

ANNUAL REPORT

Sandhar Technologies Barcelona, SL

SW Audit

Report of the independent auditors to the members of SANDHAR TECHNOLOGIES LIMITED

We are the auditors in charge to audit the financial statements of Sandhar Technologies Barcelona, S.L. (hereinafter also referred to as “STB”) and Breniar Project, S.L (hereinafter also referred to as “BP”), formulated under the responsibility of their directors as of March 31, 2017 and we have obtained a rapport from the auditors of Sandhar Technologies de México SR de L de CV and from the chartered accountants of Sandhar Technologies Poland sp. z o.o.

The financial director has provided us with the attached Consolidated Annual Accounts, formulated by the directors of the company and with the purpose of being used for the consolidation of the group annual accounts.

Based on our audit we hereby confirm that:

1. We conducted our audits of STB and BP in accordance with generally accepted auditing standards.
2. In our opinion, such financial statements present a fair view of the financial position of the group of companies at 31 March, 2018, and of the results of its operations for the year then ended, in accordance with generally accepted accounting principles in Spain.
3. With regards to the IAS principals/regulations we estimate no differences apply concerning the above referred companies, although the IAS admits also the alternative/choice of valuating fixed assets at fair value.



21th May 2018
SW AUDIT CONTROL, S.L.P.

SW Audit Control, S.L.P
ROAC S2234
CIF B-65956328
Registro Barcelona. Sección 8. Hoja 434233
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**Sandhar Technologies Barcelona, SL Consolidated
Balance Sheet as at March 31, 2018**



	Notes	As at March 31, 2018 EUR	As at March 31, 2017 EUR
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,248,403	3,248,403
Reserves and surplus	4	1,053,741	1,493,602
		4,302,144	4,742,005
Non-current liabilities			
Long-term borrowings	5	1,477,572	5,119,325
Deferred tax liabilities (Net)	6	332,467	273,665
Other long-term liabilities	10	1,259,484	733,240
		3,069,523	6,126,230
Current liabilities			
Short-term borrowings	8	16,742,077	12,723,494
Trade payables	9	7,203,052	6,737,902
Other current liabilities	10	2,749,062	3,048,732
Short-term provisions	7	869,080	754,089
		27,563,271	23,264,217
Total		34,934,938	34,132,451
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	17,605,831	16,653,267
Intangible assets	12	80,564	58,705
Capital work-in-progress		1,014,645	1,103,901
Non-current investments		-	8,237
Long-term loans and advances	13	221,422	241,977
		18,922,462	18,066,087
Current assets			
Inventories	14	10,389,528	9,506,917
Trade receivables	15	3,698,154	4,400,830
Cash and bank balances	16	47,422	185,102
Short-term loans and advances	13	1,877,373	1,973,515
		16,012,476	16,066,364
Total		34,934,938	34,132,451

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements.

For and on behalf of
Sandhar Technologies Barcelona, SL

Jayant Davar
Director

Manel González
C.F.O.

Date: 21st May 2018
Place: El Monjos

Juan Vilar
General Manager

Sandhar Technologies Barcelona, SL Consolidated
Statement of Profit and Loss for the period ended March 31, 2018

	Notes	For the period ended March 31, 2018	For the period ended March 31, 2017
		EUR	EUR
Income			
Revenue from operations (net)	17	32,829,834	31,408,509
Other income	18	7,138	16,319
Total Revenue (I)		32,836,972	31,424,828
Expenses			
Cost of raw material and components consumed	19	9,687,327	8,959,756
(Increase)/decrease in inventories of finished goods and work-in-progress	20	(1,206,849)	(342,376)
Employee benefit expense	21	7,868,834	7,588,592
Other expenses	22	14,170,252	12,615,205
Total (II)		30,519,564	28,821,177
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		2,317,409	2,603,651
Finance costs	23	668,403	961,154
Net depreciation and amortization expense		1,562,560	1,338,241
Profit before tax		86,445	304,255
Tax expenses			
Current tax			
Pertaining to profit/(loss) for the current period		8,625	-
Deferred tax		41,444	82,341
Total tax expense		50,069	82,341
Net profit		36,376	221,914
Earnings per equity share (EPS){Nominal value of share EUR.1 (31 March 2017:EUR.1)}	24		
Basic		0.011	0.068
Diluted		0.011	0.068
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

For and on behalf of
Sandhar Technologies Barcelona, SL

Jayant Davar
Director

Manel González
C.F.O.

