



ISMT Enterprises
« Société Anonyme »

R.C.S. Luxembourg B129097

ANNUAL ACCOUNTS
as at 31st March 2022

Grant Thornton Tax & Accounting

Experts Comptables & Fiscaux

ISMT Enterprises

« Société Anonyme »
R.C.S. Luxembourg B129097

Notes to the annual accounts as at
31st March 2022

On the basis of the documents and information received from the client, we have compiled the financial statements of ISMT Enterprises as at 31st March 2022 which were established in accordance with the legal and regulatory provisions as well as the accounting procedures generally accepted in Luxembourg.

The directors remain responsible for these financial statements which were not subject to a legal or contractual audit nor a review on our behalf.

The present financial statements show :

- a balance sheet total of EUR 3,850,898.28
- a loss of the financial year of EUR -3,904,775.73

ISMT Enterprises

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Notes to the annual accounts as at
31st March 2022

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REPORT OF THE RÉVISEUR D'ENTREPRISES AGRÉÉ

To the Shareholders of

ISMT Enterprises S.A.

7, Rue de Bitbourg

L-1273 Luxembourg

RCS Luxembourg: B 129097

Report on the Audit of the Financial Statements

Unqualified Opinion

We have audited the financial statements of **ISMT Enterprises S.A.** (the "Company"), which comprise the balance sheet as at **March 31, 2022**, and the profit and loss account for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at **March 31, 2022**, and the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for Unqualified Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "Réviseur d'Entreprise Agréé" for the Audit of the Financial Statements » section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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

Emphasis of matter

We refer to the note 3 of the financial statements in which the Management motivates the impairment booked as per 31.03.2022 on its participation in Structo Hydraulics AB. Our opinion is not modified in respect of this matter.

Responsibilities of the Board of Directors for the financial statements

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'Entreprises Agréé" for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "Réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "*Réviseur d'entreprises agréé*" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "*Réviseur d'entreprises agréé*". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matter

We draw your attention to the fact that as of 31.03.2022, the net assets fall below half of the corporate capital.

In accordance with the Luxembourg law, the directors shall set out the causes of this situation and shall justify their proposals in a special report addressed to the sole shareholder. The directors shall also convene a general meeting of shareholders to resolve on the continuation of operations.

Strassen, May 6th 2022

Audit Conseil Services S.à r.l.

Cabinet de Révision Agréé



Erik Snauwaert

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RCSL Nr. : B129097 Matricule : 2007 2217 374

ABRIDGED BALANCE SHEET

Financial year from 01 01/04 /2021 to 02 31/03/2022 in 03 EUR)

ISMT Enterprises
7, rue de Bitbourg
L-1273 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1101 _____	101 _____	101 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>3,850,106.00</u>	110 <u>7,722,720.00</u>
I. Intangible assets	1111 _____	111 <u>0.00</u>	112 <u>0.00</u>
II. Tangible assets	1125 _____	125 <u>0.00</u>	126 <u>0.00</u>
III. Financial assets	1125 _____ 3	125 <u>3,850,106.00</u>	126 <u>7,722,720.00</u>
D. Current assets	1151 _____	151 <u>792.28</u>	152 <u>1,065.72</u>
I. Stocks	1151 _____	153 _____	154 _____
II. Debtors	1163 _____	163 _____	164 _____
a) becoming due and payable within one year	1203 _____	203 _____	204 _____
b) becoming due and payable after more than one year	1205 _____	205 _____	206 _____
III. Investments	1189 _____	189 _____	190 _____
IV. Cash at bank and in hand	1197 _____	197 <u>792.28</u>	198 <u>1,065.72</u>
E. Prepayments	1199 _____	199 _____	200 <u>2,833.23</u>
TOTAL (ASSETS)		201 <u>3,850,898.28</u>	202 <u>7,726,618.95</u>

