

Auditor's report

To the annual meeting of the shareholders of Structo Hydraulics AB, corp. id 556574-5568

Report on the annual accounts and consolidated accounts

We have audited the annual accounts and consolidated accounts of Structo Hydraulics AB for the financial year 2014-04-01--2015-03-31.

Responsibilities of the Board of Directors for the annual accounts and consolidated accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with the Annual Accounts Act and of the consolidated accounts in accordance with the Annual Accounts Act, and for such internal control as the Board of Directors determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated 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 company'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 Directors, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

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

Opinions

In our opinion, the annual accounts and consolidated accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company and the group as of 31 March 2015 and of their financial performance and cash flows for the year then ended in accordance with the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statement and balance sheet for the parent company and the group.

Report on other legal and regulatory requirements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors of Structo Hydraulics AB for the financial year 2014-04-01--2015-03-31.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors is responsible for administration under the Companies Act.

Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden.

As basis for our opinion on the Board of Directors proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

As basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors is liable to the company. We also examined whether any member of the Board of Directors has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

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

Opinions

We recommend to the annual meeting of shareholders that the loss should be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors are discharged from liability for the financial year.

Karlstad

KPMG AB

Mattias Eriksson
Authorized Public Accountant

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

Submit the following

Annual report

For the financial year 1 April 2014 - 31 March 2015

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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 subsidiaries Structo UK Ltd and 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 70%.

Subsidiaries

Structo Hydraulics AB has subsidiary companies in UK and Sweden, Structo UK Ltd and ISMT Europe AB.

The subsidiary in UK have not had any business activities during the year.

Foreign Branch Offices

The Company has taken decision to close the branch office in Germany. The activities will now be operated from Sweden.

Development of the company, the result and position

Financial overview	2014/15	2013/14	2012/13	2011/12
Net sales	53 983	70 654	93 553	155 415
Total assets	106 059	115 063	148 421	182 230
Return on capital	-18 635	-22 731	-28 758	-713
Equity ratio, %	6%	14%	20%	31%

For definitions, see note

Significant events and other important conditions

The weakness in the Eurozone economy is continuing impacting the Company's operations. Various cost reduction measures were implemented during the year and there will be further efforts to reduce the cost.

The result for the year has been affected negatively by an exchange difference in foreign currency. During the year the share capital has been reduced for covering of losses. See note 19

Future expected development material risks and uncertainties

New products are being developed for Hydraulic & Oil Industries.

Expected increase in the volume will gradually lead to that the company's products will be more competitive and profitable.

Sustained downstream in the Eurozone economy and highly volatile exchange rates continue to pose significant risk.

The impairment test of the fixed assets that was made last year 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

Proposed allocation of the company's profit

The Board of Directors propose that the non-restricted equity, SEK 5 999 685, is allocated as shown below:

Profit or loss brought forward		5 999 685
	Total	<u>5 999 685</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.

Income statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2014-04-01- 2015-03-31</i>	<i>2013-04-01- 2014-03-31</i>
Net sales	3	53 982 549	70 653 872
Change in inventories of products in progress, finished goods and work in progress		1 879 217	-5 080 243
Other operating income	4	<u>3 442 015</u>	<u>794 862</u>
		59 303 781	66 368 491
Operating expenses			
Raw materials and consumables		-32 749 778	-39 954 236
Other external costs		-7 977 262	-14 597 497
Employee benefit expenses	5	-17 966 799	-23 031 693
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets		-6 329 316	-7 395 213
Other operating expenses		<u>-288 114</u>	<u>-</u>
Operating profit/loss	6	<u>-6 007 488</u>	<u>-18 610 148</u>
Profit/loss from financial items			
Interest income and similar profit/loss items		23 947	12 526
Interest expense/exchange diff. and similar profit/loss items	7	<u>-12 651 108</u>	<u>-4 133 091</u>
Profit/loss after financial items		<u>-18 634 649</u>	<u>-22 730 713</u>
Profit/loss before tax		<u>-18 634 649</u>	<u>-22 730 713</u>
Tax on profit for the year	8	<u>-</u>	<u>364 322</u>
Net profit/loss for the year		<u>-18 634 649</u>	<u>-22 366 391</u>

