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**ISMT Enterprises
Société anonyme**

RCS Luxembourg B 129.097
Annual accounts
as at March 31, 2016

Grant Thornton Weber & Bontemps
Experts comptables et fiscaux

On the basis of the documents and information received from the client, we have compiled the annual accounts of ISMT Enterprises as at March 31, 2016 which were established in accordance with the legal and regulatory provisions as well as the accounting procedures generally accepted in Luxembourg.

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

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

The present annual accounts show :

- a balance sheet total of: EUR 7.954.366,58
- a loss of the financial year of : EUR 29.145,79

To the shareholders of:
ISMT Enterprises SA
6, Place de Nancy
L-2212 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Following our appointment by the Board of Directors we have audited the accompanying annual accounts of ISMT Enterprises SA, which comprise the balance sheet as of March 31, 2016, and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the annual accounts

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

Responsibility of the réviseur d'entreprises agréé

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

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



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

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

Unqualified Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of **ISMT Enterprises SA** as of March 31, 2016, and of the results of its operations and its operations for the year then ended in accordance with the Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Emphasis of matter

Without affecting our opinion mentioned above, we would like to draw the attention to the note 1 of the annual accounts in which the Board of Directors justifies his decision to not account for a less value on the participation held in and on the loan granted to Structo Hydraulics AB although the important consolidated losses realized in this group during the accounting year ended as per March 31, 2016. The Board of Directors motivates the valuation based on the estimated future cash flows. This valuation can only be maintained if the company is able to achieve the budgeted cashflows and terminal value in the future.

Done at Strassen,
On May 4, 2016

Audit Conseil Services S.à r.l.
Cabinet de Révision Agréé
Represented by



Erik Snauwaert
Réviseur d'Entreprises Agréé

Annual Accounts Helpdesk :

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RCSL Nr.: B129097

Matricule : 2007 2217 374

eCDF entry date :

ABRIDGED BALANCE SHEET

Financial year from ⁰¹ 01/04/2015 to ⁰² 31/03/2016 (in ⁰³ EUR)

ISMT Enterprises
 6, Place de Nancy
 L-2212 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	108 _____
C. Fixed assets	1109 _____	109 <u>7.932.706,37</u>	110 <u>7.879.711,37</u>
I. Intangible fixed assets	1111 _____	111 _____	112 _____
II. Tangible fixed assets	1125 _____	125 _____	126 _____
III. Financial fixed assets	1135 <u>Note 1</u>	135 <u>7.932.706,37</u>	136 <u>7.879.711,37</u>
D. Current assets	1151 _____	151 <u>18.896,08</u>	152 <u>29.036,02</u>
I. Inventories	1153 _____	153 _____	154 _____
II. Debtors	1163 _____	163 <u>16.000,00</u>	164 <u>25.647,50</u>
a) becoming due and payable within one year	1203 _____	203 <u>16.000,00</u>	204 <u>25.647,50</u>
b) becoming due and payable after more than one year	1205 _____	205 _____	206 _____
III. Transferable securities and other financial instruments	1189 _____	189 _____	190 _____
IV. Cash at bank, cash in postal cheque accounts, cheques and cash in hand	1197 _____	197 <u>2.896,08</u>	198 <u>3.388,52</u>
E. Prepayments	1199 _____	199 <u>2.764,13</u>	200 <u>2.764,13</u>
TOTAL (ASSETS)	201 _____	201 <u>7.954.366,58</u>	202 <u>7.911.511,52</u>

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B129097

Matricule : 2007 2217 374

LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 _____	301 <u>7.835.141,13</u>	302 <u>7.864.286,92</u>
II. Share premium and similar premiums	1303 _____ Note 2	303 <u>8.098.570,00</u>	304 <u>8.098.570,00</u>
III. Revaluation reserves	1305 _____	305 _____	306 _____
IV. Reserves	1307 _____	307 _____	308 _____
V. Profit or loss brought forward	1309 _____	309 _____	310 _____
VI. Profit or loss for the financial year	1319 _____	319 <u>-234.283,08</u>	320 <u>-202.635,33</u>
VII. Interim dividends	1321 _____	321 <u>-29.145,79</u>	322 <u>-31.647,75</u>
VIII. Capital investment subsidies	1323 _____	323 _____	324 _____
IX. Temporarily not taxable capital gains	1325 _____	325 _____	326 _____
	1327 _____	327 _____	328 _____
B. Subordinated debts	1329 _____	329 _____	330 _____
a) becoming due and payable within one year	1425 _____	425 _____	426 _____
b) becoming due and payable after more than one year	1427 _____	427 _____	428 _____
C. Provisions	1331 _____ Note 3	331 <u>28.305,00</u>	332 <u>36.550,00</u>
D. Non subordinated debts	1339 _____	339 <u>90.920,45</u>	340 <u>10.674,60</u>
a) becoming due and payable within one year	1407 _____ Note 4	407 <u>90.920,45</u>	408 <u>10.674,60</u>
b) becoming due and payable after more than one year	1409 _____	409 _____	410 _____
E. Deferred income	1403 _____	403 _____	404 _____
TOTAL (LIABILITIES)		405 <u>7.954.366,58</u>	406 <u>7.911.511,52</u>

