual terms and the certain time period in which it is reasonably believed to collect the receivables.

Pursuant to the OIC 15, paragraph 84 it is specified that in the assessment of receivables, the amortised cost criterion has not been adopted.

### ***Tax credits and credits for prepaid taxes***

The item "Tax credits" comprises amounts that are certain and defined arising from receivables giving entitlement to refunds or compensation.

The 'Prepaid taxes' entry includes the transactions for prepaid taxes calculated on the basis of temporary differences that can be deducted or carried forward in the tax losses, applying the estimated rate in force at the time in which said differences will be paid.

The prepaid taxes associated with a claimable loss were recognized when there is reasonable certainty of their future collection, proven by a tax plan for a reasonable period of time that foresees sufficient taxable income to utilize the losses that can be carried forward and/or by the presence of sufficient taxable temporary differences to absorb the losses that can be carried forward.

### **Liquid assets**

Liquid assets are entered at their nominal value.

### **Accruals and deferrals**

Accrual and deferrals have been posted on an accrual basis and include revenues/expenses pertaining to the fiscal year and becoming due in subsequent fiscal years and the revenues/expenses borne within the end of the fiscal year, but pertaining to the subsequent fiscal years.

Therefore, solely those percentages of costs and revenues, common to two or more fiscal years, the amount of which varies based on time were entered.

At the end of the year, it was established that the conditions had been met that justified the initial entry, after any necessary adjustments had been made, also taking any recoverability into account in addition to the temporal element.

Accrued income, which could be included in the receivables for the fiscal year, have been assessed their presumable realisable value, by applying, if said value was less than the book value, a depreciation in the income statement.

Deferred income, which could be included in the payables for the fiscal year, have been assessed at their nominal value.

Prepaid expenses were reported on the basis of the calculation of the future financial benefit of differed costs, the value being adjusted if the benefit was found to be less than the discounted amount.

### **Provisions for risks and charges**

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They do not appear in the financial statements.

### **Provision for pensions and similar obligations**

They do not appear in the balance sheet

### **Taxes, including deferred taxes provision**

They do not appear in the balance sheet

### **Employees' severance pay indemnity**

Employees' severance indemnities are reported in compliance with current regulations and the item states the Company's actual commitment to individual employees at the end of the fiscal year, less advances paid out.

### **Payables**

The distribution of the amounts receivables within and past the fiscal year was performed with reference to the contractual or legal due date, also taking into consideration facts and events that may lead to a change of the original due date.

Payables are stated under liabilities at their face value, which is deemed to correspond to their settlement value.

Pursuant to the OIC 19, paragraph 86 it is specified that in the assessment of payables, the amortised cost criterion has not been adopted

Payables from the acquisition of assets are entered when risks, expenses and benefits are transferred. Those for services when the service is provided. Financial ones and of another kind when the obligation with the counterpart arises.

Tax payables include liabilities for certain and calculated taxes, and those withheld as a substitute and not yet paid at the financial statements date, and, if compensation is allowed, are entered at net of advances, withheld taxes and tax receivables.

### **Foreign currency entries**

They do not appear in the balance sheet

### **Costs and Revenues**

These are entered applying the prudence and economic accrual principles.

Any commercial and financial transactions with companies of the Group and with connected counterparties are conducted subject to normal market conditions.

With reference to "Revenues from sales and services" please note that the adjustments to the revenues, pursuant to OIC 12 paragraph 50, have not been subjected to a decrease in the revenues item.

## **Exceptional cases pursuant to art. 2423, fifth paragraph, of the Civil Code**

### **EXCEPTIONAL CASES EX ART. 2423, FIFTH PARAGRAPH OF THE CIVIL CODE**

There were no exceptional events that made it necessary to resort to exceptions pursuant to article 2423, fifth paragraph of the Civil Code.

## **Changes in accounting principles**

### **CHANGES IN ACCOUNTING PRINCIPLES**

There were no changes in accounting standards during the year.

