

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

Submit the following

Annual report

For the financial year 1 April 2019 - 31 March 2020

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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 subsidiary ISMT Europe AB.

Structo Hydraulics AB is 95% owned by ISMT Ltd, India.

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.

The company is based in Storfors.

Development of the company, the result and position

Financial overview in tsek	2019/20	2018/19	2017/18	2016/17
Net sales	44 611	64 459	61 151	52 457
Total assets	87 912	100 784	88 740	84 853
Return on capital	-8 617	1 378	-5 263	-7 147
Equity ratio, %	31%	15%	4%	11%

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.

There is outbreak of Covid-19 pandemic affecting demand and performance towards end of the year.

The lower income can also be derived to a customer that has been phased out.

During the year a new share issue took place.

Future expected development material risks and uncertainties

Performance of the Company was adversely affected due to unfavorable market conditions resulting in 30% loss of revenue and against profit of SEK 1.4 Million last year, the Company incurred a loss of SEK 8.6 Million. This is further compounded by Covid pandemic which will have huge negative impact on European and global economy and consequently on the business of the Company.

It is not yet possible to quantify the impact on the business of the Company until the uncertainty arising from the pandemic settles down and the market recovers.

In the Board of Directors opinion, the company will be able to meet its obligations during the next 12 months through operational and other inflows including, if required through Trade credit extended by ISMT from time to time.

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

Changes in equity

2020-03-31	Restricted equity			Non restricted equity	Total equity
	Share capital	Revaluation-funds	Reservefund	Bal earn. incl. Prof. for the year	
Opening Balance	1 050 000	15 614 320	20 000	-1 198 603	15 485 717
Profit/Loss for the year				-8 617 373	-8 617 373
Transactions with owners					
New share issue	20 368 135	-	-	-	20 368 135
Transfer in equity					
Dissolution of revaluations funds	-	-1 360 889	-	1 360 889	-
Vid årets utgång	21 418 135	14 253 431	20 000	-8 455 087	27 236 479

Proposed allocation of the company's profit

The Board of Directors propose that the non-restricted equity (accumulated deficit), SEK -8 455 087, is allocated as shown below:

Profit or loss brought forward		-8 455 087
Total		<u>-8 455 087</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>2019-04-01- 2020-03-31</i>	<i>2018-04-01- 2019-03-31</i>
Net sales	3	44 610 632	64 459 411
Change in inventories of products in progress, finished goods and work in progress		64 927	-1 641 626
Other operating income	4	<u>1 662 954</u>	<u>268 721</u>
		46 338 513	63 086 506
Operating expenses			
Raw materials and consumables		-25 065 866	-35 447 812
Other external costs		-8 993 190	-11 392 437
Employee benefit expenses	5	-15 111 566	-14 889 738
Depreciation, amortisation and impairment of property, plant, equipment and intangible assets		-3 841 265	-3 670 888
Other operating expenses	6	<u>-919 287</u>	<u>-81 503</u>
Operating profit/loss	7	-7 592 661	-2 395 872
Profit/loss from financial items			
Profit/loss from participation in group companies		-	5 000 000
Interest expense/exchange diff. and similar profit/loss items	8	<u>-1 024 712</u>	<u>-1 226 026</u>
Profit/loss after financial items		-8 617 373	1 378 102
Deferred tax		-	<u>2 149 938</u>
Net profit/loss for the year		-8 617 373	3 528 040