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PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/04/2015 to ⁰² 31/03/2016 (in ⁰³ EUR)

ISMT Enterprises
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A. CHARGES

	Reference(s)	Current year	Previous year
1. Use of merchandise, raw materials and consumable materials	1601 _____	601 _____	602 _____
2. Other external charges	1603 _____	603 <u>14.800,61</u>	604 <u>15.184,34</u>
3. Staff costs	1605 _____	605 _____	606 _____
a) Salaries and wages	1607 _____	607 _____	608 _____
b) Social security on salaries and wages	1609 _____	609 _____	610 _____
c) Supplementary pension costs	1611 _____	611 _____	612 _____
d) Other social costs	1613 _____	613 _____	614 _____
4. Value adjustments	1615 _____	615 _____	616 _____
a) on formation expenses and on tangible and intangible fixed assets	1617 _____	617 _____	618 _____
b) on current assets	1619 _____	619 _____	620 _____
5. Other operating charges	1621 _____	621 <u>0,00</u>	622 <u>32,00</u>
6. Value adjustments and fair value adjustments on financial fixed assets	1623 _____	623 _____	624 _____
7. Value adjustments and fair value adjustments on financial current assets. Loss on disposal of transferable securities	1625 _____	625 _____	626 _____
8. Interest and other financial charges	1627 _____	627 <u>550,18</u>	628 <u>596,41</u>
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar financial charges	1631 _____	631 <u>550,18</u>	632 <u>596,41</u>

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	Reference(s)	Current year	Previous year
9. Share of losses of undertakings accounted for under the equity method	1649 _____	649 _____	650 _____
10. Extraordinary charges	1633 _____	633 _____	634 _____
11. Income tax	1635 _____	635 <u>1.635,00</u>	636 <u>3.210,00</u>
12. Other taxes not included in the previous caption	1637 _____	637 <u>12.470,00</u>	638 <u>12.625,00</u>
13. Profit for the financial year	1639 _____	639 <u>0,00</u>	640 <u>0,00</u>
TOTAL CHARGES		641 <u>29.455,79</u>	642 <u>31.647,75</u>

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B. INCOME

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Change in inventories of finished goods and of work and contracts in progress	1703 _____	703 _____	704 _____
3. Fixed assets under development	1705 _____	705 _____	706 _____
4. Reversal of value adjustments	1707 _____	707 _____	708 _____
a) on formation expenses and on tangible and intangible fixed assets	1709 _____	709 _____	710 _____
b) on current assets	1711 _____	711 _____	712 _____
5. Other operating income	1713 _____	713 _____	714 _____
6. Income from financial fixed assets	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
7. Income from financial current assets	1721 _____	721 _____	722 _____
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income from financial current assets	1725 _____	725 _____	726 _____
8. Other interest and other financial income	1727 _____	727 _____	728 _____
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar financial income	1731 _____	731 _____	732 _____
9. Share of profits of undertakings accounted for under the equity method	1745 _____	745 _____	746 _____
10. Extraordinary income	1733 _____	733 _____ 310,00	734 _____ 0,00
13. Loss for the financial year	1735 _____	735 _____ 29.145,79	736 _____ 31.647,75
TOTAL INCOME		737 _____ 29.455,79	738 _____ 31.647,75

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NOTES TO THE ACCOUNTS AS AT 31, MARCH 2016
(EXPRESSED IN €)

General

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

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

The business year starts on 1, April 2015 and ends on 31, March 2016.

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

Significant accounting policies

- **General principles**

The financial accounts of the Company of the financial year ending on 31, March 2016 have been established in accordance with Luxembourg legal and regulatory requirements and with generally accepted accounting principles in Luxembourg.