## **Correction of relevant errors**

### **CORRECTION OF RELEVANT ERRORS**

No significant errors made in previous years emerged during the year.

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## **Comparability and adaptation issues**

## COMPARABILITY AND ADAPTATION ISSUES

There are not assets and liabilities that fall under several accounts of the financial statements.

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## Abridged Explanatory Notes, Assets

### INFORMATION ON THE BALANCE SHEET ASSETS

#### Fixed assets

##### **FIXED ASSETS**

Fixed assets amount to € 470,601 (€ 510,384 in the previous fiscal year).

#### Fixed assets transactions

The individual items break down and transactions are as follows:

	Intangible fixed assets	Tangible fixed assets	Financial fixed assets	Total Fixed Assets
<b>Value at start of the fiscal year</b>				
Carrying amount	446,858	63,526	0	510,384
<b>Variations in the fiscal year</b>				
Increases for acquisitions	10,622	0	0	10,622
Amortisation in fiscal year	39,981	10,405		50,296
Other variations	1	(110)	0	(109)
Total variations	(29,268)	(10,515)	0	(39,783)
<b>Value at end of the fiscal year</b>				
Cost	477,622	71,854	0	549,476
Amortisation (provision for amortisation)	60,032	18,843		78,875
Carrying amount	417,590	53,011	0	470,601

#### Current assets

##### **CURRENT ASSETS**

#### Capitalised finance charges

##### **Capitalised finance charges**

There no finance charges related for the fiscal year for values posted in the assets of the Balance Sheet, pursuant to article 2427, paragraph 1, No. 8), of the Civil Code.

Complementing the information provided on the assets posted in the Balance Sheet, please find below any "Depreciation due to significant loss of value" and "Revaluation of tangible and intangible Fixed Assets"

##### **Depreciation due to significant loss of value of tangible and intangible assets**

Pursuant to article 2427, paragraph 1, number 3-bis of the civil code, it is specified that no decreases have been applied to the value of the tangible and intangible fixed assets.

##### **Revaluation of tangible and intangible fixed assets.**

No monetary and financial revaluations have been performed by the Company.

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## Abridged explanatory notes, liabilities and net equity

### INFORMATION ON THE BALANCE SHEET - LIABILITIES AND NET EQUITY

#### Net Equity

##### NET EQUITY

Net equity at the end of the fiscal year amounts to € 391,403 (€ 700,084 in the previous fiscal year).

#### Variations in Net Equity items

The following tables show changes to the individual Net equity items and break down the item 'Other reserves'.

	Value at start of the fiscal year	Allocation of the operating result related to the previous		Other variations			Result for the fiscal year	Value at end of the fiscal year
		Allocation of dividends	Other allocations	Increases	Decreases	Reclassifications		
Share Capital	1,000,000	0	0	0	0	0		1,000,000
Share premium reserve	0	-	-	-	-	-		0
Revaluation reserve	0	-	-	-	-	-		0
Legal reserve	0	-	-	-	-	-		0
Statutory reserve	0	-	-	-	-	-		0
Other reserves								
Miscellaneous other reserves	1	0	0	0	0	(4)		(3)
Total other reserves	1	0	0	0	0	(4)		(3)
Cash flow hedge reserve	0	-	-	-	-	-		0
Profits (losses) carried forward	(36,997)	0	0	0	262,916	0		(299,913)
Profits (losses) for the fiscal year	(262,916)	-	262,916	0	0	0	(308,687)	(308,687)
Loss offset in the fiscal year	0	-	0	-	-	-		0
Reserve for own shares held in portfolio	0	-	-	-	-	-		0
Total net equity	700,084	0	262,916	0	262,916	6	(308,687)	391,403

#### Detail for other reserves

Description	Amount
Rounding to units of EUR	3
Total	3

The following table shows the transactions in net equity of the previous fiscal year

	Value at start of the fiscal year	Allocation of dividends		Other allocations	Increases
		Allocation of dividends	Other allocations		
Share Capital	1,000,000	0	0	0	0