Balance sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2015-03-31</i>	<i>2014-03-31</i>
ASSETS			
Non-current assets			
Intangible assets			
Goodwill	9	—	1 509 847
		—	1 509 847
Property, plant and equipment			
Land and buildings	10	24 956 727	28 389 575
Plant and machinery	11	33 074 437	35 818 085
Equipment, tools, fixtures and fittings	12	2 694 853	3 391 144
		60 726 017	67 598 804
Financial assets			
Participation in group companies	13	5 101 012	5 101 012
Participations in associated companies	14	81 190	81 190
Deferred tax asset	15	2 819 302	3 419 299
Other long-term receivables	16	1 400 674	1 400 674
		9 402 178	10 002 175
Total non-current assets		70 128 195	79 110 826
Current assets			
Inventories etc.			
Raw materials and consumables	17	6 250 777	11 649 917
Products in progress		4 796 332	2 943 516
Finished goods and goods for resale		4 804 210	4 901 493
		15 851 319	19 494 926
Current receivables			
Accounts receivable - trade		14 952 887	8 490 038
Current tax assets		982 454	1 116 364
Other receivables		109 463	367 080
Prepaid expenses and accrued income		1 013 633	698 910
		17 058 437	10 672 392
Cash and bank balances			
Cash and bank		21 324	9 203 697
		21 324	9 203 697
Total current assets		32 931 080	39 371 015
TOTAL ASSETS		103 059 275	118 481 841

Balance sheet

<i>Amounts in SEK</i>	<i>Note</i>	<i>2015-03-31</i>	<i>2014-03-31</i>
EQUITY AND LIABILITIES			
Equity	19		
<i>Restricted equity</i>			
Share capital (210 000 shares)		1 050 000	21 000 000
Revaluation reserve		10 764 413	12 891 702
Statutory reserve		20 000	20 000
		<u>11 834 413</u>	<u>33 911 702</u>
<i>Non-restricted equity</i>			
Profit or loss brought forward		12 634 964	8 525 440
Net profit/loss for the year		-18 634 649	-22 366 391
		<u>-5 999 685</u>	<u>-13 840 951</u>
		5 834 728	20 070 751
Provisions			
Deferred tax liability	15	2 819 302	3 419 299
Other provisions	20	—	3 498 638
		<u>2 819 302</u>	<u>6 917 937</u>
Non-current liabilities			
Other liabilities to credit institutions	21	45 767 603	50 394 158
		<u>45 767 603</u>	<u>50 394 158</u>
Current liabilities			
Liabilities to credit institutions		1 274 832	1 000 000
Bank overdrafts	22	15 369 343	17 460 989
Factoring		12 036 083	5 015 377
Accounts payable - trade		2 260 158	1 461 455
Liabilities to parent company		1 926 469	3 145 974
Liabilities to group companies		8 780 830	6 253 874
Other liabilities		823 322	370 094
Accrued expenses and deferred income	23	6 166 605	6 391 232
		<u>48 637 642</u>	<u>41 098 995</u>
TOTAL EQUITY AND LIABILITIES		103 059 275	118 481 841

Pledged assets and contingent liabilities

<i>Amounts in SEK</i>	<i>2015-03-31</i>	<i>2014-03-31</i>
Pledged assets		
<i>For own liabilities and provisions</i>		
Property mortgages	28 000 000	28 000 000
Chattel mortgages	90 000 000	90 000 000
Factoring	12 036 083	5 015 377
Total pledged assets	<u>130 036 083</u>	<u>123 015 377</u>
Contingent liabilities		
Guarantees for group companies	10 250 415	4 953 527
	<u>10 250 415</u>	<u>4 953 527</u>