Balance sheet

Amounts in SEK	Note	2020-03-31	2019-03-31
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Land and buildings	10	27 926 227	30 000 000
Plant and machinery	11	22 540 524	24 562 282
Equipment, tools, fixtures and fittings	12	848 653	852 136
		<u>51 315 404</u>	<u>55 414 418</u>
<i>Financial assets</i>			
Participation in group companies	13	10 100 000	10 100 000
Deferred tax asset	14	3 460 875	3 916 613
Other long-term receivables	15	1 353 785	1 090 929
		<u>14 914 660</u>	<u>15 107 542</u>
Total non-current assets		66 230 064	70 521 960
Current assets			
<i>Inventories etc.</i>			
Raw materials and consumables	16	6 528 141	6 976 945
Products in progress		174 999	1 815 844
Finished goods and goods for resale		6 212 057	4 500 377
		<u>12 915 197</u>	<u>13 293 166</u>
<i>Current receivables</i>			
Accounts receivable - trade		5 460 790	15 147 102
Current tax assets		807 378	807 378
Other receivables		2 057 165	124 017
Prepaid expenses and accrued income		437 243	881 172
		<u>8 762 576</u>	<u>16 959 669</u>
<i>Cash and bank balances</i>			
Cash and bank		4 327	9 236
		<u>4 327</u>	<u>9 236</u>
Total current assets		21 682 100	30 262 071
TOTAL ASSETS		87 912 164	100 784 031

Balance sheet

Amounts in SEK	Note	2020-03-31	2019-03-31
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
	17, 18		
Share capital		21 418 135	1 050 000
Revaluation reserve		14 253 431	15 614 320
Statutory reserve		20 000	20 000
		<u>35 691 566</u>	<u>16 684 320</u>
<i>Non-restricted equity</i>			
Profit or loss brought forward		162 286	-4 726 644
Net profit/loss for the year		-8 617 373	3 528 040
		<u>-8 455 087</u>	<u>-1 198 604</u>
		27 236 479	15 485 716
Provisions			
Deferred tax liability	14	3 460 875	3 916 613
		<u>3 460 875</u>	<u>3 916 613</u>
Non-current liabilities			
Other liabilities to credit institutions	20	—	519 027
		<u>—</u>	<u>519 027</u>
Current liabilities			
Liabilities to credit institutions		2 700 000	4 700 000
Factoring	21	3 427 491	6 417 405
Bank overdrafts	21	5 158 620	5 150 208
Accounts payable - trade		4 349 267	3 055 626
Liabilities to parent company		19 035 766	38 005 071
Liabilities to group companies		17 139 791	17 568 397
Other liabilities		497 614	758 010
Accrued expenses and prepaid income	22	4 906 261	5 207 958
		<u>57 214 810</u>	<u>80 862 675</u>
TOTAL EQUITY AND LIABILITIES		<u>87 912 164</u>	<u>100 784 031</u>

Cash flow statement

Amounts in SEK	2019-04-01- 2020-03-31	2018-04-01- 2019-03-31
Operating activities	23	
Profit/loss after financial items	-8 617 373	1 378 102
Adjustments for non-cash items, etc.	<u>2 287 991</u>	<u>-1 475 013</u>
	-6 329 382	-96 911
Cash flow from operating activities before working capital changes	-6 329 382	-96 911
<i>Cash flow from working capital changes</i>		
Increase(-)/Decrease(+) of inventories	377 969	2 056 790
Increase(-)/Decrease(+) of current receivables	8 197 095	-565 101
Increase(-)/Decrease(+) of current liabilities	<u>1 701 771</u>	<u>2 719 462</u>
Cash flow from operating activities	<u>3 947 453</u>	<u>4 114 240</u>
Investing activities		
Acquisition of property, plant and equipment	-108 977	-
Disposal of property, plant and equipment	1 920 000	25 000
Acquisition of financial assets	<u>-262 856</u>	<u>-</u>
Cash flow from investing activities	<u>1 548 167</u>	<u>25 000</u>
Financing activities		
Repayment of borrowings	<u>-5 500 529</u>	<u>-4 142 955</u>
Cash flow from financing activities	<u>-5 500 529</u>	<u>-4 142 955</u>
Cash flow for the year	-4 909	-3 715
Cash and cash equivalents at the beginning of the year	<u>9 236</u>	<u>12 951</u>
Cash and cash equivalents at the end of the year	24 <u>4 327</u>	<u>9 236</u>

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.

Buildings	Useful life 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 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

One of the company's major asset items is accounts receivable. These are reported, after individual assessment of value, to the amount the company expects to receive in payment. The assessment is based on those conditions that are known to the company at the end of the financial year.