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Other reserves				
Miscellaneous other reserves	1	0	0	0
Total other reserves	1	0	0	0
Profits (losses) carried forward	0	0	0	0
Profits (losses) for the fiscal year	-36,997	0	36,997	0
Total net equity	963,004	0	36,997	0

	Decreases	Reclassifications	Result for the fiscal year	Value at end of the fiscal year
Share Capital	0	0		1,000,000
Other reserves				
Miscellaneous other reserves	0	-4		-3
Total other reserves	0	-4		-3
Profits (losses) carried forward	36,997	0		-36,997
Profits (losses) for the fiscal year	0	0	-262,916	-262,916
Total net equity	36,997	-4	-262,916	700,084

## Variation of cash flow hedge reserve

### Cash flow hedge reserve

The Company does not hold derivative financial instruments.

To complete information provided on the Net Equity we are providing the following details:

### Revaluation reserve

No revaluation reserves appear in the financial statements.

## Payables

### PAYABLES

## Variations and payables due date

### Payables - Difference by due date

Here below are the details of the subdivision of payables by due date, pursuant to art. 2427 par. 1 number 6 of the Civil Code.

	Value at start of the fiscal year	Variation in the fiscal year	Value at end of the fiscal year	Instalment due within the fiscal year 5 years	Instalment due beyond the fiscal year	Of which of residual term beyond
Payables to suppliers	64,645	(38,440)	26,205	26,205	0	0
Payables represented by credit instruments	409	(91)	318	318	0	0
Payables to parent companies -	257,064	338,996	596,060	46,060	550,000	0
Tax Payables	4,729	(3,291)	1,438	1,438	0	0
Payables to social security and welfare institutions	1,762	1,062	2,824	2,824	0	0
Other payables	6,926	(139)	6,787	6,787	0	0
Total Payables	335,535	298,097	633,632	83,632	550,000	0

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Payables due beyond 5 years and Payables supported by collateral guarantees on corporate assets**Payables due beyond 5 years and Payables supported by collateral guarantees on corporate assets**

There are no payables due beyond 5 years nor payables supported by collateral guarantees on corporate assets 2427, paragraph 1, No. 6), of the Civil Code.

	Payables not secured by collateral guarantees	Total
Amount	633,632	633,632

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## **Abridged Explanatory Notes, Income Statement**

### **INFORMATION ON THE INCOME STATEMENT**

#### **Amount and type of individual revenue/expense elements of extraordinary value or impact**

##### **REVENUES OF EXTRAORDINARY VALUE OR IMPACT**

Regarding to what is set forth in art. 2427, paragraph 1, number 13 of the Civil Code, please note that Company did not have any revenues of extraordinary value or impact.

##### **COSTS OF EXTRAORDINARY VALUE OR IMPACT**

Regarding to what is set forth in art. 2427, paragraph 1, number 13 of the Civil Code, please note that Company did not incur in any expenses of extraordinary value or impact

#### **Current, deferred and advance taxes on the fiscal year's income**

##### **CURRENT, DEFERRED AND ADVANCE TAXES ON THE FISCAL YEAR'S INCOME**

The individual items break down as follows:

*Composition and transactions occurred in liabilities for deferred taxes and in assets for prepaid taxes* The tables below break down separately Ires and Irap tax liability variations resulting from increases due to temporary differences arising over the year and from decreases due to temporary differences reported under the items "Provision for deferred taxes" and "Receivables for prepaid taxes".

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## **Abridged Explanatory Notes, other information**

### **ADDITIONAL INFORMATION**

#### **Employment data**

##### **Employment data**

Regarding the information concerning personnel, pursuant to article 2427, paragraph 1, number 15 of the Civil Code, please note that the Company hired 3 employees in 2019.

#### **Remunerations, advances and loans granted to directors and auditors and commitments undertaken on their behalf**

##### **Remunerations to the corporate bodies**

Pursuant to art. 2427, paragraph 1, number 16 of the Civil Code, please note that in 2017 no remunerations were paid to the administrative body.

