

The Board of Directors of

**Structo Hydraulics AB**

Corporate identity number 556574-5568

Submit the following

**Annual report**

For the financial year 1 April 2018 - 31 March 2019

<b><u>Table of contents:</u></b>	<b><u>Page</u></b>
<b>Administration report</b>	<b>2</b>
<b>Income statement</b>	<b>3</b>
<b>Balance sheet</b>	<b>4-5</b>
<b>Cash flow statement</b>	<b>6</b>
<b>Notes to the financial statements</b>	<b>7-18</b>
<b>Signatures</b>	<b>19</b>

## 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 a wholly owned subsidiary of ISMT Enterprises SA

The ultimate company is 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 65%.

#### Subsidiaries

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

### Development of the company, the result and position

Financial overview in tsek	2018/19	2017/18	2016/17	2015/16
Net sales	64 459	61 151	52 457	52 302
Total assets	100 784	88 740	84 853	86 678
Return on capital	1 378	-5 263	-7 147	-10 162
Equity ratio, %	15%	4%	11%	4%

For definitions, see note

### Significant events and other important conditions

Various cost reduction measures were implemented during the year and there will be further efforts to reduce the cost.

### Future expected development material risks and uncertainties

New products are being developed for Hydraulic & Oil Industries.

The business is expected to be steady.

However the high volatility in exchange rates continue to pose significant risks.

The impairment test of the fixed assets that was made during the year 2013/14 is still expected to be relevant.

The board are aware of that estimations of future results and cash-flows are marred with uncertainty.

With respect to the uncertainty that lies in future estimations, the board will, if necessary, take into account the rules in the Swedish Companies Act chapter 25.

### 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 accorded to the new Standards of ISO 14001 and ISO 9001 will be performed during the year

### Changes in equity

2019-03-31	Restricted equity			Non restricted equity	Total equity
	Share capital	Revaluation-funds	Reservefund	Bal earn. incl. Prof. for the year	
Opening Balance	1 050 000	8 186 849	20 000	-5 585 831	3 671 018
Profit/loss for the year				3 528 040	3 528 040
<i>Transfer in equity</i>					
Revaluation reserve		8 286 658			8 286 658
Dissolution of revaluations funds	--	-859 187	--	859 187	--
Vid årets utgång	1 050 000	15 614 320	20 000	-1 198 604	15 485 716

### Proposed allocation of the company's profit

The Board of Directors propose that the non-restricted equity (accumulated deficit), SEK -320 252, is allocated as shown below:

Profit or loss brought forward		-1 198 604
Total		-1 198 604

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.

## Income statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2018-04-01- 2019-03-31</i>	<i>2017-04-01- 2018-03-31</i>
Net sales	3	64 459 411	61 150 755
Change in inventories of products in progress, finished goods and work in progress		-1 641 626	3 137 870
Other operating income	4	268 721	204 035
		<u>63 086 506</u>	<u>64 492 660</u>
<b>Operating expenses</b>			
Raw materials and consumables		-35 447 812	-37 749 057
Other external costs		-11 392 437	-10 886 194
Employee benefit expenses	5	-14 889 738	-14 882 485
Depreciation, amortisation and impairment of property, plant, equipment and intangible assets		-3 670 888	-3 819 546
Other operating expenses	6	-81 503	-799 080
<b>Operating profit/loss</b>	7	<u>-2 395 872</u>	<u>-3 643 702</u>
<b>Profit/loss from financial items</b>			
Profit/loss from participation in group companies		5 000 000	-
Interest income and similar profit/loss items		-	94
Interest expense/exchange diff. and similar profit/loss items	8	-1 226 026	-1 619 718
<b>Profit/loss after financial items</b>		<u>1 378 102</u>	<u>-5 263 326</u>
Deferred tax		<u>2 149 938</u>	
<b>Net profit/loss for the year</b>		<u>3 528 040</u>	<u>-5 263 326</u>

