

The Board of Directors of
ISMT Europe AB
Corporate Id no 556748-6039

submit the following

Annual report

for the financial year 1 April 2014 - 31 March 2015

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Directors report

General information on the company and the business

The company was registered 9 January 2008. The company's business is to trade with seamless tubes and alloy steel.

ISMT Europe is trading in Boilers, OCTG, Bearing, Auto and General sector.

The company is a wholly-owned subsidiary to Structo Hydraulics AB, corporate id no 556574-5568.

Significant events during and after the financial year

In 2014/15 the company showed steady performance.

This performance is expected to continue in the coming financial year

Financial summary

Tkr

| | 2014/15 | 2013/14 | 2012/13 | 2011/12 |
|----------------------------|---------|---------|---------|---------|
| Net sales | 50 612 | 50 889 | 43 887 | 77 921 |
| Profit/loss after financia | 292 | 213 | 771 | 476 |
| Equity ratio | 13% | 14% | 13% | 11% |

Non restricted equity

The Board of Directors propose to carry forward the non restricted equity.

| | | |
|---------------------------------------|-------|------------------|
| Non restricted equity carried forward | | 2 615 771 |
| | Total | <u>2 615 771</u> |

The result of the company's operations and its financial position are shown in the accompanying income statement, balance sheet and notes to the financial statements.

Income statement

| <i>Amount in SEK</i> | <i>2014-04-01 Note – 2015-03-31</i> | <i>2013-04-01 – 2014-03-31</i> |
|---|---|------------------------------------|
| Net sales | 50 611 991 | 50 889 192 |
| Other operating income | 69 651 | 224 317 |
| | 50 681 642 | 51 113 509 |
| <i>Operating expenses</i> | 1 | |
| Cost of goods | -48 579 325 | -49 485 600 |
| Other external costs | -1 589 616 | -1 160 920 |
| Depreciation and write-down of tangible and intangible assets | -5 074 | -34 675 |
| Operating profit | 507 627 | 432 314 |
| <i>Result of financial investments</i> | | |
| Interest expenses and similar profit/loss items | -215 481 | -219 471 |
| Total financial investments | -215 481 | -219 471 |
| Result after financial statements | 292 146 | 212 843 |
| Net profit/loss for the year | 292 146 | 212 843 |

Balance sheet

| <i>Amount in SEK</i> | <i>Note</i> | <i>2015-03-31</i> | <i>2014-03-31</i> |
|--------------------------------------|-------------|-------------------|-------------------|
| ASSETS | | | |
| Fixed assets | | | |
| <i>Tangible assets</i> | | | |
| Equipment | 2 | - | 5 074 |
| Total fixed assets | | - | 5 074 |
| Current assets | | | |
| <i>Current receivables</i> | | | |
| Account receivables | | 12 717 636 | 8 774 624 |
| Receivables from group companies | | 8 780 830 | 6 253 874 |
| Income tax | | - | 12 120 |
| Other receivables | | 1 743 | 7 451 |
| Prepaid expenses and accrued income | | 6 302 | 25 866 |
| | | 21 506 511 | 15 073 935 |
| <i>Cash and bank balances</i> | | 7 078 | 2 618 409 |
| Total current assets | | 21 513 589 | 17 692 344 |
| TOTAL ASSETS | | 21 513 589 | 17 697 418 |

Balance sheet

| <i>Amount in SEK</i> | <i>Note</i> | <i>2015-03-31</i> | <i>2014-03-31</i> |
|--------------------------------------|-------------|-------------------|-------------------|
| EQUITY AND LIABILITIES | | | |
| <i>EQUITY</i> | 3 | | |
| <i>Restricted equity</i> | | | |
| Share capital (1000 shares) | | 100 000 | 100 000 |
| | | <u>100 000</u> | <u>100 000</u> |
| <i>Non-restricted equity</i> | | | |
| Profit/loss carried forward | | 2 323 625 | 2 110 782 |
| Profit/loss for the year | | 292 146 | 212 843 |
| | | <u>2 615 771</u> | <u>2 323 625</u> |
| | | 2 715 771 | 2 423 625 |
| <i>Long-term liabilities</i> | | | |
| Bank overdraft | 4,5 | 4 919 607 | 4 953 527 |
| | | <u>4 919 607</u> | <u>4 953 527</u> |
| <i>Current liabilities</i> | | | |
| Accounts payable | | 17 348 | 38 173 |
| Liabilities to group companies | | 11 974 750 | 10 219 509 |
| Factoring | | 1 850 729 | 3 650 |
| Accrued expenses and deferred income | | 35 384 | 58 934 |
| | | <u>13 878 211</u> | <u>10 320 266</u> |
| TOTAL EQUITY AND LIABILITIES | | 21 513 589 | 17 697 418 |