Note 3 Net sales by geographic segments

	<u>2019-04-01- 2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
<i>Net sales by geographic segments</i>		
Sweden	18 323 591	21 125 666
Scandinavia excl. Sweden	16 372 292	12 141 935
Other EU	3 920 356	19 895 573
Outside EU	5 994 393	11 296 237
	<u>44 610 632</u>	<u>64 459 411</u>

Note 4 Other operating income

	<u>2019-04-01- 2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
Result sales of assets	1 553 277	25 000
Other	109 677	243 721
	<u>1 662 954</u>	<u>268 721</u>

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

Average number of employees	<i>whereof</i>		<i>whereof</i>	
	<u>2019-04-01- 2020-03-31</u>	<i>men</i>	<u>2018-04-01- 2019-03-31</u>	<i>men</i>
Sweden	24	84%	24	92%
Total	24	84%	24	92%

Disclosure of gender distribution in the company's management

	<u>2020-03-31</u>	<u>2019-03-31</u>
	<i>Proportion of women</i>	<i>Proportion of women</i>
Board of Directors	25%	0%
Other senior management	67%	33%

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

	<u>2019-04-01- 2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
<i>Salaries and remunerations</i>	10 381 892	10 326 123
<i>Social security expenses</i>	4 495 347	4 417 913
<i>(of that pension expenses) 1)</i>	(1 734 786)	(1 709 837)

1) Of the Company's pension expenses, 262 866 kr (l.y. 333 078) 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>2019-04-01-2020-03-31</u>		<u>2019-04-01-2020-03-31</u>	
	<i>Board of Directors and Managing Director</i>	<i>Other employees</i>	<i>Board of Directors and Managing Director</i>	<i>Other employees</i>
Salaries and other remunerations	780 000	9 601 892	765 035	9 561 088

Audit fees and expenses

	<u>2019-04-01-2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
<i>KPMG</i>		
Audit services	90 000	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>2019-04-01-2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
Exchange losses on operating receivables/liabilities	<u>-919 287</u>	<u>-81 503</u>
	-919 287	-81 503

Note 7 Operating lease

Lease contracts where the Company is the lessee

	<u>2020-03-31</u>	<u>2019-03-31</u>
<i>Future minimum lease payments regarding non-cancellable operating lease contracts</i>		
Within one year	<u>162 046</u>	<u>143 480</u>
	162 046	143 480
	<u>2019-04-01- 2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
The financial year's recognised lease expenses	185 664	150 134

Note 8 Interest expense and similar profit/loss items

	<u>2019-04-01- 2020-03-31</u>	<u>2018-04-01- 2019-03-31</u>
Interest expense, other	-610 164	-675 218
Exchange differences foreign loan	<u>-414 628</u>	<u>-550 810</u>
	-1 024 712	-1 226 026

Note 9 Tax on profit for the year

	2019-04-01- 2020-03-31	2018-04-01- 2019-03-31
Deferred tax	—	2 149 938
	—	2 149 938

Reconciliation of effective tax rate

	2019-04-01- 2020-03-31		2018-04-01- 2019-03-31	
	<i>Per cent</i>	<i>Amount</i>	<i>Per cent</i>	<i>Amount</i>
Profit/loss before tax		-8 617 373		1 378 102
Tax according to current tax rate for the parent company	21,4%	1 844 118	22,0%	-303 182
Non-deductible expenses	-0,2%	-18 840	1,5%	-20 461
Non-taxable income	0,0%	—	-79,8%	1 100 000
Increase of loss carry-forward without corresponding recognised deferred tax	-21,2%	-1 825 278	0,0%	
Capitalization of deferred tax attributable to previous years' loss carryforwards	0,0%		-99,7%	1 373 581
Reported effective tax	0,0%	—	-156,0%	2 149 938

