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**ISMT Enterprises  
Société anonyme**

RCS Luxembourg B 129.097  
Annual accounts  
as at March 31, 2015

On the basis of the documents and information received from the client, we have compiled the annual accounts of ISMT Enterprises as at March 31, 2015 which were established in accordance with the legal and regulatory provisions as well as the accounting procedures generally accepted in Luxembourg.

The Management remains responsible for these annual accounts which were not subject to a legal or contractual audit or a review on our behalf.

We thus express no opinion or any assurance regarding the attached annual accounts.

The present annual accounts show :

- a balance sheet total of: 7.911.511,52 €
- a loss of the financial year of : 31.647,75 €



**Van Cauter-Snauwaert & Co Sàrl**  
Chartered Auditors  
G.D. - Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the shareholders of:

**ISMT Enterprises SA, 6 Place de Nancy, L-2212 Luxembourg,**

### **Report on the annual accounts**

Following our appointment by the Board of Directors we have audited the accompanying annual accounts of ISMT Enterprises SA, which comprise the balance sheet as of March 31st, 2015, and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Responsibility of the Board of Directors for the annual accounts*

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of annual accounts and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

#### *Responsibility of the réviseur d'entreprises agréé*

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the judgement of the réviseur d'entreprises agréé, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Managers, as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Unqualified Opinion*

In our opinion, the annual accounts give a true and fair view of the financial position of ISMT Enterprises SA as of 31.03.2015, and of the results of its operations and its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

*Emphasis of matter*

Without affecting our opinion mentioned above, we would like to draw the attention to the note 1 of the annual accounts in which the board of directors justifies her decision to not account for a less value on the participation held in and loan granted to Structo Hydraulics AB although the important consolidated losses realized in this group during the accounting year ended as per 31.03.2015. The Board of Directors motivates the valuation based on the estimated future cash flows. This valuation can only be maintained if the company is able to achieve the budgeted cashflows and terminal value in the future.

Done at Strassen,  
On May 27<sup>th</sup>, 2015



Van Cauter-Snauwaert & Co Sàrl  
Erik Snauwaert  
Réviseur d'Entreprises agréé

**ISMT Enterprises**

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**Balance sheet as at 31 March 2015**

	Year 2014-2015 EUR	Year 2013-2014 EUR
<b>ASSETS</b>	<b>7.911.511,52</b>	<b>7.969.621,17</b>
<b>C. Fixed assets</b>	<b>7.879.711,37</b>	<b>7.932.706,37</b>
III. Financial fixed assets	7.879.711,37	7.932.706,37
<b>D. Current assets</b>	<b>29.036,02</b>	<b>34.197,92</b>
II. Debtors	25.647,50	25.647,50
a) becoming due and payable within one year	25.647,50	25.647,50
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	3.388,52	8.550,42
<b>E. Prepayments</b>	<b>2.764,13</b>	<b>2.716,88</b>
<b>LIABILITIES</b>	<b>7.911.511,52</b>	<b>7.969.621,17</b>
<b>A. Capital and reserves</b>	<b>7.864.286,92</b>	<b>7.895.934,67</b>
I. Subscribed capital	8.098.570,00	8.098.570,00
V. Profit or loss brought forward	-202.635,33	-171.775,64
VI. Profit or loss for the financial year	-31.647,75	-30.859,69
<b>C. Provisions</b>	<b>36.550,00</b>	<b>20.715,00</b>
<b>D. Non subordinated debts</b>	<b>10.674,60</b>	<b>52.971,50</b>
a) becoming due and payable within one year	10.674,60	52.971,50



**ISMT Enterprises**

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**Profit and loss account from 01-04-2014 until 31-03-2015**

	Year 2014-2015 EUR	Year 2013-2014 EUR
<b>A. CHARGES</b>	<b>31.647,75</b>	<b>30.859,69</b>
2. Other external charges	15.184,34	13.447,59
5. Other operating charges	32,00	0,00
8. Interest and other financial charges	596,41	959,60
b) other interest and similar financial charges	596,41	959,60
11. Income tax	3.210,00	3.210,00
12. Other taxes not included in the previous caption	12.625,00	13.242,50
13. Profit for the financial year	0,00	0,00
<b>B. INCOME</b>	<b>31.647,75</b>	<b>30.859,69</b>
13. Loss for the financial year	31.647,75	30.859,69

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**NOTES TO THE ACCOUNTS AS AT 31, MARCH 2015**  
**(EXPRESSED IN €)**

**General**

The company ISMT Enterprises, société anonyme (hereafter the “Company”) was incorporated on 25, May 2007, before Maître Paul Decker as a public limited company (société anonyme) under Luxembourg law for an unlimited duration.

The registered office of the Company is 6, Place de Nancy L-2212 Luxembourg.

The business year starts on 1, April 2014 and ends on 31, March 2015.

The Company’s business object is the taking of participations interests in any enterprises in whatever form.