Cash flow statement

Amounts in SEK	2014-04-01- 2015-03-31	2013-04-01- 2014-03-31
Operating activities		
Profit/loss after financial items	24 -18 634 649	-22 730 713
Adjustments for non-cash items, etc.	10 608 993	6 056 545
	<u>-8 025 656</u>	<u>-16 674 168</u>
Income tax paid	133 910	-342 246
Cash flow from operating activities before working capital changes	-7 891 746	-17 016 414
<i>Cash flow from working capital changes</i>		
Increase(-)/Decrease(+) of inventories	3 643 607	2 419 213
Increase(-)/Decrease(+) of current receivables	-6 519 955	34 446 815
Increase(-)/Decrease(+) of current liabilities	2 334 755	363 023
Cash flow from operating activities	-8 433 339	20 212 637
Investing activities		
Acquisition of property, plant and equipment	-	-52 945
Disposal of property, plant and equipment	3 516 000	-
Cash flow from investing activities	3 516 000	-52 945
Received shareholders' contribution	4 398 629	8 786 236
Repayment of borrowings	-8 663 663	-19 757 194
Cash flow from financing activities	-4 265 034	-10 970 958
Cash flow for the year	-9 182 373	9 188 734
Cash and cash equivalents at the beginning of the year	9 203 697	14 963
Cash and cash equivalents at the end of the year	25 21 324	9 203 697

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 BFAR 2012:1 Annual Report and consolidated accounts (K3).

The Annual Report has been prepared in accordance with the Annual Accounts act and for the first year also according to the Swedish Accounting Standards Board's generally accepted accounting principles BFAR 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.

Amortisations

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

Acquired intangible assets
Goodwill

Useful life

10 years

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.

Buildings
Plants and machineries
Equipments, tools, fixtures and fittings

Useful life

45 years

3-30 years

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 paid 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 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

	2014-04-01- 2015-03-31	2013-04-01- 2014-03-31
<i>Net sales by geographic segments</i>		
Sweden	23 083 493	21 925 846
Scandinavia excl. Sweden	6 990 839	8 617 154
Other EU	16 342 480	35 955 112
Outside EU	7 565 737	4 155 760
	<u>53 982 549</u>	<u>70 653 872</u>

Note 4 Other operating income

	2014-04-01- 2015-03-31	2013-04-01- 2014-03-31
Exchange gains on operating receivables/liabilities	–	317 920
Administration and other services	1 382 380	389 418
Result sales of assets	1 462 685	–
Other	596 950	87 524
	<u>3 442 015</u>	<u>794 862</u>

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

Average number of employees	<i>whereof</i>		<i>whereof</i>	
	2014-04-01- 2015-03-31	men	2013-04-01- 2014-03-31	men
Sweden	32	84%	42	82%
Tyskland	1	100%	1	100%
Total	<u>33</u>	<u>84%</u>	<u>43</u>	<u>82%</u>

Disclosure of gender distribution in the company's management

	<u>2015-03-31</u>	<u>2014-03-31</u>
	<i>Proportion of women</i>	<i>Proportion of women</i>
Board of Directors	14%	14%
Other senior management	50%	50%

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

	<u>2014-04-01- 2015-03-31</u>	<u>2013-04-01- 2014-03-31</u>
<i>Salaries and remunerations</i>	12 276 731	15 466 837
<i>Social security expenses</i>	5 580 271	6 950 836
<i>(of that pension expenses) 1)</i>	(1 687 325)	(1 802 528)

1) Of the Company's pension expenses, 212 865 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>2014-04-01-2015-03-31</u>		<u>2014-04-01-2015-03-31</u>	
	<i>Board of Directors</i>	<i>Other employees</i>	<i>Board of Directors and Managing Director</i>	<i>Other employees</i>
<i>Salaries and other remunerations</i>	915 614	10 831 836	354 853	14 679 538

Audit fees and expenses

	<u>2014-04-01- 2015-03-31</u>	<u>2013-04-01- 2014-03-31</u>
<i>KPMG</i>		
Audit services	95 000	95 000

Note 6 Operating lease**Lease contracts where the Company is the lessee**

	<u>2015-03-31</u>	<u>2014-03-31</u>
<i>Future minimum lease payments regarding non-cancellable operating lease contracts</i>		
Within one year	200 398	254 233
Between one and five years	58 714	58 714
	<u>259 112</u>	<u>312 947</u>
	<u>2014-04-01- 2015-03-31</u>	<u>2013-04-01- 2014-03-31</u>
The financial year's recognised lease expenses	254 233	488 899