Note 10	Land and buildings	2020-03-31	2019-03-31
	<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	-10 575 698	-9 948 964
	Depreciation during the year	-586 574	-626 734
	At the end of the year	<u>-11 162 272</u>	<u>-10 575 698</u>
	<i>Accumulated revaluations</i>		
	At the beginning of the year	18 001 847	8 268 258
	Reversed revaluation on disposals	-383 794	-
	Depreciation on revaluations during the year	-1 120 475	-703 008
	Revaluations during the year	-	10 436 597
	At the end of the year	<u>16 497 578</u>	<u>18 001 847</u>
	<i>Accumulated impairments</i>		
	At the beginning of the year	-755 000	-755 000
	Reversed impairments on disposals	17 070	-
	At the end of the year	<u>-737 930</u>	<u>-755 000</u>
	Carrying amount at the end of the year	27 926 227	30 000 000
	Land (included in land and buildings)	<u>2020-03-31</u>	<u>2019-03-31</u>
	Accumulated acquisition costs	174 861	174 861
	Carrying amount at the end of the year	<u>174 861</u>	<u>174 861</u>

Note 11	Plant and machinery	2020-03-31	2019-03-31
	<i>Accumulated acquisition costs</i>		
	At the beginning of the year	97 552 224	97 552 224
	Purchases	108 977	-
	Disposals	-1 093 212	-
	At the end of the year	<u>96 567 989</u>	<u>97 552 224</u>
	<i>Accumulated depreciation</i>		
	At the beginning of the year	-75 580 211	-74 031 709
	Reversed depreciation on disposals	1 093 212	-
	Depreciation during the year	-1 732 239	-1 548 502
	At the end of the year	<u>-76 219 238</u>	<u>-75 580 211</u>
	<i>Accumulated revaluations</i>		
	At the beginning of the year	2 590 271	2 988 766
	Depreciation on revaluations during the year	-398 496	-398 495
	At the end of the year	<u>2 191 775</u>	<u>2 590 271</u>
	Carrying amount at the end of the year	22 540 524	24 562 282

Note 12	Equipment, tools, fixtures and fittings	2020-03-31	2019-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	10 184 469	10 295 090
	Sale of assets	—	-110 621
	At the end of the year	<u>10 184 469</u>	<u>10 184 469</u>
<i>Accumulated depreciation</i>			
	At the beginning of the year	-9 332 333	-9 048 809
	Reversed depreciation on disposals	—	110 621
	Depreciation during the year	-3 483	-394 145
	At the end of the year	<u>-9 335 816</u>	<u>-9 332 333</u>
	Carrying amount at the end of the year	848 653	852 136
Note 13	Participation in group companies	2020-03-31	2019-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	<u>10 100 000</u>	<u>10 100 000</u>
	At the end of the year	<u>10 100 000</u>	<u>10 100 000</u>
<i>Accumulated write-downs</i>			
	At the beginning of the year	—	-5 000 000
	Write-downs reversed during the year	—	5 000 000
	At the end of the year	<u>—</u>	<u>—</u>
	Carrying amount at the end of the year	10 100 000	10 100 000

Note 14 **Deferred taxes**

2020-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	27 926 227	12 166 580	15 759 647
Plant and machinery	23 389 177	21 197 403	2 191 774
Other (debts)	-1 151 055	—	-1 151 055
	<u>50 164 349</u>	<u>33 363 983</u>	<u>16 800 366</u>

Taxable loss carry-forward amounts to 133 tsek.

2020-03-31	Deferred tax asset	Deferred tax liability	Net
<i>Significant temporary differences</i>			
Land and buildings	—	3 246 488	-3 246 488
Plant and machinery	—	451 505	-451 505
Other (debts)	237 118	—	237 118
Taxable loss carry-forward	<u>3 460 875</u>	<u>—</u>	<u>3 460 875</u>
Deferred tax asset/liability	<u>3 697 993</u>	<u>3 697 993</u>	<u>—</u>
Offset	<u>-237 118</u>	<u>-237 118</u>	<u>—</u>
Deferred tax asset/liability (net)	<u>3 460 875</u>	<u>3 460 875</u>	<u>—</u>

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)	-824 430	—	-824 430
	<u>54 584 078</u>	<u>35 571 391</u>	<u>19 012 687</u>

Taxable loss carry-forward amounts to 124 tsek.