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CAPITAL, RESERVES AND LIABILITIES
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	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>4.1</u>	301 <u>3,593,803.20</u>	302 <u>7,498,578.93</u>
II. Share premium account	1303	303 <u>8,098,570.00</u>	304 <u>8,098,570.00</u>
III. Revaluation reserve	1305	305	306
IV. Reserves	1307	307	308
V. Profit or loss brought forward	1309 <u>4.3</u>	309 <u>-599,991.07</u>	310 <u>-730,685.45</u>
VI. Profit or loss for the financial year	1311 <u>4.3</u>	311 <u>-3,904,775.73</u>	312 <u>130,694.38</u>
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
B. Provisions	1331	331	332
C. Creditors	1435 <u>5</u>	435 <u>257,095.08</u>	436 <u>228,040.02</u>
a) becoming due and payable within one year	1453	453 <u>257,095.08</u>	454 <u>228,040.02</u>
b) becoming due and payable after more than one year	1455	455	456
D. Deferred income	1403	403	404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		405 <u>3,850,898.28</u>	406 <u>7,726,618.95</u>

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ABRIDGED PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/04 /2021 to ⁰² 31/03/2022 (in ⁰³ EUR)

ISMT Enterprises
7, rue de Birbourg
L-1273 Luxembourg

	Reference(s)	Current year	Previous year
1. to 5. Gross profit or loss	1641	-20,029.51	-28,455.97
6. Staff costs	1605		
a) Wages and salaries	1607		
b) Social security costs	1609		
i) relating to pensions	1623		
ii) other social security costs	1635		
c) Other staff costs	1613		
7. Value adjustments	1657		
a) in respect of formation expenses and of tangible and intangible fixed assets	1659		
b) in respect of current assets	1661		
8. Other operating expenses	1621		-2,137.11
9. Income from participating interests	1715		
a) derived from affiliated undertakings	1717		
b) other income from participating interests	1719		
10. Income from other investments and loans forming part of the fixed assets	1721		
a) derived from affiliated undertakings	1723		
b) other income not included under a)	1725		
11. Other interest receivable and similar Income	1727		150.22
a) derived from affiliated undertakings	1729		
b) other interest and similar income	1731		150.22
12. Share of profit or loss of undertakings accounted for under the equity method	1643		

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	Reference(s)	Current year	Previous year
13. Value adjustments in respect of financial assets and of investments held as current assets	1605 _____	1605 _____ -3,850,106.00	1605 _____ 171,610.00
14. Interest payable and similar expenses	1627 _____	1627 _____ -24,000.22	1627 _____ -487.76
a) concerning affiliated undertakings	1620 _____	1620 _____	1620 _____
b) other interest and similar expenses	1621 _____	1621 _____ -24,000.22	1621 _____ -487.76
15. Tax on profit or loss	1630 _____	1630 _____	1630 _____
16. Profit or loss after taxation	1667 _____	1667 _____ -3,894,135.73	1667 _____ 140,679.38
17. Other taxes not shown under Items 1 to 16	1627 _____	1627 _____ -10,640.00	1627 _____ -9,985.00
18. Profit or loss for the financial year	1660 _____ 4.3	1660 _____ -3,904,775.73	1660 _____ 130,694.38

Note 1 - GENERAL INFORMATION

ISMT Enterprises (hereafter the “Company”) was incorporated on 25th May 2007 and is organized under the laws of Luxembourg as a « Société anonyme » for an unlimited period.

The registered office of the Company is established at 7, rue de Bittbourg L-1273 Luxembourg.

The Company’s financial year starts on 1st April and ends on 31st March of each year.

The purposes for which the Company is formed are all transactions pertaining directly or indirectly to the taking of participating interests in any enterprises in whatever form, as well as the administration, the management, the control and the development of such participating interests.

The Company may particularly use its funds for the setting-up, the management, the development and the disposal of a portfolio consisting of any securities and patents of whatever origin, participate in the creation, the development and the control of any enterprise, acquire by way of contribution, subscription, underwriting or by option to purchase and any other way whatever, any type of securities and patents, realize them by way of sale, transfer, exchange or otherwise, have developed these securities and patents.

The Company may borrow in any form whatsoever. The Company may grant to the companies of the group or to its shareholders, any support, loans, advances or guarantees, within the limits of the law of August 10, 1915.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 2.1 - Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention.