**Significant accounting policies**

• **General principles**

The financial accounts of the Company of the financial year ending on 31, March 2015 have been established in accordance with Luxembourg legal and regulatory requirements and with generally accepted accounting principles in Luxembourg.

• **Financial assets**

Financial assets are valued at the acquisition cost translated at historical exchanges rates, less any write down for permanent impairment in value. The valuation is made individually without set off between individual unrealized gains and losses.

• **Current assets and liabilities**

Debtors, cash at bank and creditors are stated at their nominal value.

• **Consolidation**

The company is not under the obligation to establish consolidated financial statements according to Art. 316 ss of the Luxembourg companies’ law of 10, August 1915. The parent company which draws up to the audited consolidated accounts is ISMT Limited, Lunkad Towers, Viman Nagar, Off Pune Nagar Road, Pune-411014, India.

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**NOTES TO THE ACCOUNTS AS AT 31, MARCH 2015 (CONTINUED)**  
**(EXPRESSED IN €)**

• **Translation of foreign currencies**

The share capital of the company is expressed in EUR, the company maintains its accounting records in EUR and the annual accounts are expressed in that currency.

All fixed assets expressed in other currencies are recorded on the basis of the exchange rate at the recording date and all current assets on the basis of the exchange rate prevailing at the balance sheet date, whichever is lower. For liabilities, the higher exchange rate is applied.

Income and charges expressed in other currencies are recorded on the basis of the exchange rates prevailing on the transaction dates. Realized exchange gains and losses and unrealized exchange losses are reflected in the profit and loss account.

**Balance sheet as at 31, March 2015**

**1. Financial assets**

A) Shares in affiliated undertakings:

As at 31, March 2015 and 2014, the Company held the following shares in affiliated undertakings:

Name of the company	Percentage of ownership as at 31.03.2014	Percentage of ownership as at 31.03.2015	Book value as at 31.03.2014	Book value as at 31.03.2015
Structo Hydraulics AB, Storfors, Sweden	100%	100%	5.370.000,00	5.370.000,00

The consolidated net equity of Structo Hydraulics AB as per 31.03.2015 amounts to SEK 5.834.728,- (2014 : SEK 20.070.751,-) and the consolidated net loss of the accounting year then ended amounts to SEK 18.634.649,- (2014 loss : 22.366.391,-).

The management is of the opinion that the investment made in Structo Hydraulics AS is strategic and with a long term view.

Based on the estimated future cash flows no write-down is needed on investment.



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**NOTES TO THE ACCOUNTS AS AT 31, MARCH 2015 (CONTINUED)**  
**(EXPRESSED IN €)**

B) Loans to affiliated undertakings:

As at 31, March 2015 and 2014, the Company granted the following loans to affiliated undertakings:

Name of the company	Book value as at 31.03.2014	Drawdowns	Repayments	Book value as at 31.03.2015
Structo Hydraulics AB, Storfors, Sweden	2.562.706,37	-	-	2.509.711,37

According to the agreement dated June 2007 the SEK 10.000.000,00 loan corresponding to EUR 1.074.000,00 granted to Structo Hydraulics AB bears an interest rate of 4% per annum. The agreed maturity date is June 2010 and is subordinated to any and all amounts due to Handelsbanken. In March 2010 the Company granted to Structo Hydraulics AB a second interest free loan of SEK 14.500.000,00 corresponding to EUR 1.488.706,37. Considering the waive of the 4% interest on the SEK 10.000.000,00 loan, the balance as at 31, March 2015 amounts to SEK 24.091.879,00 corresponding to EUR 2.509.711,37.

This loan granted has been booked as unconditional shareholders contribution in the statutory accounts of Structo Hydraulics AB as per 31.03.2015.

In the opinion of the Board of Directors, based on the estimated future cash flows of Structo Hydraulics AB, the above loan does not present any permanent impairment in value as at 31<sup>st</sup> March, 2015.

**2. Subscribed capital**

At incorporation, the subscribed share capital of the Company amounted to 31.000, represented by 3.100 ordinary shares of a nominal value of 10 each fully paid-in.

As at 31, March 2013, the subscribed share capital of the Company amounts to 8.098.570 represented by 809.857 ordinary shares of a nominal value of 10 each.

**3. Creditors**

Creditors are stated at their nominal value; invoices to receive at the balance sheet date amount to EUR 7.127,00.

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**NOTES TO THE ACCOUNTS AS AT 31, MARCH 2015 (CONTINUED)**  
**(EXPRESSED IN €)**

**4. Shareholders information**

- The general meeting of shareholders decides to allocate the loss of the year amounting to EUR 31.647,75 (2014 loss: EUR 30.859,69) to loss brought forward.
  
