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English translation

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K3 AR-Template  
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The Board of Directors of  
**Structo Hydraulics AB**  
Corporate identity number 556574-5568

Submit the following

## Annual report

For the financial year 1 April 2017 - 31 March 2018

①  
09/06

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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 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 60%.

#### Subsidiaries

Structo Hydraulics AB has a subsidiary company in Sweden, ISMT Europe AB.

### Development of the company, the result and position

Financial overview in tsek	2017/18	2016/17	2015/16	2014/15
Net sales	61 151	52 457	52 302	57 204
Total assets	88 740	84 853	86 678	103 059
Return on capital	-5 263	-7 147	-10 162	-18 635
Equity ratio, %	4%	11%	4%	6%

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.

### 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 downturn in the Eurozone economy and highly volatile exchange rates continue to pose significant risk.

The impairment test of the fixed assets that was made during the year 2013/14 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

A new audit accorded to the new Standards of ISO 14001 and ISO 9001 will be performed during the year

2018-03-31	Restricted equity			Non restricted equity	Total equity
	Share capital	Revaluation-funds	Reservfund	Bal. earn. incl. Prof. for the year	
Opening Balance	1 050 000	9 046 037	20 000	-1 181 693	8 934 344
Profit/loss for the year				-5 263 326	-5 263 326
Transactions with owners					
Shareholders contributt	-	-	-	-	-
Transfer in equity					
Dissolution of revaluations funds	-	-859 188	-	859 188	-
Vid årets utgång	1 050 000	8 186 849	20 000	-5 585 831	3 671 018

### Proposed allocation of the company's profit

The Board of Directors propose that the non-restricted equity (accumulated deficit), SEK -5 585 831, is allocated as shown below:

Profit or loss brought forward		-5 585 831
Total		<u>-5 585 831</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.

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### Income statement

<i>Amounts in SEK</i>	<i>Note</i>	<i>2017-04-01- 2018-03-31</i>	<i>2016-04-01- 2017-03-31</i>
Net sales	3	61 150 755	52 457 379
Change in inventories of products in progress, finished goods and work in progress		3 137 870	-630 040
Other operating income	4	<u>204 035</u>	<u>222 322</u>
		64 492 660	52 049 661
<b>Operating expenses</b>			
Raw materials and consumables		-37 749 057	-28 690 582
Other external costs		-10 886 194	-10 362 205
Employee benefit expenses	5	-14 882 485	-14 285 965
Depreciation, amortisation and impairment of property, plant, equipment and intangible assets		-3 819 546	-4 051 036
Other operating expenses	6	<u>-799 080</u>	<u>-</u>
<b>Operating profit/loss</b>	7	<u>-3 643 702</u>	<u>-5 340 127</u>
<b>Profit/loss from financial items</b>			
Interest income and similar profit/loss items		94	3 058
Interest expense/exchange diff. and similar profit/loss items	8	<u>-1 619 718</u>	<u>-1 809 691</u>
<b>Profit/loss after financial items</b>		-5 263 326	-7 146 760
<b>Profit/loss before tax</b>		-5 263 326	-7 146 760
Tax on profit for the year	9	<u>-</u>	<u>-</u>
<b>Net profit/loss for the year</b>		<u>-5 263 326</u>	<u>-7 146 760</u>

