

F.M. Hämmerle Verwaltungs-GmbH

Financial statement
as per 31st of March 2018

Prepared in accordance with submitted documents
and provided information.

Erstellungsbericht

An

F. M. Hämmerle Verwaltungs GmbH
Marktstrasse 12
6850 Dornbirn

Bericht über die Erstellung des Jahresabschlusses der F.M. Hämmerle Verwaltungs GmbH zum 31.03.2018.

Wir haben auftragsgemäß den nachstehenden Jahresabschluss der F.M. Hämmerle Verwaltungs GmbH zum 31.03.2018 bestehend aus Bilanz, Gewinn- und Verlustrechnung sowie Anhang auf Grundlage der Buchführung und des Inventars sowie der Vorgaben zu den anzuwendenden Bilanzierungs- und Bewertungsmethoden erstellt.

Grundlage für die Erstellung des Abschlusses waren die uns vorgelegten Belege, Bücher und Bestandsnachweise, die wir auftragsgemäß nicht auf Ordnungsmäßigkeit oder Plausibilität geprüft haben, sowie die uns erteilten Auskünfte. Die Buchführung sowie die Aufstellung des Inventars und des Jahresabschlusses nach UGB und den ergänzenden Bestimmungen des Gesellschaftsvertrags liegen in Ihrer Verantwortung.

Wir haben weder eine Abschlussprüfung noch eine prüferische Durchsicht des Abschlusses noch eine sonstige Prüfung oder vereinbarte Untersuchungshandlungen vorgenommen und geben demzufolge keine Bestätigung zum Abschluss.

Sie sind sowohl für die Richtigkeit als auch für die Vollständigkeit der uns zur Verfügung gestellten Unterlagen und Auskünfte verantwortlich, auch gegenüber den Nutzern des von uns erstellten Abschlusses. Wir verweisen in diesem Zusammenhang auf die auf unser Verlangen von Ihnen am _____ unterschriebene Vollständigkeitserklärung.

Der Erstellungsauftrag wurde unter Beachtung des Fachgutachtens KFS/RL 26 „Grundsätze für die Erstellung von Abschlüssen“ durchgeführt. Für den Erstellungsauftrag gelten die Allgemeinen Auftragsbedingungen (AAB) für Wirtschaftstreuhänder der Kammer der Wirtschaftstreuhänder (KWT) in der Fassung vom 21.2.2011.

Eine Weitergabe des von uns erstellten Abschlusses an Dritte darf nur unter Beigabe des Erstellungsberichts erfolgen.

BALANCE SHEET

as per 31st of March 2018

BALANCE SHEET AS OF 31. 3. 2018

ASSETS	2017/18 (EUR)	2016/17 (EUR/1000)	EQUITY AND LIABILITIES	2017/18 (EUR)	2016/17 (EUR/1000)
A. FIXED ASSETS			A. NEGATIVE SHAREHOLDERS' EQUITY		
<i>I. Intangible fixed assets</i>			<i>I. Nominal capital</i>		
1. industrial property rights and similar rights and benefits	66.666,65	80,0	1. Share capital	35.000,00	35,0
B. CURRENT ASSETS			<i>II. Capital reserves</i>		
			1. unappropriated	3.325,00	3,3
<i>I. Receivables and other assets</i>			<i>III. Cumulative loss</i>		
1. Other receivables and assets	1.281,63	1,7	st. sep. earnings/losses brought forward	-387.290,57	-391,5
			-391.510,46 / last year -389.760,50		
<i>II. Cash on hand, Cash in bank</i>			B. ACCRUALS		
	139,82	0,5	1. Other accruals	2.400,00	2,4
			C. LIABILITIES		
			1. Payable to affiliated companies	410.512,72	422,9
			2. Other liabilities	4.140,95	10,1
			stating separat. within social security		
			23,50 / last year 126,58	414.653,67	432,9
TOTAL ASSETS	68.088,10	82,2	TOTAL EQUITY AND LIABILITIES	68.088,10	82,2