## Balance sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2019-03-31</i>	<i>2018-03-31</i>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Property, plant and equipment</i>			
Land and buildings	10	30 000 000	20 893 145
Plant and machinery	11	24 562 282	26 509 281
Equipment, tools, fixtures and fittings	12	852 136	1 246 281
		<u>55 414 418</u>	<u>48 648 707</u>
<i>Financial assets</i>			
Participation in group companies	13	10 100 000	5 100 000
Deferred tax asset	14	3 916 613	2 092 966
Other long-term receivables	15	1 090 929	1 140 929
		<u>15 107 542</u>	<u>8 333 895</u>
<b>Total non-current assets</b>		<b>70 521 960</b>	<b>56 982 602</b>
<b>Current assets</b>			
<i>Inventories etc.</i>			
Raw materials and consumables	16	6 976 945	6 790 441
Products in progress		1 815 844	3 596 140
Finished goods and goods for resale		4 500 377	4 963 375
		<u>13 293 166</u>	<u>15 349 956</u>
<i>Current receivables</i>			
Accounts receivable - trade		15 147 102	14 439 203
Current tax assets		807 378	807 378
Other receivables		124 017	233 040
Prepaid expenses and accrued income		881 172	914 947
		<u>16 959 669</u>	<u>16 394 568</u>
<i>Cash and bank balances</i>			
Cash and bank		9 236	12 951
		<u>9 236</u>	<u>12 951</u>
<b>Total current assets</b>		<b>30 262 071</b>	<b>31 757 475</b>
<b>TOTAL ASSETS</b>		<b>100 784 031</b>	<b>88 740 077</b>

## Balance sheet

Amounts in SEK	Note	2019-03-31	2018-03-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
	17, 18		
Share capital		1 050 000	1 050 000
Revaluation reserve		15 614 320	8 186 849
Statutory reserve		20 000	20 000
		<u>16 684 320</u>	<u>9 256 849</u>
<i>Non-restricted equity</i>			
Profit or loss brought forward		-4 726 644	-322 505
Net profit/loss for the year		<u>3 528 040</u>	<u>-5 263 326</u>
		<u>-1 198 604</u>	<u>-5 585 831</u>
		15 485 716	3 671 018
<b>Provisions</b>			
Deferred tax liability	14	3 916 613	2 092 966
Other provisions	19	–	170 898
		<u>3 916 613</u>	<u>2 263 864</u>
<b>Non-current liabilities</b>			
Other liabilities to credit institutions	20	519 027	1 467 939
		<u>519 027</u>	<u>1 467 939</u>
<b>Current liabilities</b>			
Liabilities to credit institutions		4 700 000	1 300 000
Factoring	21	6 417 405	7 767 910
Bank overdrafts	21	5 150 208	10 393 746
Accounts payable - trade		3 055 626	7 454 689
Liabilities to parent company		38 005 071	38 776 860
Liabilities to group companies		17 568 397	10 362 095
Other liabilities		758 010	530 834
Accrued expenses and prepaid income	22	<u>5 207 958</u>	<u>4 751 122</u>
		<u>80 862 675</u>	<u>81 337 256</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>100 784 031</u>	<u>88 740 077</u>

## Cash flow statement

Amounts in SEK	2018-04-01- 2019-03-31	2017-04-01- 2018-03-31
<b>Operating activities</b>	23	
Profit/loss after financial items	1 378 102	-5 263 326
Adjustements for non-cash items, etc.	<u>-1 475 013</u>	<u>3 916 440</u>
	-96 911	-1 346 886
<b>Cash flow from operating activities before working capital changes</b>	-96 911	-1 346 886
<i>Cash flow from working capital changes</i>		
Increase(-)/Decrease(+) of inventories	2 056 790	-3 836 481
Increase(-)/Decrease(+) of current receivables	-565 101	-4 331 364
Increase(-)/Decrease(+) of current liabilities	<u>2 719 462</u>	<u>12 672 413</u>
<b>Cash flow from operating activities</b>	<u>4 114 240</u>	<u>3 157 682</u>
<b>Investing activities</b>		
Disposal of property, plant and equipment	-	-10 425
Disposal of financial assets	<u>25 000</u>	<u>-</u>
<b>Cash flow from investing activities</b>	<u>25 000</u>	<u>-10 425</u>
<b>Financing activities</b>		
Repayment of borrowings	<u>-4 142 955</u>	<u>-3 144 649</u>
<b>Cash flow from financing activities</b>	<u>-4 142 955</u>	<u>-3 144 649</u>
<b>Cash flow for the year</b>	-3 715	2 608
<b>Cash and cash equivalents at the beginning of the year</b>	<u>12 951</u>	<u>10 343</u>
<b>Cash and cash equivalents at the end of the year</b>	24 9 236	12 951