- **Board of Directors in function until the general meeting held in 2018:**
  - Mr. Narayan Vithal Karbhase, 5 Meghdoot Apartment, Alkapuri Society, Kothrud, Pune 411029 Maharashtra (India) ;
  - Mr. Ronald Weber, 6 place de Nancy, L-2212 Luxembourg ;
  - Mr. Romain Bontemps, 6 place de Nancy, L-2212 Luxembourg.
  
- **Auditor in function until the general meeting held in 2018:**
  - Van Cauter – Snauwaert & Co S.à r.l., 80, rue des Romains, L-8041 Strassen.

**ISMT Enterprises** (Matricule : 2007 2217 374)

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**Balance sheet as at 31 March 2015**

	Year 2014-2015 EUR	Year 2013-2014 EUR
<b>ASSETS</b>	<b>7.911.511,52</b>	<b>7.969.621,17</b>
<b>C. Fixed assets</b>	<b>7.879.711,37</b>	<b>7.932.706,37</b>
III. Financial fixed assets	7.879.711,37	7.932.706,37
2318 <i>Structo Hydraulics AB, 210.000 shares (100%)</i>	5.370.000,00	5.370.000,00
2328 <i>Amounts owed by affiliated undertakings - Structo Hydraulics AB</i>	2.509.711,37	2.562.706,37
<b>D. Current assets</b>	<b>29.036,02</b>	<b>34.197,92</b>
II. Debtors	25.647,50	25.647,50
a) becoming due and payable within one year	25.647,50	25.647,50
42121 <i>Amounts owed by partners and shareholders - Principal amount</i>	16.000,00	16.000,00
42141 <i>Corporate income tax</i>	9.570,00	9.570,00
42143 <i>Net wealth tax</i>	77,50	77,50
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	3.388,52	8.550,42
513101 <i>Citibank LU89 0340 0002 0065 3001</i>	2.524,87	2.875,30
513102 <i>Handelsbanken SE45 6000 0000 0005 3075 6862</i>	863,65	5.675,12
<b>E. Prepayments</b>	<b>2.764,13</b>	<b>2.716,88</b>
481 <i>Deferred charges</i>	2.764,13	2.716,88

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**Balance sheet as at 31 March 2015**

	Year 2014-2015 EUR	Year 2013-2014 EUR
<b>LIABILITIES</b>	<b>7.911.511,52</b>	<b>7.969.621,17</b>
<b>A. Capital and reserves</b>	<b>7.864.286,92</b>	<b>7.895.934,67</b>
I. Subscribed capital	8.098.570,00	8.098.570,00
101 Subscribed capital	8.098.570,00	8.098.570,00
V. Profit or loss brought forward	-202.635,33	-171.775,64
1410 Results brought forward	-202.635,33	-171.775,64
VI. Profit or loss for the financial year	-31.647,75	-30.859,69
<b>C. Provisions</b>	<b>36.550,00</b>	<b>20.715,00</b>
1821 Provisions for corporate income tax	11.145,00	7.935,00
1823 Provisions for net wealth tax	25.405,00	12.780,00
<b>D. Non subordinated debts</b>	<b>10.674,60</b>	<b>52.971,50</b>
a) becoming due and payable within one year	10.674,60	52.971,50
44111 Suppliers	3.685,50	0,00
44112 Suppliers - invoices not yet received	7.127,00	7.065,00
461232 Net wealth tax - Tax payable	-137,90	45.906,50



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	Year 2014-2015 EUR	Year 2013-2014 EUR
<b>A. CHARGES</b>	<b>31.647,75</b>	<b>30.859,69</b>
2. Other external charges	15.184,34	13.447,59
61333 <i>Bank account charges</i>	64,78	8,48
61342 <i>Accounting and auditing fees</i>	14.769,56	13.089,11
6187 <i>Contributions to professional organizations</i>	350,00	350,00
5. Other operating charges	32,00	0,00
64658 <i>Other registration fees, stamp and mortgage duties</i>	32,00	0,00
8. Interest and other financial charges	596,41	959,60
b) other interest and similar financial charges	596,41	959,60
65521 <i>Bank interest on current accounts</i>	0,43	0,00
65581 <i>Interest payable on corporate income tax</i>	0,00	12,10
6563 <i>Foreign currency exchange losses - Others</i>	595,98	947,50
11. Income tax	3.210,00	3.210,00
6711 <i>Corporate income tax - Current year</i>	3.210,00	3.210,00
12. Other taxes not included in the previous caption	12.625,00	13.242,50
6811 <i>Net wealth tax - Current year</i>	12.625,00	12.780,00
6812 <i>Net wealth tax - Previous years</i>	0,00	462,50
13. Profit for the financial year	0,00	0,00

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	Year 2014-2015 EUR	Year 2013-2014 EUR
<b>B. INCOME</b>	<b>31.647,75</b>	<b>30.859,69</b>
13. Loss for the financial year	31.647,75	30.859,69

[www.grantthornton.lu](http://www.grantthornton.lu)

**Grant Thornton Weber & Bontemps**  
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