ASSETS IN DETAIL

	2017/18 EUR	2016/17 EUR
FIXED ASSETS		
<i>Intangible fixed assets</i>		
industrial property rights and similar rights and benefits		
Marken, Warenzeichen, Lizenzrechte	66.666,65	79.999,98
	<u>66.666,65</u>	<u>79.999,98</u>
CURRENT ASSETS		
<i>Receivables and other assets</i>		
Other receivables and assets		
Finanzamt Feldkirch, St. Nr. 113/8118	303,00	0,00
Finanzamt USt-Zahllast	0,00	480,00
Forderungen sonstige	978,63	1.179,00
	<u>1.281,63</u>	<u>1.659,00</u>
<i>Cash on hand, Cash in bank</i>		
BAWAG 71210-049-759	139,82	501,96
	<u>139,82</u>	<u>501,96</u>

EQUITY AND LIABILITIES IN DETAIL

	2017/18 EUR	2016/17 EUR
NEGATIVE SHAREHOLDERS' EQUITY		
<i>Nominal capital</i>		
Share capital		
Stammkapital	35.000,00	35.000,00
	<u>35.000,00</u>	<u>35.000,00</u>
<i>Capital reserves</i>		
unappropriated		
Kapitalrücklagen	3.325,00	3.325,00
	<u>3.325,00</u>	<u>3.325,00</u>
<i>Cumulative loss</i>		
Gewinn-/Verlustvortrag	-391.510,46	-389.760,50
Jahresgewinn / Jahresverlust	4.219,89	-1.749,96
	<u>-387.290,57</u>	<u>-391.510,46</u>
ACCRUALS		
Other accruals		
Rückstellungen für Rechts- u.Beratungsk.	2.400,00	2.400,00
	<u>2.400,00</u>	<u>2.400,00</u>
LIABILITIES		
Payable to affiliated companies		
Verr. Kto. Oswal FM Hämmerle Text.Ltd.	160.000,00	160.000,00
Verr. Kto. Oswal FM Hämmerle Text. Ltd.	-90.486,74	-78.136,26
Verr. Kto. Vardham Polytex Ltd.	340.999,46	340.999,46
	<u>410.512,72</u>	<u>422.863,20</u>

EQUITY AND LIABILITIES IN DETAIL

	2017/18 EUR	2016/17 EUR
Other liabilities		
Verbindlichkeiten Gebietskrankenkasse	23,50	126,58
Verbindlichkeiten Gemeinde	37,45	161,14
Verbindlichkeiten Löhne und Gehälter	4.080,00	9.795,48
	<u>4.140,95</u>	<u>10.083,20</u>

PROFIT AND LOSS ACCOUNT

as per 31st of March 2018

INCOME STATEMENT**FOR 1. 4. 2017 - 31. 3. 2018**

	2017 / 18 EUR	2016 / 17 EUR/1000
1. Revenues	24.195,48	22,1
2. Other operating income		
a. Sundry	4.191,48	0,0
3. Operating performance	<u>28.386,96</u>	<u>22,1</u>
4. Personnel expenses		
a. Wages	810,00	0,0
b. Salaries	4.890,00	5,6
c. Expenses for severance payments	87,23	0,1
d. Expenses for compulsory social security benefits, and taxes and mandatory contributions related to payroll	<u>74,15</u>	<u>0,1</u>
	5.861,38	5,8
5. Depreciation and amortization		
a. of tangible and intangible assets		
aa. Scheduled depreciation	13.333,33	13,3
6. Other operating expenses		
a. Sundry	2.693,13	2,6
7. Subtotal from number 1 to 6 (operating results)	<u>6.499,12</u>	<u>0,4</u>
8. Interest and similar expenses	529,23	0,4
9. Subtotal from Number 8 to 8 (financial results)	<u>-529,23</u>	<u>-0,4</u>
10. Results from ordinary activities	<u>5.969,89</u>	<u>0,0</u>
carry-over	5.969,89	0,0

