

15/22
English translation

The Board of Directors of
ISMT Europe AB
Corporate Id no 556748-6039

submit the following

Annual report

for the financial year 1 April 2017 - 31 March 2018

<u>Table of contents:</u>	<u>sida</u>
Directors report	2
Income statement	3
Balance sheet	4-5
Notes to the financial statement	6-7
Signatures	8

① 09/06

Directors report

General information on the company and the business

The company was registered 9 January 2008. The company's business is to trade with seamless tubes and alloy steel.

ISMT Europe is trading in Boilers, OCTG, Bearing, Auto and General sector.

The company is a wholly-owned subsidiary to Structo Hydraulics AB, corporate id no 556574-5568. The company is situated in Storfors.

Significant events during and after the financial year

During 2017/18 the company has raised the income drastically.

The company has executed additional export orders of US-based customers.

This will continue for the coming year.

Changes in equity

	<i>Share- capital</i>	<i>Non restricted equity</i>
Opening balance	100 000	3 394 487
Result for the year	<u>100 000</u>	<u>1 857 943</u>
		5 252 430

Financial summary

Tkr	2017/18	2016/17	2015/16	2014/15
Net sales	189 574	72 915	40 558	50 612
Profit/loss after financia	1 858	496	283	292
Equity ratio	9%	9%	22%	13%

Non restricted equity

The Board of Directors propose to carry forward the non restricted equity.

Non restricted equity carried forward	<u>5 252 430</u>
Total	<u>5 252 430</u>

The result of the company's operations and its financial position are shown in the accompanying income statement, balance sheet and notes to the financial statements.

Income statement

<i>Amount in SEK</i>	<i>Note</i>	2017-04-01 - 2018-03-31	2016-04-01 - 2017-03-31
Operating income			
Net sales		189 574 401	72 914 667
Total operating income		<u>189 574 401</u>	<u>72 914 667</u>
Operating expenses			
Cost of goods	1	-173 985 098	-66 445 246
Other external costs		-12 368 003	-5 731 341
Other external costs - <i>Exchange B/A -</i>		-1 128 480	-46 564
Total operating expenses		<u>-187 481 581</u>	<u>-72 223 151</u>
Operating profit		2 092 820	691 516
Result of financial investments			
Interest expenses and similar profit/loss items		-234 877	-195 305
Total financial items		<u>-234 877</u>	<u>-195 305</u>
Result after financial items		1 857 943	496 211
Net profit/loss for the year		<u>1 857 943</u>	<u>496 211</u>

Balance sheet

<i>Amount in SEK</i>	<i>Note</i>	<i>2018-03-31</i>	<i>2017-03-31</i>
ASSETS			
Fixed assets			
Tangible assets			
Equipment	2	—	—
Total fixed assets		—	—
Current assets			
Current receivables			
Account receivables - <i>outside</i>		48 183 333	23 145 660
Receivables from group companies - <i>SHAB.</i>		11 222 990	5 130 542 - <i>SHAB</i>
Prepayments to supplier		—	4 942 088
Other receivables - <i>VAT</i>		183 122	401 707
Prepaid expenses and accrued income		34 024	25 063
		<u>59 573 469</u>	<u>33 645 060</u>
Cash and bank balances		<u>2 977 125</u>	<u>3 552 246</u>
Total current assets		62 550 594	37 197 306
TOTAL ASSETS		62 550 594	37 197 306

Balance sheet

Amount in SEK	Note	2018-03-31	2017-03-31
EQUITY AND LIABILITIES			
EQUITY			
<i>Restricted equity</i>			
Share capital (1000 shares)		100 000	100 000
Total restricted equity		<u>100 000</u>	<u>100 000</u>
<i>Non-restricted equity</i>			
Profit/loss carried forward		3 394 487	2 898 276
Profit/loss for the year		1 857 943	496 211
Total non-restricted equity		<u>5 252 430</u>	<u>3 394 487</u>
		5 352 430	3 494 487
Current liabilities			
Bank overdraft			
Accounts payable	3	2 535 221	4 234 616
Liabilities to group companies	- ISMT (net)	1 718 348	14 065 462
Factoring		39 489 483	8 130 136
Prepayments from customers - Advance outside	4	5 459 991	1 216 030
Accrued expenses - Provision		3 675 868	5 906 010
Total current liabilities		<u>4 319 253</u>	<u>150 565</u>
		57 198 164	33 702 819
TOTAL EQUITY AND LIABILITIES		<u>62 550 594</u>	<u>37 197 306</u>

Notes to the financial statements

Amount in SEK if not otherwise stated

General accounting principles

The annual accounts have been prepared in accordance with Annual Accounts Act and Sweden Accounting Standards Board general council, BFAR 2016:10, Annual reports in smaller companies

Receivables and payables in foreign currency

Receivables and payables in foreign currency have been converted using the rate of the balance sheet date.

Depreciation principles for fixed assets

Depreciation according to plan is based on the original purchase value and estimated economic life. A write-down is made in case of permanent decrease in value.

The following depreciation periods are applied:

Tangible assets

Computer hardware and software

5 years

Group information

ISMT Europe AB is a wholly-owned subsidiary to Structo Hydraulics AB, org nr 556574-5568 situated in Storfors. Structo Hydraulics AB is holly-owned subsidiary of ISMT Enterprises SA, Luxembourg.

The ultimate company is ISMT Ltd India.

Purchase have been made from other companies in the group.

From other group companies purchase has been made with 127 696 tkr (l.y. 43 253 tkr).

Sales to other group companies has been made with 8 938 tkr (l.y. 6 615 tkr).

Note 1 Employees and personnell cost

The company has not had any employees during the financial year. Board compensation has not been paid.

Note 2 Equipment

	2018-03-31	2017-03-31
<i>Accumulated acquisition values</i>		
Opening balance	494 129	494 129
	<u>494 129</u>	<u>494 129</u>
<i>Accumulated depreciation according to plan</i>		
At the beginning of the year	-494 129	-494 129
	<u>-494 129</u>	<u>-494 129</u>
Value at the end of the period	-	-

Note 3 Bank overdraft

	2018-03-31	2017-03-31
Granted credit	3 000 000	5 000 000
Available part	464 779	765 384
Used credit	<u>2 535 221</u>	<u>4 234 616</u>

Note 4 Factoring

	2018-03-31	2017-03-31
Granted credit	5 661 205	3 341 240
Available part	201 214	2 125 210
Used credit	<u>5 459 991</u>	<u>1 216 030</u>

Note 5 Pledged securities and contingent liabilities

	2018-03-31	2017-03-31
Chattel mortgage	5 000 000	5 000 000
Pledged assets	<u>5 459 991</u>	<u>1 216 030</u>
	10 459 991	6 216 030

Storfors

Rajiv Goel
Chairman of the Board

Kishore Bharambe
Member of the Board

Kerstin Rienas
Member of the Board

My auditor's report was submitted on the

Mattias Eriksson
Auktoriserad revisor