#### **Commitments, guarantees and potential liabilities not appearing in the balance sheet**

Regarding to what is set forth in art. 2427, paragraph 1, number 9 of the Civil Code, there were no commitments, guarantees and potential liabilities for the fiscal year that did not appear in the balance sheet.

##### **Commitments**

The company did not undertake any commitment

##### **Guarantees**

The company did not issue any guarantee during the fiscal year.

##### **Potential liabilities**

No potential liabilities apply to the fiscal year.

#### **Information on assets and financing destined to a specific deal**

##### **Information on assets and financing destined to a specific deal**

There are not assets and financing assigned to a specific deal, pursuant to articles 2447 bis and 2447 decies of the Civil Code.

#### **Information on transactions with related parties**

##### **Transactions with related parties**

During the fiscal year, there were no transactions with related parties, pursuant to article 2427, paragraph 1, No. 22-bis, of the Civil Code.

#### **Information on agreements not appearing in the balance sheet**

##### **Agreements not appearing in the balance sheet**

They did not take place during the fiscal year.

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## Information related to significant events occurred after the end of the fiscal year

### Significant events occurred after the end of the fiscal year

No significant events took place after the end of the fiscal year that were such to have a financial, economic or equity impact on the Company, pursuant to article 2427, paragraph 1, number 22-quater of the Civil Code.

At the time of drafting these financial statements, the entire community worldwide is confronted with the effects of Covid-19 pandemic, with serious implications concerning public health, the health system and the economic system as a whole.

For what concerns the company's activities, they should not be affected by this event, at least in the short term

## Information related to derivative financial instruments pursuant to article 2427-bis of the Civil Code

### Derivative financial instruments

The Company does not hold derivative financial instruments.

## Summary table of the financial statements of the company performing direction and coordination

### Information on the companies or entities performing direction and coordination - art. 2497 bis of the Civil Code

The Company is subjected to the direction and coordination of the company SIYARAM SILK MILLS LIMITED, with registered office in India.

Pursuant to article 2497 bis, paragraph 4 of the Civil Code, the key data related to the last financial statements approved by the Company exercising direction and coordination are shown below in Lakhs:

## Summary table of the financial statements of the company performing direction and coordination

	Last Fiscal Year	Previous Fiscal Year	
Data of the last approved financial statements	31/03/2019	31/03/2018	
A) Receivables from the Shareholders for payments still due	0		0
B) Fixed assets	57,839		59,727
C) Current assets	92,627		95,583
D) Accrued income and prepaid expenses	0		0
Total assets	150,466		155,310
A) Net equity			
Share capital	75,743		67,862
Reserves	0		0
Profits (losses) for the fiscal year	0		0
Total net equity	75,743		67,862
B) Provisions for risks and charges	0		0
C) Severance indemnities	0		0
D) Payables	74,723		87,449
E) Deferred income and accrued expenses	0		0
Total liabilities	150,466		155,311

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## Summary table of the Income Statement of the company performing direction and coordination

	Last Fiscal Year	Previous Fiscal Year
Data of the last approved financial statements	31/03/2018	31/03/2017
A) Value of production	184,295	175,909
B) Costs of production	168,374	158,180
C) Financial revenue and expenses	0	0
D) Adjustments to value of long-term investments	(472)	(601)
Income tax on fiscal year profit	5,333	5,968
Profits (losses) for the fiscal year	10,116	11,160

## Own Shares and Parent Company's Shares

### Own Shares and Parent Company's Shares/quotas

Pursuant to article 2435 bis, paragraph 7 of the Civil Code, concerning the information requested in art. 2428, paragraph 3, points 3) and 4) of the Civil Code, it is reported that in the financial statements there are no shares of parent companies held by the company also through trust companies or third parties and that during the fiscal year no shares of parent companies were purchased or sold by the company through trust companies or third parties.