Note 7 Interest expense and similar profit/loss items

	2014-04-01- 2015-03-31	2013-04-01- 2014-03-31
Interest expense, other	-3 225 663	-3 690 494
Exchange differences foreign loan	-9 425 445	-442 597
	<u>-12 651 108</u>	<u>-4 133 091</u>

Note 8 Tax on profit for the year

	2014-04-01-2015-03-31	2013-04-01-2014-03-31
Deferred tax	-	364 322
	-	<u>364 322</u>

Reconciliation of effective tax rate

	2014-04-01- 2015-03-31		2013-04-01- 2014-03-31	
	Per cent	Amount	Per cent	Amount
Profit/loss before tax		-18 634 649		-22 730 713
Tax according to current tax rate for the parent company	22,0%	4 099 623	22,0%	5 000 757
Non-deductible expenses	-1,8%	-335 831	-2,0%	-459 528
Non-taxable income	0,0%	379	0,0%	964
Increase of loss carry-forward without corresponding recognised deferred tax	-20,2%	-3 764 171	-18,4%	-4 177 871
Reported effective tax	0,0%	-	1,6%	364 322

Note 9 Goodwill

	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	50 327 708	50 327 708
At the end of the year	<u>50 327 708</u>	<u>50 327 708</u>
<i>Accumulated amortisation</i>		
At the beginning of the year	-48 817 861	-46 804 753
Amortisation during the year	-1 509 847	-2 013 108
At the end of the year	<u>-50 327 708</u>	<u>-48 817 861</u>
Carrying amount at the end of the year	-	1 509 847

Note 10	Land and buildings	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	24 183 109	24 183 109
	Disposals	<u>-854 258</u>	<u>-</u>
	At the end of the year	23 328 851	24 183 109
<i>Accumulated depreciation</i>			
	At the beginning of the year	-7 738 595	-6 973 505
	Reversed depreciation on disposals	485 503	-
	Depreciation during the year	<u>-735 314</u>	<u>-765 090</u>
	At the end of the year	-7 988 406	-7 738 595
<i>Accumulated revaluations</i>			
	At the beginning of the year	12 900 061	13 603 069
	Reversed revaluation on disposals	-1 825 771	-
	Depreciation on revaluations during the year	<u>-703 008</u>	<u>-703 008</u>
	At the end of the year	10 371 282	12 900 061
<i>Accumulated impairments</i>			
	At the beginning of the year	-955 000	-
	Reversed impairments on disposals	200 000	-
	Impairments during the year	<u>-</u>	<u>-955 000</u>
	At the end of the year	-755 000	-955 000
	Carrying amount at the end of the year	24 956 727	28 389 575
Land (included in land and buildings)			
		<u>2015-03-31</u>	<u>2014-03-31</u>
	Accumulated acquisition costs	174 861	174 861
	Carrying amount at the end of the year	174 861	174 861
Note 11	Plant and machinery	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	110 443 150	111 046 295
	Disposals	-11 086 442	-603 145
	Reclassifications	<u>-414 113</u>	<u>-</u>
	At the end of the year	98 942 595	110 443 150
<i>Accumulated depreciation</i>			
	At the beginning of the year	-79 207 815	-77 813 938
	Reversed depreciation on disposals	11 027 720	603 145
	Depreciation during the year	<u>-1 872 315</u>	<u>-1 997 022</u>
	At the end of the year	-70 052 410	-79 207 815
<i>Accumulated revaluations</i>			
	At the beginning of the year	4 582 750	-
	Depreciation on revaluations during the year	-398 498	-199 250
	Revaluations during the year	<u>-</u>	<u>4 782 000</u>
	At the end of the year	4 184 252	4 582 750
	Carrying amount at the end of the year	33 074 437	35 818 085