Pledged assets and contingent liabilities

| <i>Amount in SEK</i> | <i>2015-03-31</i> | <i>2014-03-31</i> |
|---|-------------------|-------------------|
| Pledged assets | | |
| <i>For own liabilities and provisions</i> | | |
| Chattel mortgage | 5 000 000 | 5 000 000 |
| | <u>5 000 000</u> | <u>5 000 000</u> |

Notes to the financial statements

Amount in SEK if not otherwise stated

General accounting principles

The annual accounts have been prepared in accordance with Annual Accounts Act and Sweden Accounting Standards Board general council, BFNAR 2008:1, Annual reports in smaller companies

The annual report is for the first year made accorded to BFNAR 2008:1, Annual report in smaller companies, which can mean a lack of comparability between the financial year and the years before.

Receivables and payables in foreign currency

Receivables and payables in foreign currency have been converted using the rate of the balance sheet date.

Depreciation principles for fixed assets

Depreciation according to plan is based on the original purchase value and estimated economic life. A write-down is made in case of permanent decrease in value.

The following depreciation periods are applied:

Tangible assets

Computer hardware and software

5 år

Group information

ISMT Europe AB is a wholly-owned subsidiary to Structo Hydraulics AB, org nr 556574-5568 situated in Storfors. Structo Hydraulics AB is holly-owned subsidiary of ISMT Enterprises SA, Luxembourg.

Mother company for the whole group is ISMT Ltd India

Purchase have been made from other companies in the group.

From other group companies purchase has been made with 49 457 tkr (l.y. 50 689 tkr).

Sales to other group companies has been made with 1 945 tkr (l.y. 1 038 tkr).

Note 1 Employees and personnell cost

The company has not had any employees during the financial year. Board compensation has not been paid.

Note 2 Equipment

| | <i>2015-03-31</i> | <i>2014-03-31</i> |
|---|-------------------|-------------------|
| <i>Accumulated acquisition values</i> | | |
| Opening balance | <u>494 129</u> | <u>494 129</u> |
| | 494 129 | 494 129 |
| <i>Accumulated depreciation according to plan</i> | | |
| At the beginning of the year | -489 055 | -454 380 |
| Depreciation for the year acc. to plan on initial value | <u>-5 074</u> | <u>-34 675</u> |
| | -494 129 | -489 055 |
| Value at the end of the period | - | 5 074 |

Note 3 Equity

| | <i>Share capital</i> | <i>Nonrestricted equity</i> |
|--------------------------|----------------------|-----------------------------|
| Opening balance | 100 000 | 2 323 625 |
| Profit/loss for the year | | 292 146 |
| At end of year | <u>100 000</u> | <u>2 615 771</u> |

Note 4 Bank overdraft

| | <i>2015-03-31</i> | <i>2014-03-31</i> |
|----------------|-------------------|-------------------|
| Granted credit | 5 000 000 | 5 000 000 |
| Available part | <u>80 393</u> | <u>46 473</u> |
| Used credit | 4 919 607 | 4 953 527 |

Note 5 Securities pledged for liabilities to credit institutions

| | <i>2015-03-31</i> | <i>2014-03-31</i> |
|------------------|-------------------|-------------------|
| Chattel mortgage | <u>5 000 000</u> | <u>5 000 000</u> |
| | 5 000 000 | 5 000 000 |

Storfors 27 of May 2015

Rajiv Goel
Chairman of the Board

Kishore Bharambe
Member of the Board

Kerstin Rienas
Member of the Board

My auditor's report was submitted on the

Magnus Gustafsson
Auktoriserad revisor