## Information related to start-ups, including with social purposes, and Innovative Small-Medium Enterprises

### Information required by law regarding a Start-up and Innovative Small-Medium Enterprise

#### *Research and development expenses pursuant to Law Decree 179/2012*

They do not appear in the financial statements.

#### *Research and development expenses pursuant to Law Decree 3/2015*

They do not appear in the financial statements.

## Proposal for allocation of profits or to cover losses

### Allocation of profit for the fiscal year

Pursuant to art. 2427, paragraph 1, number 22-septies of the Civil Code, it is proposed to carry forward the fiscal year loss, specifying that the loss for the year together with the previous losses realize the case pursuant to Article 2482-bis, paragraph 1, of the Italian Civil Code, therefore the measures referred to in paragraph 4 of the same article.

For CADINI S.R.L.

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## Explanatory Notes, final section

**The Administrative Body**  
PODDAR GAURAV

For CADINI S.R.L.

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## **Financial Statements Declaration of Compliance**

### **Declaration of Conformity**

Copy corresponding to the documents held by the Company; the Sole Director, pursuant to Articles 47 and 76 of the D.P.R. 445/2000, hereby declares that this electronic document complies with the document registered and signed in the Company's corporate books; further declares that the electronic document in Xbrl format containing the Balance Sheet and Income Statement complies with the corresponding original documents filed at the Company. Stamp duty paid digitally through the Chamber of Commerce of Florence authorization No. 10882/2001/T2 dated March 13, 2001 A.E. Regional Directorate of Tuscany

For: CADINI S.R.L.

Sd/-

AUTHORISED SIGNATORY

## REPORT ON THE FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED ON 31 DECEMBER 2019

To the Shareholders' Meeting of the Company CADINI SRL

### Introduction

The undersigned, Mr. Nicola Sisti, Statutory Auditor, Registration No. 154942, Ministerial Decree dated 31/03/2009 Official Gazette: No.37 dated 15/05/2009 appointed by the Company Cadini Srl to perform an audit on the financial statements ended on 31 December 2018, has performed this duty in full compliance with the auditing principles and article 2409-bis of the Civil Code even if the Company is not subjected to mandatory auditing.

### Report on the Auditing of the Financial Statements

#### Opinion

I have audited the financial statements at 31 December 2019 related to the Company Cadini Srl comprising a balance sheet, income statement and explanatory notes.

In my opinion, the financial statements provide a truthful and correct representation of the assets/liabilities and financial situation of the Company at 31.12.2019 and of the income statement for the fiscal year ended in such date, in compliance with the Italian regulations that govern their preparation.

#### *Elements on which the opinion was formed*

I carried out the audit in compliance with the auditing principles. I am independent respect to the Company in compliance with the regulations and principles governing ethics and independence pursuant to the Italian regulations related to the auditing of financial statements.

I believe to have acquired sufficient and appropriate evidence on which to base my opinion.

#### *Directors Responsibilities*

The Directors are responsible for the preparation of the financial statements, which must reflect an accurate and truthful representation of the financial information in compliance with the Italian regulations that govern their preparation and, according to what is established by law, for that portion of internal oversight deemed necessary by the Directors to allow the preparation of the financial statements without significant errors due to frauds or unintentional errors.

The Directors are responsible for the assessment of the ability of the Company to continue operating as a going concern and, in the preparation of the financial statements, for the appropriate application of the business continuity principle as well as a for an adequate information report on the matter. The Directors apply the business continuity principle in the preparation of the financial statements unless they

For CADINI S.R.L.

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Have assessed that the conditions for liquidation of the company or for halting the business activities exist, or if they do not have realistic alternatives to said choices.

### ***Auditing of the Financial Statements for the fiscal year***

The aim of this audit is to acquire reasonable certainty that the financial statements for the fiscal year, overall, do not contain significant errors due to frauds or conducts or accidental events.