Note 12	Equipment, tools, fixtures and fittings	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	12 619 602	12 566 657
	Acquisitions	—	52 945
	Disposals	-4 623 551	—
	Reclassifications	414 113	—
	At the end of the year	<u>8 410 164</u>	<u>12 619 602</u>
<i>Accumulated depreciation</i>			
	At the beginning of the year	-9 228 458	-8 465 723
	Reversed depreciation on disposals	4 623 551	—
	Depreciation during the year	<u>-1 110 404</u>	<u>-762 735</u>
	At the end of the year	<u>-5 715 311</u>	<u>-9 228 458</u>
	Carrying amount at the end of the year	2 694 853	3 391 144

Note 13	Participation in group companies	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	<u>5 101 012</u>	<u>5 101 012</u>
	At the end of the year	<u>5 101 012</u>	<u>5 101 012</u>
	Carrying amount at the end of the year	5 101 012	5 101 012

Note 14	Participations in associated companies	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	<u>81 190</u>	<u>81 190</u>
	At the end of the year	<u>81 190</u>	<u>81 190</u>
	Carrying amount at the end of the year	81 190	81 190

Specification of the Company's participations in associated companies
2015-03-31

Associated company / Corp. Id. No. / Registered office	Adjusted equity / amount / Net profit/loss	Shares / amount in % I)	Carrying amount
Directly owned			
Structo Hydraulics India Private Ltd	85 155	49,994	
Indlen	-9 164	45,5	81 190

Note 15 **Deferred taxes**

	2015-03-31		
	<i>Carrying amount</i>	<i>Tax base</i>	<i>Temporary difference</i>
<i>Significant temporary differences</i>			
Land and buildings	24 956 727	15 340 391	9 616 336
Plant and machinery	33 074 437	28 890 196	4 184 241
Other (debts)	-985 568	-	-985 568
	<u>57 045 596</u>	<u>44 230 587</u>	<u>12 815 009</u>

Taxable loss carry-forward amounts to SEK 104 000 tsek.

	<i>Deferred tax asset</i>	<i>Deferred tax liability</i>	<i>Net</i>
<i>Significant temporary differences</i>			
Land and buildings	-	2 115 594	-2 115 594
Plant and machinery	-	920 533	-920 533
Other (debts)	216 825	-	216 825
<i>Taxable loss carry-forward</i>	<u>2 819 302</u>	<u>-</u>	<u>2 819 302</u>
<i>Deferred tax asset/liability</i>	<u>3 036 127</u>	<u>3 036 127</u>	<u>-</u>
<i>Offset</i>	-216 825	-216 825	
<i>Deferred tax asset/liability (net)</i>	<u>2 819 302</u>	<u>2 819 302</u>	<u>-</u>

	2014-03-31		
	<i>Carrying amount</i>	<i>Tax base</i>	<i>Temporary difference</i>
<i>Significant temporary differences</i>			
Land and buildings	28 389 575	16 444 489	11 945 086
Plant and machinery	35 818 085	31 235 335	4 582 750
Other (debts)	-985 568	-	-985 568
<i>Other temporary differences</i>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>63 222 092</u>	<u>47 679 824</u>	<u>15 542 268</u>

Taxable loss carry-forward amounts to 89 000 tsek.

Note 16 **Other long-term receivables**

	2015-03-31	2014-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	1 400 674	1 360 684
Additional receivables	<u>-</u>	<u>39 990</u>
At the end of the year	<u>1 400 674</u>	<u>1 400 674</u>
Carrying amount at the end of the year	1 400 674	1 400 674

Note 17 Inventories etc.

	2015-03-31	2014-03-31
Raw materials and consumables	6 250 777	11 649 917
Products in progress	4 796 332	2 943 516
Finished goods and goods for resale	4 804 210	4 901 493
	<u>15 851 319</u>	<u>19 494 926</u>

Note 18 Equity in the opening balance sheet

		<i>Restricted equity</i>	<i>Other funds</i>	<i>Profit or loss brought forward including net profit/loss for the year</i>
According to established balance sheet	2013-03-31	21 000 000	10 630 403	-1 709 457
<i>Effects of change of accounting principles (BS)</i>				-
Adjusted balance after change of accounting principles	2013-04-01	21 000 000	10 630 403	-1 709 457
<i>According to decision at annual general meeting</i>				
Received shareholders' contribution				8 786 236
Revaluation, machinery		-	3 729 960	-
Reversal of revaluation reserve		-	-1 448 661	1 448 661
Result for the year		-	-	-25 785 690
<i>Effects of change of accounting principles (IS)</i>				
Deferred tax				3 419 299
Equity	2014-03-31	21 000 000	12 911 702	-13 840 951