Date: 21st May 2018
Place: El Monjos

Juan Vilar
General Manager

Sandhar Technologies Barcelona, SL Consolidated
Cash flow statement for the period ended March 31, 2018

	March 31, 2018 EUR	March 31, 2017 EUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	86,445	304,255
Non-cash adjustment to reconcile profit before tax to net cash flow	(474,640)	101,629
Depreciation/amortization	1,562,560	1,338,241
Interest expense	668,403	961,154
Grant	(1,597)	(1,789)
Operating profit before working capital changes	1,841,171	2,703,490
Movements in working capital:		
Decrease/(Increase) in trade receivables	702,677	(1,067,412)
Decrease/(Increase) in Inventories	(882,610)	(531,273)
Decrease/(Increase) in long-term loans and advances	20,555	(60,575)
Decrease/(Increase) in short-term loans and advances	96,142	(348,959)
Increase/(Decrease) in trade payables	465,150	988,654
Increase/(Decrease) in long-term trade payables	526,244	-
Increase/(Decrease) in short-term Provisions	114,991	153,899
Increase/(Decrease) in other current liabilities	(229,479)	(525,324)
Cash generated from operations	2,654,842	1,312,500
Direct tax paid	(8,733)	(15,918)
Net cash inflow from/(used in) operating activities (A)	2,663,575	1,328,418
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, capital work-in- progress	(2,447,727)	(4,455,530)
Purchase of non-current investment from subsidiary and joint ventures		3,849
Sale of current investments	8,237	
Net cash used in investing activities (B)	(2,439,489)	(4,451,681)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	457,501	2,223,396
Repayment of long-term borrowings	(1,178,446)	1,946,355
Proceeds from short-term Borrowings (net of repayment)	1,027,584	(106,215)
Interest paid	(668,403)	(961,154)
Net cash flow used in financing activities (C)	(361,765)	3,102,382
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(137,680)	(20,882)
Cash and cash equivalents at the beginning of the year	185,102	205,984
Cash and cash equivalents at the end of the year	47,422	185,102
Components of cash and cash equivalents		
Cash on hand	3,103	4,650
With banks - on current account	44,319	179,852
- on deposit account	-	600
Total cash and cash equivalents (note 16)	47,422	185,102
Net increase (Decrease) in cash and cash equivalents	(137,680)	(20,882)

For and on behalf of
Sandhar Technologies Barcelona, SL

Jayant Davar
Director

Manel González
C.F.O.

Date: 21st May 2018
Place: El Monjos

Juan Vilar
General Manager

SANDHAR TECHNOLOGIES BARCELONA
SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

NOTES FORMING PART OF THE ACCOUNTS

1. Group Activity

Sandhar Technologies Barcelona, S.L., (the dominant company hereinafter STB) was incorporated under the denomination Meplerson, SL the 18th May 2007, and remained inactive until it was purchased on the 9th July 2007 by nominee of Sandhar Technologies Limited (hereinafter STL).

The 17th July 2007 the board approved the change of the name to the current one.

On the same day of purchase, 18th May 2007, STB purchased the 100% of the stakes of Breniar Project, SL, (hereinafter Breniar) incorporated the 25th April 2007 and remained inactive until it was purchased.

After a double receivership procedure in Spain and France, STL was authorised by the Commercial Court of Lons-Le-Saunier on the 29th June 2007 and by the Commercial Court nº4 of Barcelona on the 23rd July 2007 to acquire the assets the Division "E1" of Técnicas de la Fundición Inyectada, S.A. (hereinafter TECFISA) and Verificaciones Técnicas SL (hereinafter VETEC), subrogating the lease and labour contracts

On the 1st August 2007 Sandhar Technologies Barcelona, S.L., in the name of STL, in public writing fulfilled the order of the courts and purchased the assets of TECFISA, and Breniar purchased the assets of VETEC, subrogating each one its lease and labour contracts.

On the 6th August 2012 Sandhar Technologies Barcelona SL has acquired Arding Investments sp. z o.o. (100 shares, 100% of the company equity), which later became Sandhar Technologies Poland sp. z o.o., (hereinafter STP) taking over the employees of a former subcontractor of STB.

On December 2014 STB obtained the 99.99% of the shares of Sandhar Technologies de México S de RL de CV (hereinafter STM), by increasing the equity of the company.

The main activity of the group, formed by STB, the head of the group and dominant company, STP, STM and Breniar, is the manufacture of aluminium high pressure die cast parts for the automotive sector.

Consolidation is done with the global integration method.

None of the companies of the group is listed.