My review has been carried out according to established auditing principles. In accordance with the aforementioned principles, the audit was carried out in order to acquire every element necessary to ascertain whether the financial statements are affected by significant errors and if they are, on the whole, reliable. The auditing procedure was carried out in a manner consistent with the size of the company and its organizational structure. The auditing process includes the examination, on a sampling basis, of the evidence and information contained in the financial statements, as well as the assessment of the adequacy and correctness of the accounting criteria adopted and the reasonableness of the assessments performed by the Directors. I believe that the work carried out provides a reasonable base on which to express my professional opinion.

The financial statements audited, overall, have been presented clearly and they depict in a truthful and accurate manner the financial and equity situation of the company as well as the income statement of the Company CADINI S.R.L. for the fiscal year ended on 31 December 2019, in compliance with the rules governing financial statements.

### **Remarks on the Financial Statements**

Concerning the financial statements ended on 31 December 2019, which is submitted for your approval, I verified the general set-up of the financial statements and their general compliance to the law, in terms of form and structure.

Concerning the Explanatory Notes, I verified that they have been prepared according the mandatory instructions established by article 2427 of the Civil Code (Contents of the Explanatory Notes) and in compliance with the other requirements of civil law as well as fiscal law. They contain, in addition to the valuation criteria, detailed information on the entries appearing in the balance sheet and income statement, as well as all others necessary in order to provide truthful and accurate information regarding the financial and assets/liabilities situation of the Company. The financial statements ended on 31 December 2019, which are submitted to your approval, can be summarised in the following summary assets/liabilities results table:

ASSETS		
Fixed assets	€	470,601
Current assets	€	547,804
Accrued income and prepaid expenses	€	8,769
TOTAL ASSETS	€	1,027,174

For CADINI S.R.L.

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LIABILITIES		
Share capital	€	1,000,000
Other reserves (rounding in €)	€	3
Profit (loss) for the year	€	(308,687)
Losses carried forwards	€	(299,913)
Severance Indemnity Fund	€	2,020
Payables	€	633,632
Accrued liabilities and deferred expenses	€	109
TOTAL LIABILITIES	€	1,027,174

#### INCOME STATEMENT

Production value	€	201,371
Production costs	€	471,056-
Financial income and charges	€	39,002-
FISCAL YEAR LOSS	€	308,687-

To the extent of my competence, I can state that the financial statements entries have been posted in full respect of the regulations established by the Civil Code and by the other regulations that discipline the preparation of the financial statements, both in terms of their formal and substantial aspects.

The evaluation criteria adopted are in full compliance with accrual principle and the principles of prudence in light of the continuation of business.

As far as I know, the Administrative Body, in the preparation of the financial statements, did not make any exceptions, pursuant to art. 2423, fourth paragraph (Preparation of the Financial Statements) to the general criteria established by the Civil Code.

Regarding the posting and evaluation criteria of the specific entries in the financial statements, fully detailed in the Explanatory Notes, I also state that the Civil Code regulations according to article 2426 of the Civil Code (Assessment Criteria) have been respected, in particular:

- The assessment of the intangible fixed assets has been performed according to their historical cost of acquisition;
- The criteria have been posted according to their presumable realisable value (article 2426 No. 8 of the Civil Code) (Assessment criteria);
- Liabilities have been posted at their presumed settlement value, matching their nominal value;
- Adjustment accounts have been posted on an accrual basis.

Having seen the results of the activity carried out, the undersigned recommends compliance with the obligations required by article 2482-bis, paragraph 4, of the Italian Civil Code, since the losses for the year and the previous ones fulfill the circumstances envisaged in paragraph 1 of the aforementioned article, it will be necessary therefore, within the timeframe provided by the legislation, provide for the recapitalization or reduction of the capital, taking into account the recommendations

For CADINI S.R.L.

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believes that the Shareholders' Meeting may approve the financial statements for the fiscal year ended on December 31, 2019, as they have been prepared by the Directors.

Date 30/04/2020

Nicola Sisti - Auditor