## 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**

In 2013/2014 the board of directors has prepared an impairment test of the fixed assets, that is still valid, based on estimated future cash-flows. The board are aware that estimation of future results and cash-flows are marred with uncertainty. The board of directors has assessed that the uncertainty is not significant and that no more write-downs is needed on the fixed assets

**Note 3 Net sales by geographic segments**

	2018-04-01- 2019-03-31	2017-04-01- 2018-03-31
<i>Net sales by geographic segments</i>		
Sweden	21 125 666	21 294 174
Scandinavia excl. Sweden	12 141 935	11 561 514
Other EU	19 895 573	16 770 040
Outside EU	<u>11 296 237</u>	<u>11 525 027</u>
	<u>64 459 411</u>	<u>61 150 755</u>

**Note 4 Other operating income**

	2018-04-01- 2019-03-31	2017-04-01- 2018-03-31
Result sales of assets	25 000	–
Other	<u>243 721</u>	<u>204 035</u>
	268 721	204 035

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

Average number of employees	<i>whereof</i>		<i>whereof</i>	
	2018-04-01- 2019-03-31	men	2017-04-01- 2018-03-31	men
Sweden	<u>24</u>	92%	<u>24</u>	87%
Total	24	92%	24	87%

**Disclosure of gender distribution in the company's management**

	2019-03-31 <i>Proportion of women</i>	2018-03-31 <i>Proportion of women</i>
Board of Directors	0%	14%
Other senior management	33%	67%

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

	2018-04-01- 2019-03-31	2017-04-01- 2018-03-31
<i>Salaries and remunerations</i>	10 326 123	10 121 302
<i>Social security expenses</i>	4 417 913	4 626 344
<i>(of that pension expenses) 1)</i>	(1 709 837)	(1 648 816)

1) Of the Company's pension expenses, 333 078 (i.y. 261 058) 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>2018-04-01-2019-03-31</u>		<u>2017-04-01-2018-03-31</u>	
	<i>Board of Directors and Managing Director</i>	<i>Other employees</i>	<i>Board of Directors</i>	<i>Other employees</i>
Salaries and other remunerations	765 035	9 561 088	866 390	9 254 912

**Audit fees and expenses**

	<u>2018-04-01- 2019-03-31</u>	<u>2017-04-01- 2018-03-31</u>
<i>KPMG</i>		
Audit services	95 000	95 000

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>2018-04-01- 2019-03-31</u>	<u>2017-04-01- 2018-03-31</u>
Exchange losses on operating receivables/liabilities	<u>-81 503</u>	<u>-799 080</u>
	-81 503	-799 080

**Note 7 Operating lease**

**Lease contracts where the Company is the lessee**

	<u>2019-03-31</u>	<u>2018-03-31</u>
<i>Future minimum lease payments regarding non-cancellable operating lease contracts</i>		
Within one year	<u>143 480</u>	<u>169 106</u>
	143 480	169 106
	<u>2018-04-01- 2019-03-31</u>	<u>2017-04-01- 2018-03-31</u>
The financial year's recognised lease expenses	150 134	282 298

**Note 8 Interest expense and similar profit/loss items**

	<u>2018-04-01- 2019-03-31</u>	<u>2017-04-01- 2018-03-31</u>
Interest expense, other	-675 218	-865 144
Exchange differences foreign loan	<u>-550 810</u>	<u>-754 574</u>
	-1 226 026	-1 619 718

**Note 9 Tax on profit for the year**

	<i>2018-04-01- 2019-03-31</i>	<i>2017-04-01- 2018-03-31</i>
Deferred tax	2 149 938	—
	<u>2 149 938</u>	<u>—</u>

**Reconciliation of effective tax rate**

	<i>2018-04-01- 2019-03-31</i>		<i>2017-04-01- 2018-03-31</i>	
	<i>Per cent</i>	<i>Amount</i>	<i>Per cent</i>	<i>Amount</i>
Profit/loss before tax		1 378 102		-5 263 326
Tax according to current tax rate for the parent company	22,0%	-303 182	22,0%	1 157 932
Non-deductible expenses	1,5%	-20 461	-0,3%	-54 500
Non-taxable income	-79,8%	1 100 000	0,0%	21
Increase of loss carry-forward without corresponding recognised deferred tax	0,0%		-21,7%	-1 103 453
Capitalization of deferred tax attributable to previous years' loss carryforwards	-99,7%	1 373 581	0,0%	—
Reported effective tax	<u>-156,0%</u>	<u>2 149 938</u>	<u>0,0%</u>	<u>—</u>

