

The Board of Directors of
Structo Hydraulics AB
Corporate identity number 556574-5568

Submit the following

Annual report

For the financial year 1 April 2021 - 31 March 2022

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Administration report

General information on the company and the business

The Group

The group consists of the parent company Structo Hydraulics AB and the subsidiary ISMT Europe AB.

Structo Hydraulics AB is 95% owned by ISMT Ltd, India.

The ultimate company is Kirloskar Ferrous Industries Ltd (previous ISMT Ltd, India).

Parent company

Structo Hydraulics AB manufactures and sells cold drawn tubes, cylinder tubes and components principally for the hydraulic industry. The export share is about 55%.

Subsidiaries

Structo Hydraulics AB has a subsidiary company in Sweden, ISMT Europe AB.

The company is based in Storfors.

Development of the company, the result and position

Financial overview in tsek	2021/22	2020/21	2019/20	2018/19
Net sales	41 704	31 945	44 611	64 459
Total assets	74 436	74 456	87 912	100 784
Return on capital	570	-754	-8 617	1 378
Equity ratio, %	45%	44%	31%	15%

For definitions, see note

Significant events and other important conditions

The effects of the Covid-19 pandemic do not affect demand as negatively as last year, demand is more positive.

Steel and shipping costs have increased significantly and delivery times have been significantly longer from some European suppliers, which have been an aggravating circumstance.

The company has received government returns according to the Covid-19 pandemic.

The parent company, ISMT Ltd India, has now become part of a large group of Kirloskar Ferrous Industries Ltd, a debt free company with positive net worth. This will help Structo Group to enlarge the business opportunities in the market.

Future expected development material risks and uncertainties

The company's sales are no longer expected to be affected by the Covid-19 pandemic to any great extent.

The company has a more favorable position and a positive development in terms of the market. More customers and customers inquiries mean that the company assesses that market conditions are beginning to return to more normal conditions. During 2022-2023 the company sees further opportunities to increase sales when it is possible to visit existing and prospective customers, and to participate in relevant industry fairs.

In the Board of Directors opinion, the company will be able to meet its obligations during the next 12 months through operational and other inflows including, if required through Trade credit extended by ISMT Ltd from time to time.

Reporting of duty according to the Environmental

The company is conducting manufacturing that needs notification.

This means, among other things, yearly check up of own control and real conditions.

The company is certified to ISO 14001 and ISO 9001

A new audit according to the new Standards of ISO 14001 and ISO 9001 has been performed and approved after the end of the financial year.

Changes in equity

2022-03-31	Restricted equity			Non restricted equity	Total equity
	Share capital	Revaluation-funds	Reservfund	Bal earn. incl. Prof. for the year	
Opening Balance	21 418 135	13 062 779	20 000	-1 927 203	32 573 711
Profit/Loss for the year	-	-	-	769 696	769 696
Transactions with owners					
Shareholders contribution	-	-	-	-	-
Dissolution of revaluations funds	-	-1 190 652	-	1 190 652	-
Vid årets utgång	21 418 135	11 872 127	20 000	33 145	33 343 407

Proposed allocation of the company's profit

The Board of Directors propose that the non-restricted equity, SEK 33 144, is allocated as shown below:

Profit or loss brought forward		33 144
Total		<u>33 144</u>

For further information regarding the company's profit and financial position information can be found in the following income statement, balance sheet, cash flow statement and pertaining notes.

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Income statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2021-04-01- 2022-03-31</i>	<i>2020-04-01- 2021-03-31</i>
Net sales	3	41 704 387	31 944 630
Change in inventories of products in progress, finished goods and work in progress		1 123 562	-1 678 440
Other operating income	4	<u>3 774 904</u>	<u>5 598 383</u>
		46 602 853	35 864 573
Operating expenses			
Raw materials and consumables		-22 468 586	-13 037 985
Other external costs		-7 236 035	-6 860 735
Employee benefit expenses	5	-12 077 091	-11 919 755
Depreciation, amortisation and impairment of property, plant, equipment and intangible assets		-3 439 039	-3 804 777
Other operating expenses	6	<u>-149 293</u>	<u>-</u>
Operating profit/loss	7	1 232 809	241 321
Profit/loss from financial items			
Profit/loss from other securities and receivables accounted for as non-current assets		-	-427 457
Interest expense/exchange diff. and similar profit/loss items	8	<u>-663 113</u>	<u>-567 974</u>
Profit/loss after financial items		569 696	-754 110
Appropriations			
Group contribution, received		<u>200 000</u>	<u>-</u>
Profit/loss before tax		769 696	-754 110
Deferred tax		<u>-</u>	<u>-</u>
Net profit/loss for the year		769 696	-754 110