INCOME STATEMENT**FOR 1. 4. 2017 - 31. 3. 2018**

	2017 / 18 EUR	2016 / 17 EUR/1000
carry-over	5.969,89	0,0
11. Income taxes	1.750,00	1,8
12. Net income for the year	<u>4.219,89</u>	<u>-1,7</u>
13. Unappropriated retained earnings brought forward / Cumulative losses brought forward from the previous year	-391.510,46	-389,8
14. Cumulative loss	<u>-387.290,57</u>	<u>-391,5</u>

INCOME STATEMENT IN DETAIL

	2017/18 EUR	2016/17 EUR
Revenues		
Marketing Erlöse Konzern	24.195,48	22.112,04
	<u>24.195,48</u>	<u>22.112,04</u>
Other operating income		
Sundry		
Erlöse Inland O%	4.191,48	0,00
	<u>4.191,48</u>	<u>0,00</u>
Operating performance		
	<u>28.386,96</u>	<u>22.112,04</u>
	<u>28.386,96</u>	<u>22.112,04</u>
Personnel expenses		
Wages		
Löhne und Gehälter	810,00	0,00
	<u>810,00</u>	<u>0,00</u>
Salaries		
Gehälter	4.890,00	5.604,00
	<u>4.890,00</u>	<u>5.604,00</u>
Expenses for severance payments		
Beiträge an Mitarb.Vorsorgekassen	87,23	85,72
	<u>87,23</u>	<u>85,72</u>
Expenses for compulsory social security benefits, and taxes and mandatory		

INCOME STATEMENT IN DETAIL

	2017/18 EUR	2016/17 EUR
contributions related to payroll		
Gesetzlicher Sozialaufwand	74,15	72,88
	<u>74,15</u>	<u>72,88</u>
Depreciation and amortization		
<i>of tangible and intangible assets</i>		
Scheduled depreciation		
Abschreibungen immater. Vermögensg.	13.333,33	13.333,33
	<u>13.333,33</u>	<u>13.333,33</u>
Other operating expenses		
Sundry		
Buchhaltungs- u. Beratungskosten	2.400,00	2.400,00
Werbung, Inserate	93,13	0,00
Berufsbeiträge, Grundumlage	200,00	200,00
	<u>2.693,13</u>	<u>2.600,00</u>
Subtotal from number 1 to 6 (operating results)	<u>6.499,12</u>	<u>416,11</u>
	<u>6.499,12</u>	<u>416,11</u>
Interest and similar expenses		
Zinsen für Bankkredite, Darlehen	32,44	0,00
Bankspesen	496,79	416,07
	<u>529,23</u>	<u>416,07</u>
Subtotal from Number 8 to 8 (financial results)	<u>-529,23</u>	<u>-416,07</u>
	<u>-529,23</u>	<u>-416,07</u>

INCOME STATEMENT IN DETAIL

	2017/18 EUR	2016/17 EUR
Results from ordinary activities	5.969,89	0,04
	<u>5.969,89</u>	<u>0,04</u>
Income taxes		
Körperschaftsteuer	1.750,00	1.750,00
	<u>1.750,00</u>	<u>1.750,00</u>
Net income for the year	4.219,89	-1.749,96
	<u>4.219,89</u>	<u>-1.749,96</u>
Unappropriated retained earnings brought forward / Cumulative losses brought forward from the previous year		
Gewinn- / Verlustvortrag	-391.510,46	-389.760,50
	<u>-391.510,46</u>	<u>-389.760,50</u>
Cumulative loss	-387.290,57	-391.510,46
	<u>-387.290,57</u>	<u>-391.510,46</u>

NOTES

as per 31st of March 2018

Notes 2017/2018

I. General principles

The financial statements have been prepared in accordance with the principles of proper bookkeeping and accounting and the objective of presenting a fair and true view of the assets, earnings and financial position of the company.

II. Accounting principles

1. Fixed assets

Intangible assets acquired have been valued at cost of acquisition, less scheduled amortization on the basis of their usable life and unscheduled write-offs if necessary. A usable life of 15 years has been assumed.

Tangible assets acquired have been valued at cost of acquisition, less scheduled amortization on the basis of their usable life and unscheduled write-offs if necessary. The usable life of the individual groups of fixed assets is between 4 and 10 years.