<b>Note 10</b>	<b>Land and buildings</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
<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	-9 948 964	-9 322 232
	Depreciation during the year	-626 734	-626 732
	At the end of the year	<u>-10 575 698</u>	<u>-9 948 964</u>
<i>Accumulated revaluations</i>			
	At the beginning of the year	8 268 258	8 971 266
	Depreciation on revaluations during the year	-703 008	-703 008
	Revaluations during the year	10 436 597	-
	At the end of the year	<u>18 001 847</u>	<u>8 268 258</u>
<i>Accumulated impairments</i>			
	At the beginning of the year	-755 000	-755 000
	At the end of the year	<u>-755 000</u>	<u>-755 000</u>
	<b>Carrying amount at the end of the year</b>	<b>30 000 000</b>	<b>20 893 145</b>
<b>Land (included in land and buildings)</b>			
		<u><b>2019-03-31</b></u>	<u><b>2018-03-31</b></u>
	Accumulated acquisition costs	174 861	174 861
	Carrying amount at the end of the year	<u>174 861</u>	<u>174 861</u>
<b>Note 11</b>	<b>Plant and machinery</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	97 058 095	97 058 095
	At the end of the year	<u>97 058 095</u>	<u>97 058 095</u>
<i>Accumulated depreciation</i>			
	At the beginning of the year	-73 537 580	-71 863 892
	Depreciation during the year	-1 548 502	-1 673 688
	At the end of the year	<u>-75 086 082</u>	<u>-73 537 580</u>
<i>Accumulated revaluations</i>			
	At the beginning of the year	2 988 766	3 387 262
	Depreciation on revaluations during the year	-398 495	-398 496
	At the end of the year	<u>2 590 271</u>	<u>2 988 766</u>
	<b>Carrying amount at the end of the year</b>	<b>24 562 282</b>	<b>26 509 281</b>

<b>Note 12</b>	<b>Equipment, tools, fixtures and fittings</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	10 295 090	10 284 665
	Purchases	-	10 425
	Sale of assets	<u>-110 621</u>	<u>-</u>
	At the end of the year	10 184 469	10 295 090
<i>Accumulated depreciation</i>			
	At the beginning of the year	-9 048 809	-8 629 242
	Reversed depreciation on disposals	110 621	-
	Reclassifications	-	-1 945
	Depreciation during the year	<u>-394 145</u>	<u>-417 622</u>
	At the end of the year	-9 332 333	-9 048 809
	<b>Carrying amount at the end of the year</b>	<b>852 136</b>	<b>1 246 281</b>
<b>Note 13</b>	<b>Participation in group companies</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	5 100 000	5 100 000
	Reversal of previous write-down	<u>5 000 000</u>	<u>-</u>
	At the end of the year	10 100 000	5 100 000
	<b>Carrying amount at the end of the year</b>	<b>10 100 000</b>	<b>5 100 000</b>

**Note 14**            **Deferred taxes**

2019-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	30 000 000	12 753 153	17 246 847
Plant and machinery	25 408 508	22 818 238	2 590 270
Other (debts)	—	—	—
	<u>55 408 508</u>	<u>35 571 391</u>	<u>19 837 117</u>

Taxable loss carry-forward amounts to 121 tsek.

2019-03-31	Deferred tax asset	Deferred tax liability	Net
<i>Significant temporary differences</i>			
Land and buildings	—	3 552 850	-3 552 850
Plant and machinery	—	533 596	-533 596
Other (debts)	169 833	—	169 833
<i>Taxable loss carry-forward</i>	<u>3 916 613</u>	<u>—</u>	<u>3 916 613</u>
<i>Deferred tax asset/liability</i>	<u>4 086 446</u>	<u>4 086 446</u>	<u>—</u>
<i>Offset</i>	<u>-169 833</u>	<u>-169 833</u>	<u>—</u>
<i>Deferred tax asset/liability (net)</i>	<u>3 916 613</u>	<u>3 916 613</u>	<u>—</u>

2018-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	20 893 145	13 379 885	7 513 260
Plant and machinery	26 149 844	24 678 888	1 470 956
Other (debts)	-985 568	—	-985 568
	<u>46 057 421</u>	<u>38 058 773</u>	<u>7 998 648</u>

Taxable loss carry-forward amounts to SEK 124 tsek.