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**Balance sheet**

Amounts in SEK	Note	2018-03-31	2017-03-31
<b>ASSETS</b>			
<b>Non-current assets</b>			
<i>Property, plant and equipment</i>			
Land and buildings	10	20 893 145	22 222 885
Plant and machinery	11	26 509 281	28 581 465
Equipment, tools, fixtures and fittings	12	1 246 281	1 655 423
		<u>48 648 707</u>	<u>52 459 773</u>
<i>Financial assets</i>			
Participation in group companies	13	5 400 000	5 100 000
Deferred tax asset	14	2 892 966	2 335 294
Other long-term receivables	15	1 140 929	1 370 980
		<u>8 333 895</u>	<u>8 806 274</u>
<b>Total non-current assets</b>		<b>56 982 602</b>	<b>61 266 047</b>
<b>Current assets</b>			
<i>Inventories etc.</i>			
Raw materials and consumables	16	6 790 441	6 051 205
Products in progress		3 596 140	1 682 481
Finished goods and goods for resale		4 963 375	3 779 789
		<u>15 349 956</u>	<u>11 513 475</u>
<i>Current receivables</i>			
Accounts receivable - trade		14 439 203	10 436 501
Current tax assets		807 378	807 378
Other receivables		233 040	172 080
Prepaid expenses and accrued income		914 947	647 245
		<u>16 394 568</u>	<u>12 063 204</u>
<i>Cash and bank balances</i>			
Cash and bank		12 951	10 343
		<u>12 951</u>	<u>10 343</u>
<b>Total current assets</b>		<b>31 757 475</b>	<b>23 587 022</b>
<b>TOTAL ASSETS</b>		<b>88 740 077</b>	<b>84 853 069</b>

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**Balance sheet**

Amounts in SEK	Note	2018-03-31	2017-03-31
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
	18,19		
Share capital (210 000 shares)		1 050 000	1 050 000
Revaluation reserve - Bids & P&M		8 186 849	9 046 037
Statutory reserve		20 000	20 000
		<u>9 256 849</u>	<u>10 116 037</u>
<i>Non-restricted equity</i>			
Profit or loss brought forward		-322 505	5 965 067
Net profit/loss for the year		-5 263 326	-7 146 760
		<u>-5 585 831</u>	<u>-1 181 693</u>
		3 671 018	8 934 344
<b>Provisions</b>			
Deferred tax liability	14	2 092 966	2 335 294
Other provisions	19	170 898	306 000
		<u>2 263 864</u>	<u>2 641 294</u>
<b>Non-current liabilities</b>			
Other liabilities to credit institutions	20	1 467 939	4 742 771
		<u>1 467 939</u>	<u>4 742 771</u>
<b>Current liabilities</b>			
Liabilities to credit institutions		1 300 000	1 200 000
Bank overdrafts	21	7 767 910	7 695 122
Factoring	21	10 293 746	10 436 351
Accounts payable - trade		7 454 689	4 066 470
Liabilities to parent company		38 776 860	34 848 720
Liabilities to group companies		10 362 095	4 442 737
Other liabilities		530 834	886 385
Accrued expenses and prepaid income	22	4 751 122	4 958 875
		<u>81 337 256</u>	<u>68 534 660</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>88 740 077</u>	<u>84 853 059</u>

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### Cash flow statement

Amounts in SEK	2017-04-01- 2018-03-31	2016-04-01- 2017-03-31
<b>Operating activities</b>	23	
Profit/loss after financial items	-5 263 326	-7 146 760
Adjustements for non-cash items, etc.	3 916 440	4 153 035
	-1 346 886	-2 993 725
Income tax paid	-	-57 504
<b>Cash flow from operating activities before working capital changes</b>	-1 346 886	-3 051 229
<i>Cash flow from working capital changes</i>		
Increase(-)/Decrease(+) of inventories	-3 836 481	-63 001
Increase(-)/Decrease(+) of current receivables	-4 331 364	-3 044 354
Increase(-)/Decrease(+) of current liabilities	12 672 413	-3 977 617
<b>Cash flow from operating activities</b>	<u>3 157 682</u>	<u>-10 136 201</u>
<b>Investing activities</b>		
Disposal of property, plant and equipment	-10 425	54 000
Disposal of financial assets	-	1 012
<b>Cash flow from investing activities</b>	<u>-10 425</u>	<u>55 012</u>
Recieved shareholders' contribution	-	12 408 000
Raising of borrowings	-	20 368 138
Repayment of borrowings	-3 144 649	-22 703 020
<b>Cash flow from financing activities</b>	<u>-3 144 649</u>	<u>10 073 118</u>
<b>Cash flow for the year</b>	2 608	-8 071
<b>Cash and cash equivalents at the beginning of the year</b>	<u>10 343</u>	<u>18 414</u>
<b>Cash and cash equivalents at the end of the year</b>	24 <u>12 951</u>	<u>10 343</u>

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## 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.