Note 15 **Other long-term receivables**

	2020-03-31	2019-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	1 090 929	1 140 929
Settled receivables	—	-50 000
Added receivables	<u>262 856</u>	<u>—</u>
At the end of the year	<u>1 353 785</u>	<u>1 090 929</u>
Carrying amount at the end of the year	1 353 785	1 090 929

Note 16	Inventories etc.	2020-03-31	2019-03-31
	Raw materials and consumables	6 528 141	6 976 945
	Products in progress	174 999	1 815 844
	Finished goods and goods for resale	6 212 057	4 500 377
		<u>12 915 197</u>	<u>13 293 166</u>

Note 17	Number of shares and quota value	2020-03-31	2019-03-31
	A-shares (one share team)	4 283 627	210 000
	Quota value	5	5

Note 18	Proposed allocation of the company's profit	2020-03-31	2019-03-31
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The Board of Directors propose that the non-restricted equity (accumulated deficit), SEK -8 455 087, is allocated as shown below:

Profit or loss brought forward	-8 455 087
Total	<u>-8 455 087</u>

Note 19	Other provisions	2020-03-31	2019-03-31
	Guarantee commitment	-	-
	Carrying amount at the beginning of the year	-	170 898
	Amounts utilised during the year	-	-170 898
	Carrying amount at the end of the year	<u>-</u>	<u>-</u>

Note 20	Non-current liabilities	2020-03-31	2019-03-31
	<i>Liabilities that mature between one and five years from the balance sheet date:</i>		
	Other liabilities to credit institutions	2 700 000	4 700 000
	<i>Pledged assets for other liabilities</i>		
	Property mortgage	90 000 000	90 000 000
	Chattel mortgage	28 000 000	28 000 000
	Receivables	3 427 490	6 417 404
		<u>121 427 490</u>	<u>124 417 404</u>

Note 21 Bank overdrafts and factoring

	<u>2020-03-31</u>	<u>2019-03-31</u>
Credit limit, overdraft	5 300 000	5 300 000
Unused	-141 380	-149 792
Utilised credit amount	<u>5 158 620</u>	<u>5 150 208</u>
Credit limit, factoring usable	10 239 312	9 816 575
Unused	-6 811 821	-3 399 170
	<u>3 427 491</u>	<u>6 417 405</u>

Note 22 Accrued expenses and prepaid income

	<u>2020-03-31</u>	<u>2019-03-31</u>
Social security contributions	632 349	867 862
Salary and vacation contribution	1 835 281	1 981 583
Other items	2 438 631	2 358 513
	<u>4 906 261</u>	<u>5 207 958</u>

Note 23 Paid interest

	<u>2019-04-01-2020-03-31</u>	<u>2018-04-01-2019-03-31</u>
Paid interest	610 084	675 215

Note 24 Cash equivalents

	<u>2020-03-31</u>	<u>2019-03-31</u>
<i>The following sub-components are included in cash equivalents:</i>		
Cash	1 486	9 236
Bank balance	2 840	-
	<u>4 326</u>	<u>9 236</u>

Note 25 Group information

The company is 95% owned by ISMT Ltd, India.
The ultimate company is ISMT Ltd, India
ISMT Ltd prepares consolidated accounts for the entire group.
These are available at ISMT Ltd, Lunkad Tower, Viman Nagar, Pune, India

Purchases and sales within the group

Of the Company's total purchases and sales in SEK, 51 % of the purchases and 10 % of the sales refer to other Companies within the group that that the Company belongs to.

Note 26 Pledged securities and contingent liabilities

	<u>2020-03-31</u>	<u>2019-03-31</u>
Property mortgage	90 000 000	90 000 000
Chattel mortgage	28 000 000	28 000 000
Pledged assets	<u>3 427 491</u>	<u>6 417 405</u>
	<u>121 427 491</u>	<u>124 417 405</u>
Contingent liabilities		
Guarantee commitment for group companies	6 042 161	8 732 153

Storfors

O.P Kakkar
Chairman of the board

Rajiv Goel

Anne Karlsson

Kishore Bharambe

Erik Lagerblad
Representative from Unionen

Erik Mattisson
Representative from Metall

My audit report has been submitted

Mattias Eriksson
Authorized public accountant