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Balance sheet

Amounts in SEK	Note	2022-03-31	2021-03-31
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Land and buildings	10	24 564 205	26 242 452
Plant and machinery	11	19 471 478	20 420 822
Equipment, tools, fixtures and fittings	12	35 905	847 353
		<u>44 071 588</u>	<u>47 510 627</u>
<i>Financial assets</i>			
Participation in group companies	13	10 100 000	10 100 000
Deferred tax asset	14	2 804 235	3 132 555
Other long-term receivables	15	926 335	926 335
		<u>13 830 570</u>	<u>14 158 890</u>
Total non-current assets		57 902 158	61 669 517
Current assets			
<i>Inventories etc.</i>			
Raw materials and consumables	16	8 583 074	3 026 619
Products in progress		324 971	613 797
Finished goods and goods for resale		5 022 384	3 609 996
		<u>13 930 429</u>	<u>7 250 412</u>
<i>Current receivables</i>			
Accounts receivable - trade		173 149	1 645 584
Current tax assets		807 378	807 378
Other receivables		140 945	1 077 278
Prepaid expenses and accrued income		577 924	592 386
		<u>1 699 396</u>	<u>4 122 626</u>
<i>Cash and bank balances</i>			
Cash and bank		903 820	1 413 882
		<u>903 820</u>	<u>1 413 882</u>
Total current assets		16 533 645	12 786 920
TOTAL ASSETS		74 435 803	74 456 437

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Balance sheet

Amounts in SEK	Note	2022-03-31	2021-03-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	17, 18	21 418 135	21 418 135
Revaluation reserve		11 872 127	13 062 779
Statutory reserve		20 000	20 000
		<u>33 310 262</u>	<u>34 500 914</u>
<i>Non-restricted equity</i>			
Profit or loss brought forward		-736 552	-1 173 093
Net profit/loss for the year		769 696	-754 110
		<u>33 144</u>	<u>-1 927 203</u>
		<u>33 343 406</u>	<u>32 573 711</u>
Provisions			
Deferred tax liability	14	2 804 235	3 132 555
		<u>2 804 235</u>	<u>3 132 555</u>
Non-current liabilities			
Other liabilities to credit institutions	19	—	—
		<u>—</u>	<u>—</u>
Current liabilities			
Liabilities to credit institutions		100 000	2 050 000
Bank overdrafts	20	4 845 520	4 675 885
Advance payments from customers		59 194	—
Accounts payable - trade		2 212 769	1 906 738
Liabilities to parent company		13 378 079	8 850 709
Liabilities to group companies		12 178 318	15 757 557
Other liabilities		603 418	508 424
Accrued expenses and prepaid income	21	4 910 864	5 000 858
		<u>38 288 162</u>	<u>38 750 171</u>
TOTAL EQUITY AND LIABILITIES		<u>74 435 803</u>	<u>74 456 437</u>

Cash flow statement

Amounts in SEK	2021-04-01- 2022-03-31	2020-04-01- 2021-03-31
Operating activities	22	
Profit/loss after financial items	569 696	-754 110
Adjustments for non-cash items, etc.	3 439 039	4 232 317
	<u>4 008 735</u>	<u>3 478 207</u>
Cash flow from operating activities before working capital changes	4 008 735	3 478 207
<i>Cash flow from working capital changes</i>		
Increase(-)/Decrease(+) of inventories	-6 680 017	5 664 785
Increase(-)/Decrease(+) of current receivables	2 423 230	4 639 950
Increase(-)/Decrease(+) of current liabilities	1 518 355	-7 813 071
Cash flow from operating activities	<u>1 270 303</u>	<u>5 969 871</u>
Investing activities		
Acquisition of property, plant and equipment	-	-
Disposal of property, plant and equipment	-	-
Acquisition of financial assets	-	-
Cash flow from investing activities	<u>-</u>	<u>-</u>
Financing activities		
Repayment of borrowings	-1 780 365	-4 560 226
Cash flow from financing activities	<u>-1 780 365</u>	<u>-4 560 226</u>
Cash flow for the year	-510 062	1 409 645
Cash and cash equivalents at the beginning of the year	1 413 882	4 237
Cash and cash equivalents at the end of the year	23 <u>903 820</u>	<u>1 413 882</u>