The accounting records and annual accounts are prepared in EUR.

Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, determined and applied by the board of directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the board of directors to exercise its judgment in the process of applying the accounting policies. Management believes that the annual accounts present a true and fair view of the Company’s financial situation and results.

Based on the criteria defined by Luxembourg law, the Company is exempt from the obligation to draw up consolidated accounts and a consolidated management report for the year ended 31st March 2022. Therefore, in accordance with the legal provisions, these annual accounts were presented on a non-consolidated basis for the approval of the shareholders during the Annual General Meeting.

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.

Note 2.2 - Significant accounting policies

The main valuation rules applied by the Company are follows:

Note 2.2.1 - Financial assets

Shares in affiliated undertakings are valued at acquisition cost. The acquisition cost is calculated by adding the costs to the purchase price.

The loans to related companies are valued at nominal value.

In the case of durable depreciation in value according to the opinion of the directors, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Note 2.2.2 - Foreign currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets are translated at the exchange rate effective at this date, if it is a non-realized loss, else the historical rate is kept.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealized exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realization. Where there is an economic link between an asset and a liability, these are valued in total according to the method described above and the net unrealized losses are recorded in the profit and loss account and the net unrealized exchange gains are not recognized.

Note 2.2.3 - Prepayments

This asset item includes expenditures incurred during the financial year but relating to a subsequent financial year.

Note 2.2.4 - Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

Note 2.2. – Significant Accounting policies (continued)

Note 2.2.5 - Debts

Debts are recorded at their reimbursement value. If the reimbursable amount exceeds the amount received, the difference is shown in an assets caption and amortized on a linear basis.

Tax debts correspond to the tax liability estimated by the Company for the financial years for which the tax return has not yet been filed with the tax authorities. The advance payments are shown in the debtors of the balance sheet under the "other receivables" item.

Note 3 – Financial Assets

The movements for the year are as follows:

	Affiliated undertakings		Total
	Shares	Loans	
	(EUR)	(EUR)	(EUR)
Gross book value - opening balance	5,370,000.00	2,509,711.37	7,879,711.37
Additions for the year	0.00	0.00	0.00
Disposals for the year	0.00	0.00	0.00
Gross book value - closing balance	5,370,000.00	2,509,711.37	7,879,711.37
Accumulated value adjustment - opening	0.00	156,991.37	156,991.37
Allocations for the year	3,850,106.00	22,508.00	3,872,614.00
Reversals for the year	0.00	0.00	0.00
Accumulated value adjustment - closing	3,850,106.00	179,499.37	4,029,605.37
Net book value - closing balance	1,519,894.00	2,330,212.00	3,850,106.00
Net book value - opening balance	5,370,000.00	2,352,720.00	7,722,720.00

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Note 3 – Financial Assets (continued)

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 was June 2010 and was 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.

In April 2019, 408,121.00 SEK has been transferred from “payables to Structo Hydraulics AB” to Amounts owed by affiliated undertakings. A currency adjustment of the receivables has been made of a total currency loss of EUR 328,601.27.

Considering the waive of the 4% interest on the SEK 10,000,000.00 loan, the transfer of accounts and the currency loss, the balance as of 31st March 2022 amounts to SEK 24,091,879.00 which corresponds to EUR 2,330,212.00.

The loan granted has been booked as an unconditional shareholders contribution in the statutory accounts of Structo Hydraulics AB as per 31st March 2022.

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 31st March 2022.

Company name	Registered address	Capital held fraction	Closure date last year	Capital at closure date (SEK)	Results from last year (SEK)
Structo Hydraulics AB	Box 1003 SE-688 29 Storfors Sweden	4.90 %	31/03/2022	33,343,406.00	769,696.00

Due to the share capital increase on October 14, 2019, of Structo Hydraulics AB, the stake of the Company in Structo Hydraulics AB decrease from 100% to 4.90 %.