Low value assets (acquisition costs less than EUR 400,00) have been fully written off in the year of acquisition.

Depreciation rates have generally been calculated according to the straight-line depreciation method.

2. Current assets

2.1. Accounts receivable and other assets

Accounts receivable and other assets have been valued with lower of nominal value and market value.

Receivables have been valued at a lower value in cases of recognizable individual risks.

All receivables are due within one year.

Receivables in foreign currency have been valued with the transaction value or the lower value at the balance sheet cut-off date.

2.2. Cash, bank deposits

Foreign currency accounts have been valued at the exchange rate of the last day of the business year.

3. Provisions

Provisions have been made to cover projected claims in accordance with the principle of conservatism.

4. Liabilities

Liabilities have been valued at their repayment amounts in accordance with the principle of conservatism. Liabilities in foreign currency have been valued with the transaction value or the higher repayment value at the balance sheet cut-off date.

III. Notes to the balance sheet

1. Negative equity

The balance sheet shows a negative equity of TEUR -353. Despite this over-indebtedness no insolvency situation under insolvency law exists because the parent company VARDHMAN POLYTEX LIMITED has issued a letter of subordination for its intercompany loan to F.M. Hämmerle Verwaltungs-GmbH in the amount of EUR 340.000,00. VARDHMAN POLYTEX LIMITED declares that it will not reclaim the intercompany loan unless the negative equity situation has been solved and that in case of insolvency all other debts are settled first. Also the affiliated company Oswal F.M. Hämmerle Textiles Limited has issued a letter of subordination for its intercompany loan to F.M. Hämmerle Verwaltungs-GmbH in the amount of EUR 160.000,00. Oswal F.M. Hämmerle Textiles Limited declares that it will not reclaim the intercompany loan unless the negative equity situation has been solved and that in case of insolvency all other debts are settled first.

1.1. Registered capital

The registered capital of the company is EUR 35.000 and is fully paid.

2. Liabilities

Subordination letters of related companies exist in the amount of EUR 500.000.

Liabilities ageing report:

Liabilities with a maturity date of more than 1 year: EUR	500.000
Liabilities with a maturity date of more than 5 year: EUR	500.000

IV. Miscellaneous

1. Parent company

F.M.Hämmerle Verwaltungs-GmbH is included in the group accounting of its parent company VARDHMAN POLYTEX LIMITED.

Parent company:	VARDHMAN POLYTEX LIMITED
Seat of the parent company:	LUDHIANA, India
Stake:	100%
Place of disclosure:	India

2nd Staff and board of directors:

In the financial year the average number of employees was 1 (prev. year 1).

Board of Management:

Ashok Oswal, birth at 08th of February 1955; CEO since 29th of August 2008

Dornbirn,

.....

Ashok Oswal

Beilagen:

Appendix 1 Summary of fixed assets

AFA - GESAMT**Bruttoausweis (RLG)****01.04.2017 - 31.03.2018**

Nr. Text	Anschaffungs- bzw. Herstellungskosten				Buchwerte			
	01.04.2017	Zugänge	Abgänge	31.03.2018	kumulierte AfA Zuschreibungen	31.03.2018	31.03.2017	AfA laufend
	EUR	Umbuchungen EUR	EUR	EUR		EUR	EUR	EUR
130 Marken	200.000,00	0,00	0,00	200.000,00	133.333,35	66.666,65	79.999,98	13.333,33
Summe	200.000,00	0,00	0,00	200.000,00	133.333,35	66.666,65	79.999,98	13.333,33

AFA - VERZEICHNIS

Bruttoausweis (RLG)

01.04.2017 - 31.03.2018

Nr.	Text	Datum	Ansch.Wert		AfA kumuliert	Buchwert	Buchwert
	Lieferant		EUR	%	AfA laufend	01.04.2017	31.03.2018
					EUR	EUR	EUR
Konto 130 Marken							
1	Markenrecht	01.09.2008	200.000,00	6,67	133.333,35 13.333,33	79.999,98	66.666,65
	Summe Konto		200.000,00		133.333,35 13.333,33	79.999,98	66.666,65
	AfA laufend						