Note 19 Equity

2015-03-31	Restricted equity			Non-restricted equity	
	Share capital	Revaluation reserve	Statutory reserve	Profit/loss brought forward incl. Net profit/loss for the year	Total equity
Opening balance	21 000 000	12 891 702	20 000	– -17 260 250	16 651 452
Effect of retrospective application			–	– 3 419 299	3 419 299
Adjusted opening balance	21 000 000	12 891 702	20 000	– -13 840 951	20 070 751
Net profit/loss for the year				-18 634 649	-18 634 649
<i>Transactions with owners</i>					
Shareholders' contribution received				4 398 629	4 398 629
<i>Reallocations of items in equity</i>					
Reversal of revaluation	–	-2 127 289	–	– 2 127 286	-3
Reduction of the share capital for covering losses	-19 950 000	–	–	– 19 950 000	–
At year end	1 050 000	10 764 413	20 000	– -5 999 685	5 834 728

The retained earnings includes shareholders contribution with total 91 493 680 sek on the 31 of Mach 2015.

Note 20 Other provisions

	2015-03-31	2014-03-31
Restructuring measures	–	3 120 751
Guarantee commitment	–	377 887
	–	3 498 638
Carrying amount at the beginning of the year	3 498 638	4 837 306
Amounts utilised during the year	–	-1 338 668
Unutilised amounts that have been reversed during the year	-3 498 638	–
Carrying amount at the end of the year	–	3 498 638

Note 21 Non-current liabilities

	2015-03-31	2014-03-31
<i>Liabilities that mature between one and five years from the balance sheet date:</i>		
Other liabilities to credit institutions	45 767 603	51 394 158
<i>Pledged assets for other liabilities</i>		
Property mortgage	90 000 000	90 000 000
Chattel mortgage	28 000 000	28 000 000
Receivables	12 036 083	5 015 377
	130 036 083	123 015 377

Note 22 Bank overdrafts and factoring

	<i>2015-03-31</i>	<i>2014-03-31</i>
Credit limit	15 500 000	18 000 000
Unused	<u>-130 657</u>	<u>-539 011</u>
Utilised credit amount	15 369 343	17 460 989
Credit limit, factoring usable	12 792 657	8 455 847
Unused	<u>-756 574</u>	<u>-3 440 470</u>
	12 036 083	5 015 377

The shown credit limit is the possible limit to use 2015-03-31
Total factoring limit is 21 752 075 sek.

Note 23 Accrued expenses and deferred income

	<i>2015-03-31</i>	<i>2014-03-31</i>
Social security contributions	1 163 551	1 187 715
Salary and vacation contribution	2 659 874	2 701 294
Other items	<u>2 343 180</u>	<u>2 502 223</u>
	6 166 605	6 391 232

Note 24 Paid interest

	<i>2014-04-01-2015-03-31</i>	<i>2013-04-01-2014-03-31</i>
Received interest	23 947	12 526
Paid interest	3 225 663	3 690 494

Note 25 Cash equivalents

	<i>2015-03-31</i>	<i>2014-03-31</i>
<i>The following sub-components are included in cash equivalents:</i>		
Cash	8 479	4 050
Bank balance	<u>12 845</u>	<u>9 199 647</u>
	21 324	9 203 697

Note 26 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 4 % of the sales refer to other Companies within the group that the Company belongs to.

Storfors the 27 of May 2015

O.P Kakkar
Chairman of the board

Rajiv Goel

Salll Taneja

Kishore Bharambe

Göran Larsson

Beata Jaske-Johansson
Representative from Unionen

Erik Mattisson
Representative from Metall

My audit report has been submitted the

Mattias Eriksson
Authorized public accountant