2. Significant accounting policies

The financial statements have been prepared under the historical cost convention, on the accrual basis of accounting, to comply, in all material respects, with the mandatory Spanish Accounting Standards (Plan General de Contabilidad de 2007) the significant accounting policies are as stated below:

a) Use of estimates

The presentation of financial statements in conformity with the generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amount of revenues and expenses for the years presented. Examples of such estimates include accruals for additional payrolls and. Actual results could differ from those estimates. Difference between the actual results and estimates are recognized in the year in which results are known / materialized.

b) Fixed assets

Fixed Assets are stated at their original cost of acquisition including incidental expenses related to acquisition and installation of the concerned assets. Fixed assets manufactured by the Company are stated at manufacturing cost. Fixed Assets are shown net of accumulated depreciation.

In case of new projects and where substantial modernisation or expansion is carried out at the existing units of the Company, expenditure incurred prior to commencement of commercial production is capitalised to the cost of assets.

c) Depreciation

Depreciation on fixed assets is provided consistently pro-rata to the period of use, based on the straight line method at the following rates:

STB: At the Spanish Tax Tables:

Asset	Current Year
Foundry Machinery	5.56%
Machining Machinery	7.14%
Installations	5%
Furniture & Fixtures	5%
Computers	25%
Dies, Tools and Instruments	16.67%

STM: Based on the old rates of STB

STP: At the Polish Tax Tables

Asset	STM	STP
Foundry Machinery	5%	N/A
Machining Machinery	7.14%	N/A
Installations	5%	10%
Furniture & Fixtures	5%	10%
Vehicles	10%	14%
Computers	25%	25%
Dies, Tools and Instruments	20%	10%

d) Intangible assets and amortisation

Intangible assets consist of:

- Software purchased by the Company which is amortised on a pro-rata to the period of use over 4 years on a straight-line basis in all companies.

e) Inventories

Work in progress, Raw materials, sub assemblies and components including goods in transit are carried at lower of cost and net realisable value. Cost is determined on 'first in first out' basis.

Stores and spare parts are valued at cost.

Finished goods are carried at lower of cost and net realisable value. Cost includes direct material and labour cost and a proportion of manufacturing overheads.

f) Moulds done for the clients

The expenses for moulds to be invoiced to the clients are capitalized until they are finally sold. Sales of moulds are recognised when they are homologated by the client.

g) Provisions and contingent liabilities

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

Following the Spanish accounting standards, they are accounted as liabilities.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

h) Revenue recognition

Sales of parts are recognised on shipment to customers and includes net amount excluding value added tax.

In consignment stocks at the client's warehouse, sales are recognised upon self billing/consumption advice from the client.

Sales of moulds are recognised when they are homologated by the client.

i) Foreign currency transactions

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Foreign currency monetary assets and liabilities are translated on the due date at exchange rates and exchange difference arising on settlement of transactions and translation of monetary items are recognised in the revenue accounts in the year in which they arise.

j) Accruals for Additional payments and Holidays

According the sector social agreement (Convenio Siderometalúrgico de la provincia de Barcelona) the company pays 2 additional payrolls in June and December. The 2 additional payments, as well as the holidays payroll are provisioned every month on accrual basis.

k) Taxes on income

Income tax comprises current tax, and deferred tax. Current tax is the amount expected to be paid for the year as determined in accordance with the accounting income adjusted with the timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax assets and liabilities are recognized for future tax consequences of timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or

more subsequent periods, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

l) Cash Flow statement

Cash flows are reported using indirect method, whereby net profit before tax is adjusted for the effects of transactions of non-cash nature and any deferrals and accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

m) Activities with environment incidence

The costs of acquisition of equipment, systems or installations for the elimination, reduction or control of the possible environment impacts of the business are capitalized as environment fix assts. The rest of expenses are accounted as expenses of the period.

Accidental environmental liabilities are covered by the liability insurance.

n) Conversion of the currency of STM into functional currency USD

Due to local regulation, STM currency is MXN, but the actual functional currency is USD, as 100% of the revenue, 100% of the domestic raw material, a significant part of the consumables and the plant rental are in USD.

In the consolidation process STM trail balance has been converted into USD using the daily rates for each operation.