Notes

Amounts in SEK unless otherwise stated

Note 1 Accounting principles

The Annual Report has been prepared in accordance with the Annual Accounts Act and the Swedish Accounting Standards Board's generally accepted accounting principles BFNAR 2012:1 Annual Report and consolidated accounts (K3).

Assets, provisions and liabilities have been valued according to cost of acquisition unless otherwise is stated below.

Intangible assets

Other intangible assets

Other intangible assets acquired are accounted for according to acquisition cost less accumulated amortisation and impairments. Expenditures for internally generated goodwill and brands are recognised in the income statement as expenses when incurred.

Amortizations

The amortisation is done linearly over the asset's estimated useful life. The amortisation is recognised as an expense in the income statement.

Property, plant and equipment

Property, plant and equipment are accounted for according to acquisition cost less accumulated depreciations and impairments. The acquisition value includes, besides the purchase price, other expenditures directly attributable to the acquisition.

Additional expenditures

Additional expenditures that fulfill the criteria of an asset are included in the carrying amount of the asset. Expenditures for ongoing maintenance and repairs are recognised as expenses when incurred.

For some of the property, plant and equipment, the difference in use of significant components have been assessed as essential. Therefore, these components have been divided into components which are depreciated separately.

The useful lives of these components have been assessed to vary between 3-45 years.

Depreciations

Depreciations are done linearly over the asset's estimated useful life, since it reflects the expected usage of the asset's future economic benefits. The depreciation is recognised as an expense in the income statement.

	<i>Useful life</i>
Buildings	45 years
Plants and machineries	3-30 years
Equipments, tools, fixtures and fittings	3-5 years

Impairments - Property, plant, equipment and intangible assets and shares in group companies

At every closing date, an indication if the asset's value is lower than the carrying value is assessed. If an indication exists, the recoverable amount of the asset is calculated.

The recoverable amount is the highest of the fair value less cost of disposal and the value in use. At the calculation of the value in use, future expected cash flows that the asset is expected to give rise to in the ongoing operations and when it is disposed. The discount rate used is before tax and reflects the marketable assessment of money's time value and the risks attributable to the asset. An earlier impairment is only reversed if the reasons underlying the calculation of the recoverable amount at the latest impairment have changed.

Leases

All lease contracts are accounted for as operating lease contracts.

Operating lease contracts

The leasing fees according to the operating lease contracts, including raised first-time rent but excluding expenditures for services such as insurance and maintenance, are accounted for as expenses linearly over the lease term.

Foreign currencies*Items in foreign currencies*

Monetary items in foreign currencies are recalculated to the balance sheet date's rate.

Non-monetary items are not recalculated, instead they are recognised according to the rate at the time of the acquisition.

Foreign currency differences that arise due to regulation or recalculation of monetary items are recognised in the income statement for the fiscal year they occur.

Inventory

The inventory is recognised according to the lowest of the acquisition value and net realisable value. Thereby risks of obsolescence have been considered. The acquisition value are estimated according to weighted average prices.

The acquisition value consists of, except expenditures for purchases, expenditures for bringing the goods to their current location and condition.

In own semi-manufactured and finished goods, the acquisition value consists of direct costs of production and the indirect costs that amounts to more than an insignificant part of the total expenditures for the production. At the valuation, considerations have been taken into account regarding a normal capacity utilisation.

Financial assets and liabilities

Financial assets and liabilities are accounted for in accordance with chapter 11 (Financial instruments valued according to acquisition cost) in BFNAR 2012:1.

Accounting in and derecognition from the balance sheet

A financial asset or financial liability is recognised in the balance sheet when the Company becomes a part of the financial instrument's contractual agreement. A financial asset is derecognised from the balance sheet when the contractual right to the cash flow from the asset has expired or been settled. The same goes for when the risks and benefits that are associated with the holding in all material aspects are transferred to another party and the Company does not possess any control over the financial asset. A financial liability is derecognised from the balance sheet when the contractual obligation has been fulfilled or expired.