- **Financial assets**

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

- **Current assets and liabilities**

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

- **Consolidation**

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

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NOTES TO THE ACCOUNTS AS AT 31, MARCH 2016 (CONTINUED)
(EXPRESSED IN €)

• **Translation of foreign currencies**

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

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

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

Balance sheet as at 31, March 2016

1. Financial assets

A) Shares in affiliated undertakings:

As at 31, March 2016 and 2015, the Company held the following shares in affiliated undertakings:

Name of the company	Percentage of ownership as at 31.03.2015	Percentage of ownership as at 31.03.2016	Book value as at 31.03.2015	Book value as at 31.03.2016
Structo Hydraulics AB, Storfors, Sweden	100%	100%	5.370.000,00	5.370.000,00

The consolidated net equity of Structo Hydraulics AB as per 31.03.2016 amounts to SEK 3.673.104,- (2015: SEK 5.834.728,-) and the consolidated net loss of the accounting year then ended amounts to SEK 10.161.624,- (2015 loss: 18.634.649,-).

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

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

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NOTES TO THE ACCOUNTS AS AT 31, MARCH 2016 (CONTINUED)
(EXPRESSED IN €)

B) Loans to affiliated undertakings:

As at 31, March 2016 and 2015, the Company granted the following loans to affiliated undertakings:

Name of the company	Book value as at 31.03.2015	Drawdowns	Repayments	Book value as at 31.03.2016
Structo Hydraulics AB, Storfors, Sweden	2.562.706,37	-	-	2.562.706,37

According to the agreement dated June 2007 the SEK 10.000.000,00 loan corresponding to EUR 1.074.000,00 granted to Structo Hydraulics AB bears an interest rate of 4% per annum. The agreed maturity date is June 2010 and is subordinated to any and all amounts due to Handelsbanken. In March 2010 the Company granted to Structo Hydraulics AB a second interest free loan of SEK 14.500.000,00 corresponding to EUR 1.488.706,37. Considering the waive of the 4% interest on the SEK 10.000.000,00 loan, the balance as at 31, March 2016 amounts to SEK 24.500.000,00 corresponding to EUR 2.562.706,37.

This loan granted has been booked as unconditional shareholders contribution in the statutory accounts of Structo Hydraulics AB as per 31.03.2016.

In the opinion of the Board of Directors, based on the estimated future cash flows of Structo Hydraulics AB, the above loan does not present any permanent impairment in value as at 31, March 2016.

The figures for the year ended 31, March 2015 of the "Amounts owed by affiliated undertakings - Structo Hydraulics AB" of the balance sheet have been reclassified to ensure comparability with figures for the year ended 31, March 2016.

2. Subscribed capital

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

As at 31, March 2016, the subscribed share capital of the Company amounts to 8.098.570 represented by 809.857 ordinary shares of a nominal value of 10 each.

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NOTES TO THE ACCOUNTS AS AT 31, MARCH 2016 (CONTINUED)
(EXPRESSED IN €)

3. 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 date on which they will arise.

4. Creditors

Creditors are stated at their nominal value.

At the balance sheet date invoices to receive amount to EUR 8.180,00, Net Wealth Tax payable amounts to EUR 12.665,60 and the debt owned to Structo Hydraulics AB amounts to EUR 70.074,85.

5. Administrative and supervisory bodies

The members of the administration and management bodies have not received any payments, loans or advances during the year ended 31, March 2016.

6. Off balance sheet commitments

The company does not have off-balance-sheet commitments to report at the end of the financial year.

7. Subsequent events

No specific events occurred after the end of the financial year.

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NOTES TO THE ACCOUNTS AS AT 31, MARCH 2016 (CONTINUED)
(EXPRESSED IN €)

8. Shareholders information

- The general meeting of shareholders decides to allocate the loss of the year amounting to EUR 29.145,79 (2015 loss: EUR 31.647,75) to loss brought forward.

- **Board of Directors in function until the general meeting held in 2018:**
 - Mr. Narayan Vithal Karbhase, 5 Meghdoot Apartment, Alkapuri Society, Kothrud, Pune 411029 Maharashtra (India) ;
 - Mr. Ronald Weber, 6 place de Nancy, L-2212 Luxembourg ;
 - Mr. Romain Bontemps, 6 place de Nancy, L-2212 Luxembourg.

- **Auditor in function until the general meeting held in 2018:**
 - ACSe – Audit Conseil Services, 47, route d' Arlon, L-8009 Strassen.