Sandhar Technologies Barcelona, SL Consolidated

Notes to financial statements for the period ended March 31, 2018

3 : Share capital	March 31, 2018	March 31, 2017
	EUR	EUR
Authorised shares		
3,248,403 (31 March 2017: 3,248,403) equity stakes of EUR 1.00 /- each	3,248,403	3,248,403
Issued, subscribed and fully paid-up shares		
3,248,403 (31 March 2017: 3,248,403) equity stakes of EUR 1.00 /- each fully paid up	3,248,403	3,248,403

a) Reconciliation of the shares outstanding at the beginning and the end of the reporting period

	March 31, 2018		March 31, 2017	
Equity shares	No. of shares	EUR	No. of shares	EUR
At the beginning of the period	3,248,403	3,248,403	3,248,403	3,248,403
Issued during the period	-	-	-	-
Outstanding at the end of the period	3,248,403	3,248,403	3,248,403	3,248,403

b) Detail of shareholders holding more than 5% shares in the Company

	March 31, 2018		March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Sandhar Technologies Limited	3,244,395	99.88%	3,244,395	99.88%

4 : Reserves and surplus

	March 31, 2018	March 31, 2017
	EUR	EUR
General reserve		
Balance as per the last financial statements	1,478,355	1,154,813
Add: Amount transferred from surplus balance in the statement of profit and loss	36,376	221,914
Add Share premium		
Add Other adjustments		
Add Foreign exchange fluctuation reserve variation	(474,640)	101,629
Closing balance	1,040,091	1,478,355
Grant		
Grant received from Generalitat de Catalunya	150,000	150,000
Transferred to P&L in the previous years	(134,753)	(132,965)
Transferred to P&L in the year	(1,597)	(1,789)
	13,649	15,247
	1,053,741	1,493,602

5 : Long- term borrowings

	Non-current portion		Current maturities	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	EUR	EUR	EUR	EUR
Term Loans				
EUR loan from BBVA and Santander (Corporate guarantee from STL)	52,948	136,207	83,137	81,324
EUR loan from Bankia	-	25,505	25,505	100,570
EUR loan from B. Popular and La Caixa	192,637	334,951	329,505	276,573
EUR loan from B.Sabadell&ICF	101,491	230,350	129,302	124,007
EUR loan from B. Popular and Santander	-	2,991,000	-	-
Lease financing loans from financial institutions	1,130,496	1,401,311	467,662	522,831
	1,477,572	5,119,325	1,035,112	1,105,305
The above amount includes				
-Secured borrowings	1,130,496	1,401,311	467,662	522,831
-Unsecured borrowings	347,076	3,718,013	567,450	582,474
Amount disclosed under the head "Other current liabilities" (note 10)			(1,035,112)	(1,105,305)
Total	1,477,572	5,119,325	-	-

Sandhar Technologies Barcelona, SL Consolidated
Notes to financial statements for the period ended March 31, 2018
6 : Deferred tax liabilities (Net)

	March 31, 2018 EUR	March 31, 2017 EUR
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	772,444	703,720
Gross deferred tax liability	772,444	703,720
Deferred tax asset		
Impact of tax credits due to freedom of depreciation generating negative corporate income tax results	439,977	430,055
Gross deferred tax asset	439,977	430,055
Deferred tax liability (Net)	332,467	273,665

	Long - term		Short - term	
	March 31, 2018 EUR	March 31, 2017 EUR	March 31, 2018 EUR	March 31, 2017 EUR
7 : Provisions				
Provision for employee benefits				
(i) Accruals for additional payroll			367,204	361,325
(ii) Other provisions	-	-	100,000	
			467,204	361,325
Other provisions				
Provision for Social Taxes	-		240,405	257,473
Provision for IT			8,647	
Provision for VAT	-	-	152,824	135,292
	-	-	401,876	392,764
Total			869,080	754,089

	March 31, 2018 EUR	March 31, 2017 EUR
8 : Short-term borrowings		
Cash credit/WCDL/Buyer's line of credit from banks (secured by STL or by invoices financed)	16,299,581	11,697,881
Cash credit/WCDL/Buyer's line of credit from banks (unsecured)	442,496	1,025,612
	16,742,077	12,723,494

	Non-current portion		Current maturities	
	March 31, 2018 EUR	March 31, 2017 EUR	March 31, 2018 EUR	March 31, 2017 EUR
9 : Trade payables				
Trade payable			7,203,052	6,737,902

	Non-current portion		Current maturities	
	March 31, 2018 EUR	March 31, 2017 EUR	March 31, 2018 EUR	March 31, 2017 EUR
10 : Other liabilities				
Current maturities of long-term borrowings			1,035,112	1,105,305
Others				
Advances from customers			1,132,680	1,200,581
Security deposit			35,000	35,000
Payable for capital goods	1,259,484	761,038	546,269	707,847
	1,259,484	761,038	1,713,949	1,943,428
	1,259,484	761,038	2,749,062	3,048,732

Sandhar Technologies Barcelona, SL Consolidated
Notes to financial statements for the period ended March 31, 2018