The consolidated net equity of Structo Hydraulics AB as per 31st March 2022 amounts to SEK 33,343,406.00 (2021: SEK 32,573,711.00) and the consolidated net profit of the accounting year amounts to SEK 769,696.00 (2021: SEK 754,110.00).

With effect from March 10, 2022, the new management of SHAB, has initiated review of SHAB operations considering European market opportunity and future growth potential to evaluate long term prospects of SHAB. Stronger Balance Sheet and positive net worth of Structo could also contribute in terms of greater market access and availability of working capital. However, there have been significant geo political developments with critical long term implications for Europe and Nordic region apart from continuing Covid impact in various parts of the world. International ocean freight has gone up three to four times during the year affecting its business prospects. Considering the challenging emerging global situation and notwithstanding that the business is considered strategic and long term and pending the assessment of the same, the management has conservatively provided for impairment loss of Euro 3,850,106 in the value of investment made in SHAB through ISMT Enterprises S.A.as of March 31, 2022.

Note 4 - Equity**Note 4.1 - Subscribed capital**

The subscribed capital amounts to EUR 8,098,570.00 and is divided into 809,857 shares with a nominal value of EUR 10.00 fully paid up.

Note 4.2 - Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital.

This reserve may not be distributed.

As the result of the Company was negative last year, no allocation to the legal reserve is needed.

Note 4.3 - Movements of equity captions

The movements for the year are as follows:

	Subscribed capital (EUR)	Profit or loss brought forward (EUR)	Profit or loss for the financial year (EUR)	Total (EUR)
As at 31/03/2021	8,098,570.00	-730,685.45	130,694.38	7,498,578.93
Movements for the year:				
• Allocation of previous year's profit or loss	0.00	130,694.38	-130,694.38	0.00
• Profit or loss for the year	0.00	0.00	-3,904,775.73	-3,904,775.73
As at 31/03/2022	8,098,570.00	-599,991.07	-3,904,775.73	3,593,803.20

Note 5 - CREDITORS

Amounts due and payable for the accounts shown under "Creditors" are as follows:

	Within one year	After one year	Total 2021 (EUR)	Total 2020 (EUR)
Trade payables	11,284.09	0.00	11,284.09	33,346.93
Tax and social security debts	34,233.10	0.00	34,233.10	22,565.20
Other debts	211,577.89	0.00	211,577.89	172,127.89
Total	257,095.08	0.00	257,095.08	228,040.02

Note 6 - STAFF

There was no staff employed during the year.

Note 7 - ADMINISTRATIVE AND SUPERVISORY BODIES

The members of the administration and management bodies have not received any payments, loans or advances during the year ended 31st March 2022.

Note 9 - OFF-BALANCE SHEET COMMITMENTS

The Company has no off-balance sheet commitments.

Note 10 - SUBSEQUENT EVENTS

The board of directors does not estimate to be exposed more than average to the COVID-19. The Board of Directors acknowledge the measures taken by the Management. There are inherent uncertainties on the outcome of the recent COVID-19 on the global economy. The Board of Directors, taking into account the facts at his knowledge up to the date of validation of the annual accounts, estimates that recent COVID-19 developments have no significant impacts on the continuation of the Company's operations for the 12 months following the year ended as March 31, 2022.

Note 10 - OTHER INDICATIONS

The general meeting of shareholders decides to allocate the loss of the year amounting to (EUR) -3,904,775.73 as follow:

Results brought forward	EUR -3,904,775.73
Total	EUR -3,904,775.73

- Board of Directors:

Mr Kishore Baliram Bharambe, D/9 State Bank Nagar Panchvati Opposite NCL, 411008 Maharashtra, India;
Mr Christophe Roeder, 13, rue de Bitbourg, L-1273 Luxembourg;
Mr Christophe Poinot, 13, rue de Bitbourg, L-1273 Luxembourg;
Mr Rajiv Goel, FL-601 A2, Park Island SNO 188 Shastri NA, 411006 Maharashtra, India.

- Statutory auditor until the general meeting held in 2024:

ACSe – Audit Conseil Services, R.C.S. Luxembourg B 142685, 47, route d'Arlon, L-8009 Strassen