	<i>Useful life</i>
Buildings	45 years
Plants and machineries	3-30 years
Equipments, tools, fixtures and fittings	3-5 years

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**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.



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*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.

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#### 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.

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**Note 2 Estimates and judgements**

In 2013/2014 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**

	2017-04-01- 2018-03-31	2016-04-01- 2017-03-31
<i>Net sales by geographic segments</i>		
Sweden		
Scandinavia excl. Sweden	21 294 174	25 678 580
Other EU	11 561 514	8 471 496
Outside EU	16 770 040	11 503 252
	<u>11 525 027</u>	<u>6 804 051</u>
	61 150 755	52 457 379

**Note 4 Other operating income**

	2017-04-01- 2018-03-31	2016-04-01- 2017-03-31
Exchange gains on operating receivables/liabilities		
Result sales of assets	-	20 963
Other	-	54 000
	<u>204 035</u>	<u>147 359</u>
	204 035	222 322

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

**Average number of employees**

	2017-04-01- 2018-03-31	whereof men	2016-04-01- 2017-03-31	whereof men
Sweden				
Total	24	97%	24	87%
	24	97%	24	87%

**Disclosure of gender distribution in the company's management**

	2018-03-31 Proportion of women	2017-03-31 Proportion of women
Board of Directors	0%	14%
Other senior management	33%	67%

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

	2017-04-01- 2018-03-31	2016-04-01- 2017-03-31
<i>Salaries and remunerations</i>		
<i>Social security expenses</i>	10 121 302	9 713 822
<i>(of that pension expenses) 1)</i>	4 626 344	4 473 401
	(1 648 816)	(1 617 084)

1) Of the Company's pension expenses, 261 058 (l.y. 293 957) relate to the Company's Board of Directors for one person.

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Salaries and other remunerations divided between board members et al. and other employees

	2017-04-01-2018-03-31		2016-04-01-2017-03-31	
	Board of Directors	Other employees	Board of Directors and Managing Director	Other employees
Salaries and other remunerations	866 390	9 254 912	958 282	8 755 540

Audit fees and expenses	2017-04-01-2018-03-31	2016-04-01-2017-03-31
KPMG Audit services	95 000	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	2017-04-01-2018-03-31	2016-04-01-2017-03-31
	Exchange losses on operating receivables/liabilities	-799 080	-
		-799 080	-

Note 7	Operating lease	2018-03-31	2017-03-31
	Lease contracts where the Company is the lessee		
	Future minimum lease payments regarding non-cancellable operating lease contracts	169 106	153 124
	Within one year	169 106	153 124
	The financial year's recognised lease expenses	282 298	456 929

Note 8	Interest expense and similar profit/loss items	2017-04-01-2018-03-31	2016-04-01-2017-03-31
	Interest expense, other	-865 144	-1 138 110
	Exchange differences foreign loan	-754 574	-671 581
		-1 619 718	-1 809 691

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Note 9 Tax on profit for the year

	2017-04-01- 2018-03-31	2016-04-01- 2017-03-31
Deferred tax	--	--

Reconciliation of effective tax rate

	2017-04-01- 2018-03-31		2016-04-01- 2017-03-31	
	Per cent	Amount	Per cent	Amount
Profit/loss before tax		-5 263 326		-7 146 760
Tax according to current tax rate for the parent company	22,0%	1 157 932	22,0%	1 572 287
Non-deductible expenses	-0,1%	-64 500	-0,3%	-9 065
Non-taxable income	0,0%	21	0,0%	161
Increase of loss carry-forward without corresponding recognised deferred tax	-21,9%	-1 103 453	-21,7%	-1 563 383
Reported effective tax	0,0%	--	0,0%	--