11 Tangible assets	(Amount in EUR)			
	Dies and Fixtures	Office equipment	Plant and equipment	Total
Gross block (cost)				
At April 1, 2016	4,015,706	347,192	14,562,753	18,925,651
Additions	340,593	77,963	4,795,206	5,213,762
Disposals	0	0	0	0
At March 31, 2017	4,356,299	425,155	19,357,959	24,139,413
Foreign exchange fluctuation	5,233	11,753	710,326	727,312
At April 1, 2017	4,351,067	413,402	18,647,633	23,412,101
Additions	301,732	47,585	2,842,741	3,192,059
Disposals	0	0	-41,100	-41,100
At March 31, 2018	4,652,799	460,987	21,449,275	26,563,060
Depreciation/Amortization				
At April 1, 2016	2,553,816	224,638	3,381,947	6,160,405
For the year	360,092	35,191	930,459	1,325,742
Disposals	0	0	0	0
At March 31, 2017	2,913,908	259,828	4,312,406	7,486,146
Foreign exchange fluctuation	1,191	811	44,493	46,498
At April 1, 2017	2,912,717	259,017	4,267,912	7,439,648
For the year	389,135	30,253	1,100,755	1,520,143
Disposals	0	0	-2,562	-2,562
At March 31, 2018	3,301,852	289,269	5,366,106	8,957,229
Net block				
At March 31, 2017	1,442,391	165,327	15,045,553	16,653,267
At March 31, 2018	1,350,947	171,717	16,083,169	17,605,831
Net Depreciation & amortization Expenses	As at March 31, 2018		As at March 31, 2017	
Tangible assets	1,520,143		1,325,742	
Intangible assets	27,716		18,863	
	1,547,859		1,344,604	
Difference in the EUR/PLN/USD	14,701		-6,363	
	1,562,560		1,338,241	

Sandhar Technologies Barcelona, SL Consolidated

Notes to financial statements for the period ended March 31, 2018

12 Intangible assets	(Amount in EUR.)	
	Computer Software	Total
Gross block		
At April 1, 2016	136,742	136,742
Purchase	21,459	21,459
Deletions	-	-
At March 31, 2017	158,202	158,202
Foreign exchange fluctuation	-234	-234
At April 1, 2017	157,968	157,968
Purchase	49,741	49,741
Deletions	-	-
At March 31, 2018	207,709	207,709
Amortization		
At April 1, 2016	80,634	80,634
For the year	18,863	18,863
Deletions / adjustments		
At March 31, 2017	99,497	99,497
Foreign exchange fluctuation	-67	-67
At April 1, 2017	99,430	99,430
For the year	27,716	27,716
At March 31, 2018	127,146	127,146
Net block		
At March 31, 2017	58,471	58,705
At March 31, 2018	80,564	80,564

Sandhar Technologies Barcelona, SL Consolidated
Notes to financial statements for the period ended March 31, 2018
13 : Loans and advances

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	EUR	EUR	EUR	EUR
Capital advances				
-Secured (considered good)	-	-	-	-
Unsecured, considered good	-	-	-	-
a	-	-	-	-
Security deposits				
Unsecured, considered good				
With others	192,799	203,812	-	-
b	192,799	203,812	-	-
Loans & advances to suppliers				
Unsecured				
Considered good	-	-	890,688	753,741
c	-	-	890,688	753,741
Advances recoverable in cash or kind				
Unsecured				
Considered good	-	-	147,310	146,639
d	-	-	147,310	146,639
Other loans and advances				
Advance tax (Net of Provisions)	-	-	42,212	9,872
Prepaid expenses	-	-	84,556	56,032
Long term receivables	28,624	38,165		
Balances with statutory/government authorities		-	712,607	1,007,231
Loans to Group companies			-	-
e	28,624	38,165	839,375	1,073,135
Total (a+b+c+d+e)	221,422	241,977	1,877,373	1,973,515

14 : Inventories
(Valued at lower of cost and net realizable value)

	March 31, 2018	March 31, 2017
	EUR	EUR
Raw materials and components	339,910	431,354
Work-in-progress	4,442,724	3,337,177
Finished goods	1,368,089	1,336,139
Stores and spares	4,293,749	4,457,191
	10,444,472	9,561,861
Provision for slow moving stock-raw material and components	(54,944)	(54,944)
	10,389,528	9,506,917

15 : Trade receivables

Unsecured, considered good

Total

March 31, 2018	March 31, 2017
EUR	EUR
3,698,154	4,400,830
3,698,154	4,400,830

16 : Cash and bank balances

	Non Current		Current	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	EUR	EUR	EUR	EUR
Cash and cash equivalents				
Balances with banks:				
On current account				
-In EUR	-	-	44,319	179,852
Cash on hand	-	-	3,103	4,650
Other bank balances				
Margin money deposits			-	600
			47,422	185,102