Valuation of financial assets

Financial assets are at the first recognition date valued according to their acquisition cost, including possible transaction expenditures that are directly attributable to the acquisition of the asset.

Financial current assets are at the first recognition date valued to the lowest of the acquisition cost and the net selling price at the balance sheet date.

Accounts receivable and other receivables that form current assets are valued individually according to the amount expected to be received.

Financial non-current assets are after the first recognition date valued according to acquisition cost with deduction of potential impairments and with addition of potential revaluations.

Interest bearing financial assets are valued according to amortised cost with the application of the effective interest method.

Valuation of financial liabilities

Financial liabilities are valued according to amortised cost. Expenditures that are directly attributable to borrowings are adjusted in the loans acquisition value and are allocated to a particular period according to the effective interest method.

Remuneration to employees*Remuneration to employees after terminated employment**Classification*

Plans for remunerations after terminated employment are classified either as defined contribution plans or defined benefit plans.

For defined contribution plans, determined fees are payed to another Company, normally an insurance company, and do not have any obligation to the employee when the fee is paid. The size of the employee's remunerations after terminated employment is dependent on the fees that have been paid and the return on capital on those fees.

For defined benefit plans, the Company has an obligation to provide the remunerations agreed upon to current and earlier employees. The Company carries in all material aspects the risk for the remunerations to be higher than expected (actuarial risk) and the risk for the return on the assets to deviate from the expectations (investment risk). Investment risk also exists if the assets are transferred to another Company.

Defined contribution plans

The fees for defined contribution plans are recognised as expenses. Unpaid fees are accounted for as a liability.

Defined benefit plans

The Company has chosen to apply the simplifying rules presented in BFNAR 2012:1.

Plans for which pension premiums are paid are accounted for as defined contribution plans, which implies that the fees are expensed in the income statement.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is the income tax for the current financial year which refer to the year's taxable profit and the part of earlier financial years' income tax which have not been recognised. Deferred tax is the income tax for taxable profits referring to future financial years due to earlier transactions or happenings.

Deferred tax liabilities are recognised for all taxable temporary differences, however, deferred tax attributable to untaxed reserves are not separated since untaxed reserves are accounted for as a separate item in the balance sheet. Deferred tax assets are recognised for tax-deductible temporary differences and for the possibility to in the future use taxable loss carry-forwards. The valuation is based on the carrying amount for the corresponding asset or liability that is expected to be recovered or settled. The amounts are based on the tax rates and tax laws that are determined before the balance sheet date and have not been estimated according to their present value.

Deferred tax assets have been valued according to the highest amount possibly recovered based on current and future taxable profits. The valuation is reviewed every balance sheet date.

Provisions

A provision is recognised in the balance sheet when the Company has a legal or informal obligation due to an occurred event and it is possible that an outflow of resources are required in order to settle the obligation and a reliable estimation of the amount can be made.

At the first reporting date, the provision is valued according to the best estimation the amount that will be required to settle the obligation on the balance sheet date. The provision is reviewed every balance sheet date.

Revenues

The inflow of financial benefits that the Company receives or will receive on its own behalf are recognised as revenues. Revenues are valued according to fair value of what has been received or will be received, with deductions for rebates.

Sale of goods

For sale of goods, the revenue is recognised at delivery.

Interest, royalty and dividend

Revenue is recognised when the economic benefits associated with the transaction probably will flow to the Company and when the income can be estimated reliably.

Group contributions and shareholders' contribution

Group contributions received/issued are recognised as an appropriation in the income statement. The received/issued group contribution has affected the Company's current tax.

Group contributions that have been issued by parent companies to subsidiaries are accounted for as an increase of the shares' carrying amount.

Shareholders' contribution that have been issued without issued shares or other received equity instruments in exchange are recognised in the balance sheet as an increase of the shares' carrying amount.

Repaid shareholders' contribution are recognised in the balance sheet as a decrease of the shares' carrying amount.

Shareholders' contribution that have been received without issued shares or any other given equity instruments in exchange are recognised directly in equity.