**Note 15**            **Other long-term receivables**

	2019-03-31	2018-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	1 140 929	1 370 980
Settled receivables	<u>-50 000</u>	<u>-230 051</u>
At the end of the year	<u>1 090 929</u>	<u>1 140 929</u>
<b>Carrying amount at the end of the year</b>	<b>1 090 929</b>	<b>1 140 929</b>



<b>Note 16</b>	<b>Inventories etc.</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
	Raw materials and consumables	6 976 945	6 790 441
	Products in progress	1 815 844	3 596 140
	Finished goods and goods for resale	4 500 377	4 963 375
		<u>13 293 166</u>	<u>15 349 956</u>

<b>Note 17</b>	<b>Number of shares and quota value</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
	A-shares (one share team)	210 000	210 000
	Quota value	5	5

<b>Note 18</b>	<b>Proposed allocation of the company's profit</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
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The Board of Directors propose that the non-restricted equity (accumulated deficit), SEK -1 198 604, is allocated as shown below:

Profit or loss brought forward		<u>-1 198 604</u>
	Total	<u>-1 198 604</u>

<b>Note 19</b>	<b>Other provisions</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
	Guarantee commitment	<u>—</u>	<u>170 898</u>
		—	170 898
	Carrying amount at the beginning of the year	170 898	306 000
	Amounts utilised during the year	<u>-170 898</u>	<u>-135 102</u>
	Carrying amount at the end of the year	—	170 898

<b>Note 20</b>	<b>Non-current liabilities</b>	<b>2019-03-31</b>	<b>2018-03-31</b>
	<i>Liabilities that mature between one and five years from the balance sheet date:</i>		
	Other liabilities to credit institutions	4 700 000	1 467 939
		<u>2019-03-31</u>	<u>2018-03-31</u>
	<i>Pledged assets for other liabilities</i>		
	Property mortgage	90 000 000	90 000 000
	Chattel mortgage	28 000 000	28 000 000
	Receivables	6 417 404	7 767 910
		<u>124 417 404</u>	<u>125 767 910</u>

**Note 21 Bank overdrafts and factoring**

	<u>2019-03-31</u>	<u>2018-03-31</u>
Credit limit, overdraft	5 300 000	10 500 000
Unused	<u>-149 792</u>	<u>-106 254</u>
Utilised credit amount	5 150 208	10 393 746
Credit limit, factoring usable	13 583 405	13 284 384
Unused	<u>-7 166 000</u>	<u>-5 516 474</u>
	6 417 405	7 767 910

The shown credit limit is the possible limit to use 2019-03-31  
Total factoring limit is 9 816 575 SEK.

**Note 22 Accrued expenses and prepaid income**

	<u>2019-03-31</u>	<u>2018-03-31</u>
Social security contributions	867 862	799 860
Salary and vacation contribution	1 981 583	1 738 124
Other items	<u>2 358 513</u>	<u>2 213 138</u>
	5 207 958	4 751 122

**Note 23 Paid interest**

	<u>2018-04-01-2019-03-31</u>	<u>2017-04-01-2018-03-31</u>
Received interest	-	94
Paid interest	675 215	865 144

**Note 24 Cash equivalents**

	<u>2019-03-31</u>	<u>2018-03-31</u>
<i>The following sub-components are included in cash equivalents:</i>		
Cash	9 236	739
Bank balance	<u>-</u>	<u>12 212</u>
	9 236	12 951

**Note 25 Group information**

Structo Hydraulics AB is a wholly owned subsidiary of ISMT Enterprises SA Luxembourg.  
The ultimate company is ISMT Ltd, India

*Purchases and sales within the group*

Of the Company's total purchases and sales in SEK, 70 % of the purchases and 8 % of the sales refer to other Companies within the group that that the Company belongs to.

**Note 26 Pledged securities and contingent liabilities**

	<u>2019-03-31</u>	<u>2018-03-31</u>
Property mortgage	90 000 000	90 000 000
Chattel mortgage	28 000 000	28 000 000
Pledged assets	<u>6 417 405</u>	<u>7 767 909</u>
	124 417 405	125 767 909
<b>Contingent liabilities</b>		
Guarantee commitment for group companies	-	7 995 212

**Storfors**

O.P Kakkur  
*Chairman of the board*

Rajiv Goel

Sallil Taneja

Kishore Bharambe

Jerry Johansson

Erik Lagerblad  
*Representative from Unionen*

Erik Mattisson  
*Representative from Metall*

My audit report has been submitted

Mattias Eriksson  
*Authorized public accountant*