Notes to financial statements for the period ended March 31, 2018

	March 31, 2018 EUR	March 31, 2017 EUR
17 : Revenue from operations		
Sale of products	32,133,109	30,733,253
Sale of services	385,912	401,898
Other operating revenue		
Scrap sales	310,813	273,358
Revenue from operations (Net)	32,829,834	31,408,509
Detail of product sold		
Finished goods sold		
Aluminum components	28,159,742	27,163,810
Tools	3,973,367	3,569,443
Revenue from operations	32,133,109	30,733,253
Detail of services rendered		
Water treatment	385,912	401,898
Administrative assistance	385,912	401,898
18 : Other income		
Interest income on		
Bank deposits	-	-
Others	-	-
Profit / (loss) on sale / written off of fixed assets (Net)	(7,450)	-
Dividend income / (provisions) on long-term investments	-	-
Foreign exchange fluctuation gain (Net)	-	-
Capital Grant brought yearly to P&L	1,597	1,789
Other non-operating income	12,991	14,530
	7,138	16,319

19 : Cost of raw material and components consumed

	March 31, 2018 EUR	March 31, 2017 EUR
Inventories at the beginning of the year	431,354	364,929
Add: Purchases	9,611,545	9,020,849
	10,042,900	9,385,778
Less: Inventories at the end of the year	339,910	431,354
EUR/USD fluctuation and difference in BS vs. P&L	(15,663)	5,332
Cost of raw material and components consumed	9,687,327	8,959,756

20 : Increase/(decrease) in inventories of finished goods and work-in-progress

	March 31, 2018 EUR	March 31, 2017 EUR	(increase/decrease) EUR
Inventories at the end of the year			
Work-in-progress	4,442,724	3,337,177	1,105,547
Finished goods	1,368,089	1,336,139	31,950
EUR/USD fluctuation and difference in BS vs. P&L	44,066	(25,286)	69,352
	5,854,879	4,648,030	1,206,849
Inventories at the beginning of the year			
Work-in-progress	3,337,177	3,078,038	259,139
Finished goods	1,336,139	1,238,176	97,963
	(25,286)	(10,559)	(14,726)
	4,648,030	4,305,654	342,376
	1,206,849	342,376	

Sandhar Technologies Barcelona, SL Consolidated
Notes to financial statements for the period ended March 31, 2018

	March 31, 2018 EUR	March 31, 2017 EUR
21 : Employee benefit expense		
Salary, wages and bonus	5,909,806	5,785,500
Social security expenses	1,468,042	1,444,593
Staff welfare expenses	365,991	355,499
Non recurrent severance payments and other non recurrent labour expenses	124,995	3,000
	7,868,834	7,588,592

	March 31, 2018 EUR	March 31, 2017 EUR
22 : Other expenses		
Consumption of stores and spares	6,064,160	5,629,828
Packing material	363,097	256,436
Job work charges	1,725,760	1,581,027
Rent	1,053,590	1,078,515
Rates and taxes	79,442	78,871
Insurance	103,684	83,495
Freight and forwarding charges	604,370	825,803
Power and fuel	2,467,118	2,484,101
Repairs and maintenance		
-Buildings	128,123	72,060
- Plant & Machinery	499,070	326,091
- Others	278,291	234,661
Works done for the fixed assets	(565,530)	(609,962)
Legal & professional charges	217,649	230,572
Travelling and conveyance	92,909	86,651
Payment to auditor*	31,906	24,160
Foreign exchange fluctuation loss (net)	531,952	(217,880)
Insolvency provision on receivables	-	31,803.96
Loss on sale of financial and fixed assets	7,275	8,970
Environmental expenses	98,172.38	112,379
Miscellaneous expenses	389,214	297,623
	14,170,252	12,615,205

	March 31, 2018 EUR	March 31, 2017 EUR
*Payment to auditor		
- Audit fee	31,906	24,160
	31,906	24,160

	March 31, 2018 EUR	March 31, 2017 EUR
23 : Finance costs		
Interest to banks on		
- Term loan	123,012	121,030
- Others	299,476	310,323
Interest to others	19,902	284,585
Cash discounting charges	41,776	43,464
Bank charges	132,835	109,016
SBLC expenses	51,403	92,736
	668,403	961,154