Repaid shareholders' contribution are recognised as a decrease of equity when a decision regarding repayment has been made.

Public grant

A public grant which is not associated with a demand on future performance is accounted for as a revenue when the terms for receiving the grant are fulfilled. A public grant which is combined with demands on future performance is recognised as a revenue when the performance is performed. If the grant has been received before the terms for recognising the grant as a revenue have been fulfilled, the grant is recognised as a liability.

Note 2 Estimates and judgements

One of the company's major asset items is accounts receivable. These are reported, after individual assessment of value, to the amount the company expects to receive in payment. The assessment is based on those conditions that are known to the company at the end of the financial year.

Note 3 Net sales by geographic segments

	2021-04-01- 2022-03-31	2020-04-01- 2021-03-31
<i>Net sales by geographic segments</i>		
Sweden	14 186 538	16 578 770
Scandinavia excl. Sweden	17 768 350	6 460 490
Other EU	3 806 730	1 063 904
Outside EU	5 942 769	7 841 466
	<u>41 704 387</u>	<u>31 944 630</u>

Note 4 Other operating income

	2021-04-01- 2022-03-31	2020-04-01- 2021-03-31
Exchange gains on operating receivables/liabilities	–	1 036 178
Government return	982 297	4 133 684
Return FORA (pension management company)	2 714 012	–
Other	78 595	428 521
	<u>3 774 904</u>	<u>5 598 383</u>

Note 5 Employees, personnel costs and remunerations to Board of Directors and auditors

Average number of employees	whereof		whereof	
	2021-04-01- 2022-03-31	men	2020-04-01- 2021-03-31	men
Sweden	21	81%	21	81%
Total	21	81%	21	81%

Disclosure of gender distribution in the company's management

	2022-03-31	2021-03-31
	<i>Proportion of women</i>	<i>Proportion of women</i>
Board of Directors	25%	17%
Other senior management	67%	67%

Salaries, other remunerations and social security expenses, including pension expenses

	2021-04-01- 2022-03-31	2020-04-01- 2021-03-31
Salaries and remunerations	8 271 789	8 436 968
Social security expenses	3 624 494	3 346 091
(of that pension expenses) 1)	(1 220 764)	(1 365 484)

1) Of the Company's pension expenses, 265 516 kr (l.y. 266 156 kr) relate to the Company's Board of Directors for one person.

Salaries and other remunerations divided between board members et al. and other employees

	<u>2021-04-01-2022-03-31</u>		<u>2020-04-01-2021-03-31</u>	
	<i>Board of Directors and Managing Director</i>	<i>Other employees</i>	<i>Board of Directors and Managing Director</i>	<i>Other employees</i>
Salaries and other remunerations	805 826	7 465 963	762 060	7 674 908

Audit fees and expenses

	<u>2021-04-01-2022-03-31</u>	<u>2020-04-01-2021-03-31</u>
<i>KPMG</i>		
Audit services	90 000	90 000

Audit services refer to the legally required examination of the annual report and the book-keeping, the Board of Director's and the Managing Director's management and other audit and examinations agreed-upon or determined by contract.

This includes other work assignments which rest upon the Company's auditor to conduct, and advising or other support justified by observations in the course of examination or execution of such other work assignments.

Note 6 Other operating expenses

	<u>2021-04-01-2022-03-31</u>	<u>2020-04-01-2021-03-31</u>
Exchange losses on operating receivables/liabilities	-149 293	—
	-149 293	—

Note 7 Operating lease

Lease contracts where the Company is the lessee

	<u>2022-03-31</u>	<u>2021-03-31</u>
<i>Future minimum lease payments regarding non-cancellable operating lease contracts</i>		
Within one year	175 404	161 888
	175 404	161 888
	<u>2021-04-01-2022-03-31</u>	<u>2020-04-01-2021-03-31</u>
The financial year's recognised lease expenses	177 979	166 623

Note 8 Interest expense and similar profit/loss items

	<u>2021-04-01-2022-03-31</u>	<u>2020-04-01-2021-03-31</u>
Interest expense, other	-536 851	-508 752
Exchange differences foreign loan	-126 262	-59 222
	-663 113	-567 974

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Note 9 Tax on profit for the year