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Note 10	Land and buildings	2018-03-31	2017-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	23 328 851	23 328 851
	Disposals	<u>          -</u>	<u>          -</u>
	At the end of the year	23 328 851	23 328 851
<i>Accumulated depreciation</i>			
	At the beginning of the year	-9 322 232	-8 685 412
	Depreciation during the year	<u>-626 732</u>	<u>-636 820</u>
	At the end of the year	-9 948 964	-9 322 232
<i>Accumulated revaluations</i>			
	At the beginning of the year	8 971 266	9 671 274
	Depreciation on revaluations during the year	<u>-703 008</u>	<u>-700 008</u>
	At the end of the year	8 268 258	8 971 266
<i>Accumulated impairments</i>			
	At the beginning of the year	<u>-755 000</u>	<u>-755 000</u>
	At the end of the year	-755 000	-755 000
	<b>Carrying amount at the end of the year</b>	<b>20 893 145</b>	<b>22 222 885</b>
<b>Land (included in land and buildings)</b>			
		<u>2018-03-31</u>	<u>2017-03-31</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	2018-03-31	2017-03-31
<i>Accumulated acquisition costs</i>			
	At the beginning of the year	<u>97 552 224</u>	<u>97 552 224</u>
	At the end of the year	97 552 224	97 552 224
<i>Accumulated depreciation</i>			
	At the beginning of the year	-72 358 021	-70 524 543
	Depreciation during the year	<u>-1 673 688</u>	<u>-1 833 478</u>
	At the end of the year	-74 031 709	-72 358 021
<i>Accumulated revaluations</i>			
	At the beginning of the year	3 387 262	3 785 758
	Depreciation on revaluations during the year	<u>-398 496</u>	<u>-398 496</u>
	At the end of the year	2 988 766	3 387 262
	<b>Carrying amount at the end of the year</b>	<b>26 509 281</b>	<b>28 581 465</b>

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Note 12	Equipment, tools, fixtures and fittings	2018-03-31	2017-03-31
	<i>Accumulated acquisition costs</i>		
	At the beginning of the year	10 284 665	10 294 665
	Purchases	10 425	-
	Sale of assets	-	-10 000
	At the end of the year	10 295 090	10 284 665
	<i>Accumulated depreciation</i>		
	At the beginning of the year	-8 629 242	-8 157 009
	Reversed depreciation on disposals	-	10 000
	Reclassifications	-1 945	-
	Depreciation during the year	-417 622	-482 233
	At the end of the year	-9 048 809	-8 629 242
	<b>Carrying amount at the end of the year</b>	<b>1 246 281</b>	<b>1 655 423</b>

Note 13	Participation in group companies	2018-03-31	2017-03-31
	<i>Accumulated acquisition costs</i>		
	At the beginning of the year	5 100 000	5 101 012
	Disposals	-	-1 012
	At the end of the year	5 100 000	5 100 000
	<b>Carrying amount at the end of the year</b>	<b>5 100 000</b>	<b>5 100 000</b>

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Note 14 Deferred taxes

2018-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	20 893 145	13 379 885	7 513 260
Plant and machinery	26 149 844	24 678 888	1 470 956
Other (debts)	-985 568	-	-985 568
	<u>46 057 421</u>	<u>38 058 773</u>	<u>7 998 648</u>

Taxable loss carry-forward amounts to SEK 124 tsek.

2018-03-31	Deferred tax asset	Deferred tax liability	Net
<i>Significant temporary differences</i>			
Land and buildings	-	1 652 268	-1 652 268
Plant and machinery	-	657 523	-657 523
Other (debts)	216 825	-	216 825
Taxable loss carry-forward	<u>2 092 966</u>	-	<u>2 092 966</u>
Deferred tax asset/liability	<u>2 309 791</u>	<u>2 309 791</u>	<u>-</u>
Offset	-216 825	-216 825	-
Deferred tax asset/liability (net)	<u>2 092 966</u>	<u>2 092 966</u>	<u>-</u>

2017-03-31	Carrying amount	Tax base	Temporary difference
<i>Significant temporary differences</i>			
Land and buildings	22 222 885	14 006 618	8 216 267
Plant and machinery	28 583 410	25 196 148	3 387 262
Other (debts)	-985 568	-	-985 568
	<u>49 820 727</u>	<u>39 202 766</u>	<u>10 617 961</u>

Taxable loss carry-forward amounts to 121 000 tsek.