	March 31, 2018 EUR	March 31, 2017 EUR
24 : Earnings per equity share (EPS)		
The following reflects the profit and share data used in the basic and diluted EPS		
Net profit for calculation of EPS	36,376	155,488
Weighted average number of equity shares in calculating basic EPS	3,248,403	3,248,403
Weighted average number of equity shares in calculating diluted EPS	3,248,403	3,248,403
Earning per share (Face value EUR 1/- each)		
Basic	0.011	0.048
Diluted	0.011	0.048

25. Commitments and Contingent Liabilities:

There are no claims against the Company not acknowledged as debts. There are no legal disputes, except for the following labour claims:

Case	Description	Type & ID No.	Status	Amount of Dispute
F.C.	Claim of damages	375/2016	The worker filed a court claim against company	20.000 EUR. Within the scope of the liability insurance
M.S.G. 1	Claim to improve the degree of the actual permanent disablement	769/2015	The Court denied claim. Worker has appealed before High Court of Justice	Nil. If the worker wins the main responsible is the Mutual Insurance Company for Accidents at Work
M.S.G.2	Claim to increase permanent disablement benefits (claim for social security surcharges)	423/2015	The Court denied claim and two appeals before High Court of Justice. Pending of confirmation of full dismissal.	in the range of 100.000 EUR
M.G.	Claim to permanent disablement benefits	257/2017	Trial date: 19th February 2018. Later postponed	Nil. If the worker wins the main responsible is the Mutual Insurance Company for Accidents at Work
P.H.M.1	Claim of damages	029235/2017	The worker filed a court claim against company	241.616,85 EUR. Within the scope of the liability insurance
P.H.M.2	Claim to increase permanent disablement benefits (claim for social security surcharges)	2017/000041	The worker filed a social security claim against company	in the range of 200.000 EUR
J.V.1	Claim of damages	017413/2018	The worker filed a court claim against company	224.038,80 EUR.
J.V.2	Claim to increase permanent disablement benefits (claim for social security surcharges)		The worker filed a social security claim against company	in the range of 150.000 EUR

The estimated amount of the contracts remaining to be executed on capital account (net of advances) is:

STB

SUPPLIER	EUR
BSP SYSTEMS EUROPA, S.L.	1,387.50
COMPUTER PC-21, S.L.	2,511.02
DISEÑO, CONSTRUCCION Y REPARACION	12,442.08
DISEÑO, PROGRAMACION Y REPARACION	33,213.97
ELECTRICA GUELL, S.A.	4,203.19
MARCLEAN TECHNOLOGIES, S.L.	3,813.49
SCHARLAB, S.L.	3,811.38
SCHOELLER ALLIBERT, S.A.U.	639.90
SPEED DOOR ESPAÑA, S.L.U.	6,808.34
SPRAYING SYSTEMS SPAIN, S.L.	1,249.78
XARXES DE TELECOM.ALTERNATIVES, SL.	670.00
Total general	70,750.65

STM

SUPPLIER	EUR
PRETRANSA DIECASTING, S.L.	16,963.25
Krown Serv.Integr.Fundicion,SA	44,406.40
Total general	61,369.65

26. Contribution to the earnings by company

(EUR)	STB	BRENIAR	STP	STM	Consolidated
Earnings before taxes	416,030	7,419	21,989	-358,993	86,445
Corporate Income Tax	-63,131	-1,855	-6,660	21,577.11	50,069
PAT	352,899	5,564	15,329	-337,416	36,376

27. Related party disclosures for the period ended 31st March , 2018.

a) Related parties and nature of relationship:

i.) Enterprises under common control with parent company.

- Sandhar Infosystems Ltd.
- Sandhar Estate Pvt. Ltd.
- Sanjeevani Impex Pvt. Ltd.
- YSG Estates Pvt. Ltd.
- Sandhar Intelli-Glass Solutions Limited formerly known as SLD Auto Ancillary Ltd
- Sandhar Enterprises
- KDB Investment Private Limited
- Jubin Finance & Investment Limited
- Haridwar Estates Private Limited
- Raasaa Retail Private Limited

ii.) Associates of parent company

- Sandhar Tooling Pvt. Ltd
- PT Sandhar Indonesia
- Sandhar EURO Holdings B.V. (SEHBV)

iii.) Joint Venture of parent company

- Indo Toolings Private Limited
- Sandhar Caama Components Private Limited (Till June 30, 2015)
- Sandhar Han Sung Technologies Private Limited
- Sandhar Ecco Energy Private Limited

iv.) Individual owning an interest in the voting power of parent company that gives them significant influence over the Company

- Mr. Jayant Davar

v.) Key Managerial Personnel of parent company

- Mr. Jayant Davar

vi.) Relatives of Key Managerial Personnel of parent company and relatives of Individual owning an interest in the voting power of reporting enterprise that gives them significant influence over the Company

- Mr. D.N. Davar-Chairman
- Mrs. Monica Davar
- Master Neeljay Davar
- Mrs. Santosh Davar
- Mrs. Poonam Juneja

vii.) Enterprises over which relatives of Key Managerial Personnel are able to exercise significant influence

- Swaran Enterprises (Mrs. Santosh Davar is a partner).

b) Transactions that have taken place during the period 1st April 2017 to 31st March 2018 with related parties by the Company.