	2021-04-01- 2022-03-31	2020-04-01- 2021-03-31
Deferred tax	--	--

Reconciliation of effective tax rate

	2021-04-01- 2022-03-31		2020-04-01- 2021-03-31	
	Per cent	Amount	Per cent	Amount
Profit/loss before tax		769 696		-754 110
Tax according to current tax rate for the parent company	20,6%	-158 557	21,4%	161 380
Non-deductible expenses	-0,3%	2 257	-0,2%	-107 094
Non-taxable income	0,0%	--	0,0%	--
Utilization of loss carry-forward without corresponding recognised deferred tax	-20,3%	156 300	-7,2%	-54 286
Reported effective tax	0,0%	--	14,0%	--

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Note 10	Land and buildings	2022-03-31	2021-03-31
	<i>Accumulated acquisition costs</i>		
	At the beginning of the year	23 328 851	23 328 851
	At the end of the year	<u>23 328 851</u>	<u>23 328 851</u>
	<i>Accumulated depreciation</i>		
	At the beginning of the year	-11 725 568	-11 162 272
	Depreciation during the year	-557 771	-563 296
	At the end of the year	<u>-12 283 339</u>	<u>-11 725 568</u>
	<i>Accumulated revaluations</i>		
	At the beginning of the year	15 377 099	16 497 578
	Reversed revaluation on disposals	-	-
	Depreciation on revaluations during the year	-1 120 476	-1 120 479
	At the end of the year	<u>14 256 623</u>	<u>15 377 099</u>
	<i>Accumulated impairments</i>		
	At the beginning of the year	-737 930	-737 930
	Reversed impairments on disposals	-	-
	At the end of the year	<u>-737 930</u>	<u>-737 930</u>
	Carrying amount at the end of the year	24 564 205	26 242 452
	Land (included in land and buildings)	<u>2022-03-31</u>	<u>2021-03-31</u>
	Accumulated acquisition costs	174 861	174 861
	Carrying amount at the end of the year	<u>174 861</u>	<u>174 861</u>

Note 11	Plant and machinery	2022-03-31	2021-03-31
	<i>Accumulated acquisition costs</i>		
	At the beginning of the year	96 567 989	96 567 989
	Purchases	-	-
	Disposals	-	-
	At the end of the year	<u>96 567 989</u>	<u>96 567 989</u>
	<i>Accumulated depreciation</i>		
	At the beginning of the year	-77 940 444	-76 219 238
	Reclassifications	780 348	-
	Depreciation during the year	-1 331 196	-1 721 206
	At the end of the year	<u>-78 491 292</u>	<u>-77 940 444</u>
	<i>Accumulated revaluations</i>		
	At the beginning of the year	1 793 277	2 191 773
	Depreciation on revaluations during the year	-398 496	-398 496
	At the end of the year	<u>1 394 781</u>	<u>1 793 277</u>
	Carrying amount at the end of the year	19 471 478	20 420 822

Note 12	Equipment, tools, fixtures and fittings	
	2022-03-31	2021-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	10 184 469	10 184 469
Sale of assets	—	—
At the end of the year	<u>10 184 469</u>	<u>10 184 469</u>
<i>Accumulated depreciation</i>		
At the beginning of the year	-9 337 116	-9 335 816
Reclassifications	-780 348	—
Depreciation during the year	-31 100	-1 300
At the end of the year	<u>-10 148 564</u>	<u>-9 337 116</u>
Carrying amount at the end of the year	35 905	847 353
Note 13	Participation in group companies	
	2022-03-31	2021-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	<u>10 100 000</u>	<u>10 100 000</u>
At the end of the year	<u>10 100 000</u>	<u>10 100 000</u>
Carrying amount at the end of the year	10 100 000	10 100 000

Note 14 **Deferred taxes**

2022-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	24 564 205	11 140 948	13 423 257
Plants and machinery	19 507 383	18 166 796	1 340 587
Other (debts)	-1 151 062	—	-1 151 062
	<u>42 920 526</u>	<u>29 307 744</u>	<u>13 612 782</u>

Taxable loss carry-forward amounts to MMSEK 128.