Note 15 Other long-term receivables

	2018-03-31	2017-03-31
<i>Accumulated acquisition costs</i>		
At the beginning of the year	1 370 980	1 370 980
Settled receivables	-230 051	-
At the end of the year	<u>1 140 929</u>	<u>1 370 980</u>
Carrying amount at the end of the year	1 140 929	1 370 980

Endomarketing ins. - 663432  
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**Note 16 Inventories etc.**

	2018-03-31	2017-03-31
Raw materials and consumables	6 790 441	6 051 205
Products in progress	3 596 140	1 682 481
Finished goods and goods for resale	4 963 375	3 779 789
	<u>15 349 956</u>	<u>11 513 475</u>

**Note 17 Number of shares and quota value**

	2018-03-31	2017-03-31
A-shares (one share team)	210 000	210 000
Quota value	5	5

**Note 18 Proposed allocation of the company's profit**

	2018-03-31	2017-03-31
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The Board of Directors propose that the non-restricted equity (accumulated deficit), SEK -5 585 831, is allocated as shown below:

Profit or loss brought forward	-5 585 831
Total	<u>-5 585 831</u>

**Note 19 Other provisions**

	2018-03-31	2017-03-31
Guarantee commitment	170 898	306 000
	<u>170 898</u>	<u>306 000</u>
Carrying amount at the beginning of the year	306 000	150 000
Provisions during the year	-	156 000
Amounts utilised during the year	-135 102	-
Carrying amount at the end of the year	<u>170 898</u>	<u>306 000</u>

**Note 20 Non-current liabilities**

	2018-03-31	2017-03-31
<i>Liabilities that mature between one and five years from the balance sheet date:</i>		
Other liabilities to credit institutions	1 467 939	4 742 771
	<u>1 467 939</u>	<u>4 742 771</u>
<i>Pledged assets for other liabilities</i>		
Property mortgage	90 000 000	90 000 000
Chattel mortgage	28 000 000	28 000 000
Receivables	7 767 910	7 695 122
	<u>125 767 910</u>	<u>125 695 122</u>

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**Note 21 Bank overdrafts and factoring**

	2018-03-31	2017-03-31
Credit limit, overdraft	10 500 000	10 500 000
Unused	<u>-106 254</u>	<u>-63 649</u>
Utilised credit amount	10 393 746	10 436 351
Credit limit, factoring usable	13 284 384	10 151 921
Unused	<u>-5 516 474</u>	<u>-2 456 799</u>
	7 767 910	7 695 122

The shown credit limit is the possible limit to use 2018-03-31  
Total factoring limit is 9 719 825 sek.

**Note 22 Accrued expenses and prepaid income**

	2018-03-31	2017-03-31
Social security contributions	799 860	821 730
Salary and vacation contribution	1 738 124	1 913 110
Other items	<u>2 213 138</u>	<u>2 224 035</u>
	4 751 122	4 958 875

**Note 23 Paid interest**

	2017-04-01- 2018-03-31	2016-04-01- 2017-03-31
Received interest	94	3 058
Paid interest	865 144	1 138 110

**Note 24 Cash equivalents**

	2018-03-31	2017-03-31
<i>The following sub-components are included in cash equivalents:</i>		
Cash	739	2 177
Bank balance	<u>12 212</u>	<u>8 166</u>
	12 951	10 343

**Note 25 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, 62 % of the purchases and 9 % of the sales refer to other Companies within the group that the Company belongs to.

**Note 26 Pledged securities and contingent liabilities**

	2018-03-31	2017-03-31
Property mortgage	90 000 000	90 000 000
Chattel mortgage	28 000 000	28 000 000
Pledged assets	<u>7 767 909</u>	<u>7 695 122</u>
	125 767 909	125 695 122

Structo Hydraulics AB  
Corporate identity number 556574-5588

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Storfors

O.P Kakkar  
*Chairman of the board*

Rajiv Goel

Salil Taneja

Kishore Bharambe

Jerry Johansson

Erik Lagerblad  
*Representative from Unionen*

Erik Mattisson  
*Representative from Metall*

My audit report has been submitted

Mattias Eriksson  
*Authorized public accountant*