Nature of Transactions (EUR)	Subsidiaries of parent company	parent company	Total
Nil			

c) Outstanding balances as of 31st March 2018 with related parties

Nature of Balance (EUR)	Subsidiaries of parent company	parent company	Total
Outstanding Receivable			
Sandhar Technologies Limited	10,000.00		10,000.00

28. Remuneration to Directors

Nil.

29. Audit fees

Other expenses include auditor's remuneration of 31,906 EUR

30. Production, Sales and Stock of Finish Goods

<u>Description (Amounts in EUR)</u>	<u>Opening (No.) 31/03/2017</u>	<u>Production (Nos.)</u>	<u>Closing (No.) 31/03/2018</u>	<u>Sales Quantity (Nos.)</u>	<u>Sales Value (EUR)</u>
Seat belts retractors components	3,696,079	31,963,977	5,386,670	30,273,386	16,326,707
Wiper systems components	1,693,517	7,919,164	1,878,334	7,734,347	10,475,559
Other components	221,175	941,545	607,976	554,744	1,307,926
Total	5,610,771	40,824,686	7,872,980	38,562,477	28,110,191

31. Consumption of Raw Materials

Class of Goods	Units	(EUR) Period ended 31.03.2018	
		Quantity	Value
Aluminium	MT	5,449	9,687,327

32. Value of Raw Materials Consumed.

Particulars	Period ended 31.03.2018	
	EUR	%
Indigenous	9,432,330	97%
Imported	254,997	3%
	9,687,327	100%

33. Sales in foreign currency

Particulars USD	Period ended 31.03.2018
Sale of Tools (STB)	1,334,914.02
Sale of Parts (STB)	1,197,239.38
Sale of Parts (STM)	4,571,633.00

34. Expenditure incurred in foreign currency

Particulars	Period ended 31.03.2018	
	USD	EUR
Stores & Spares (STB)	23,490.00	
Job Work (STM)	3,248.47	
Consumables (STM)	119,167.89	5,273.07
Raw Material (STM)	1,620,386.81	
Stores & Spares (STM)	33,466.72	
Legal & Professional (STM)	17,282.23	
Insurance (STM)	23,783.40	
Plant Rental (STM)	269,611.40	
Repair & Maintenance (STM)	24,445.55	1,950.00
Natural Gas (STM)	178,906.91	
Freight (STM)	3,176.72	
CAPEX (STM)	982,263.72	207,157.18

35. CIF Value of imports

Particulars	Period ended 31.03.2018	
	EUR	USD
Tools and Spares (STB)	221,021.67	27,583.22
CAPEX (STM)	154,377.02	986,050.00
Raw Material (STM)	47,018.46	

36. Dividends

The Company has not declared/remitted any dividends during the period.

37. Environmental information

The environmental capital expenditure of the period amounts nil.

The environmental expenses of the period amount 98,172.38 EUR.

38. Average number of Employees

Figures are the average number of employees by sex and department of the period.

	WOMEN	MEN	TOTAL
COMMERCIAL&LOGISTICS	6.37	6.04	12.41
G&A	5.00	7.08	12.08
HR	2.85	2.00	4.85
MAINTENANCE	14.78	6.75	21.53
MOULDS SHOP	17.76	4.79	22.56
PRODUCTION	81.10	59.19	140.29
QUALITY	76.31	15.09	91.41
R&D	5.83	2.16	7.99
TOTAL	210.01	103.11	313.12

39. Particulars of unhedged foreign currency exposures as at the reporting date

Import Trade Payables

	Foreign Currency	
	March 31,2018	March 31,2017
USD	3,927,058.34	299,235.24
EURO	652,361.53	769,834.90
GBP		388.98

Export Trade Receivable



	Foreign Currency	
	March 31,2018	March 31,2017
USD	672,698.80	535,494.94
EURO		123,515.52

40. Previous year figures

Previous year figures have been regrouped/reclassified, where necessary, to conform to this year's classification.

For and on behalf of

SANDHAR TECHNOLOGIES BARCELONA, SL
21st May 2018



MANEL GONZALEZ
CFO

JUAN VILAR
General Manager



JAYANT DAVAR
Director