	Deferred tax asset	Deferred tax liability	Net
<i>Significant temporary differences</i>			
Land and buildings	—	2 765 191	-2 765 191
Plant and machinery	—	276 161	-276 161
Other (debts)	237 117	—	237 117
Taxable loss carry-forward	<u>2 804 235</u>	<u>—</u>	<u>2 804 235</u>
Deferred tax asset/liability	<u>3 041 352</u>	<u>3 041 352</u>	<u>—</u>
Offset	-237 117	-237 117	—
Deferred tax asset/liability (net)	<u>2 804 235</u>	<u>2 804 235</u>	<u>—</u>

2021-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	26 242 452	11 651 001	14 591 451
Plants and machinery	21 268 175	19 501 995	1 766 180
Other (debts)	-1 151 062	—	-1 151 062
	<u>46 359 565</u>	<u>31 152 996</u>	<u>15 206 569</u>

Taxable loss carry-forward amounts to MMSEK 131.

Note 15 **Other long-term receivables**

	2022-03-31	2021-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	926 335	1 353 785
Settled receivables	—	-427 457
Added receivables	—	7
At the end of the year	<u>926 335</u>	<u>926 335</u>
Carrying amount at the end of the year	926 335	926 335

Note 16	Inventories etc.	2022-03-31	2021-03-31
	Inventory valued according to net selling price	5 319 188	4 202 709
	Inventory valued according to acquisition price	<u>8 611 241</u>	<u>3 047 703</u>
		13 930 429	7 250 412

Note 17	Number of shares and quota value	2022-03-31	2021-03-31
	A-shares (one share team)	4 283 627	4 283 627
	Quota value	5	5

Note 18	Proposed allocation of the company's profit	2022-03-31	2021-03-31
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The Board of Directors propose that the non-restricted equity, SEK 33 144, is allocated as shown below:

Profit or loss brought forward	<u>33 144</u>
Total	<u>33 144</u>

Note 19	Non-current liabilities	2022-03-31	2021-03-31
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Liabilities that mature between one and five years from the balance sheet date:
Other liabilities to credit institutions

-	-
<u>2022-03-31</u>	<u>2021-03-31</u>

Pledged assets for other liabilities

Property mortgage	90 000 000	90 000 000
Chatel mortgage	28 000 000	28 000 000
Receivables	<u>-</u>	<u>-</u>
	118 000 000	118 000 000

Note 20 Bank overdrafts and factoring

	<u>2022-03-31</u>	<u>2021-03-31</u>
Credit limit, overdraft	5 300 000	5 300 000
Unused	<u>-454 480</u>	<u>-624 115</u>
Utilised credit amount	4 845 520	4 675 885

Note 21 Accrued expenses and prepaid income

	<u>2022-03-31</u>	<u>2021-03-31</u>
Social security contributions	1 450 800	1 582 016
Salary and vacation contribution	2 576 046	2 640 945
Other items	<u>884 018</u>	<u>777 897</u>
	4 910 864	5 000 858

Note 22 Paid interest

	<u>2021-04-01- 2022-03-31</u>	<u>2020-04-01- 2021-03-31</u>
Paid interest	538 770	508 752

Note 23 Cash equivalents

	<u>2022-03-31</u>	<u>2021-03-31</u>
<i>The following sub-components are included in cash equivalents:</i>		
Cash	1 375	1 326
Bank balance	<u>902 445</u>	<u>1 412 556</u>
	903 820	1 413 882

Note 24 Group information

The company is 95% owned by ISMT Ltd, India.
The ultimate company is Kirloskar Ferrous Industries Ltd (previous ISMT Ltd, India).

Purchases and sales within the group

Of the Company's total purchases and sales in SEK, 77 % of the purchases and 10 % of the sales refer to other Companies within the group that that the Company belongs to.

Note 25 Pledged securities and contingent liabilities

	<u>2022-03-31</u>	<u>2021-03-31</u>
Property mortgage	90 000 000	90 000 000
Chattel mortgage	<u>28 000 000</u>	<u>28 000 000</u>
	118 000 000	118 000 000

Contingent liabilities

Guarantee commitment for group companies	None	None
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Storfors

O.P Kakkar
Chairman of the board

Rajiv Goel

Anne Karlsson

Kishore Bharambe

Minna Johansson
Representative from Unionen

Erik Mattisson
Representative from Metall

My audit report has been submitted

Mattias Eriksson
Authorized public accountant