

ANNUAL REPORT

(2018-2019)

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, 2019 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, 2019, 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.

SW AUDIT CONTROL, S.L.P.



D. Fernando Sánchez Sánchez

20th May 2019

SW Audit Control, S.L.P
ROAC S2234
CIF B-65956328
Registro Barcelona. Sección 8. Hoja 434233
Mallorca, 299 ppal. 1ª, 08037 Barcelona



Sandhar Technologies Barcelona, SL Consolidated
Balance Sheet as at March 31, 2019

	Notes	As at March 31, 2019 EUR	As at March 31, 2018 EUR
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	3,248,403	3,248,403
Reserves and surplus	4	1,758,420	1,053,741
		<u>5,006,823</u>	<u>4,302,144</u>
Non-current liabilities			
Long-term borrowings	5	1,005,813	1,477,572
Deferred tax liabilities (Net)	6	468,753	332,467
Other long-term liabilities	10	767,117	1,259,484
		<u>2,241,684</u>	<u>3,069,523</u>
Current liabilities			
Short-term borrowings	8	18,776,642	16,742,077
Trade payables	9	7,646,809	7,224,554
Other current liabilities	10	3,517,679	2,749,062
Short-term provisions	7	1,065,491	869,080
		<u>31,006,620</u>	<u>27,584,773</u>
Total		38,255,127	34,956,439
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	11	18,985,552	17,605,831
Intangible assets	12	76,957	80,564
Capital work-in-progress		1,074,767	1,014,645
Long-term loans and advances	13	222,911	221,422
		<u>20,360,187</u>	<u>18,922,462</u>
Current assets			
Inventories	14	10,803,598	10,389,528
Trade receivables	15	4,461,595	3,698,154
Cash and bank balances	16	111,812	47,422
Short-term loans and advances	13	2,517,935	1,898,874
		<u>17,894,940</u>	<u>16,033,978</u>
Total		38,255,127	34,956,439

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 Davan
Director

Manel González
C.F.O.

Date: 20th May 2019
Place: El Monjos

Juan Vilar
General Manager



**Sandhar Technologies Barcelona, SL Consolidated
Statement of Profit and Loss for the period ended March 31, 2019**

	Notes	For the period ended March 31, 2019	For the period ended March 31, 2018
		EUR	EUR
Income			
Revenue from operations (net)	17	35,066,850	32,829,834
Other income	18	(1,053)	7,138
Total Revenue (I)		35,065,797	32,836,972
Expenses			
Cost of raw material and components consumed	19	9,642,168	9,687,327
(Increase)/decrease in inventories of finished goods and work-in-progress	20	(52,201)	(1,206,849)
Employee benefit expense	21	8,520,995	7,868,834
Other expenses	22	13,815,917	14,170,252
Total (II)		31,926,878	30,519,564
Earnings before interest, tax, depreciation and amortization (EBITDA) (I)-(II)		3,138,919	2,317,409
Finance costs	23	799,619	668,403
Net depreciation and amortization expense		1,701,799	1,562,560
Profit before tax		637,501	86,445
Tax expenses			
Current tax			
Pertaining to profit/(loss) for the current period		14,641	8,625
Deferred tax		180,265	41,444
Total tax expense		194,907	50,069
Net profit		442,594	36,376
Earnings per equity share (EPS){Nominal value of share EUR.1 (31 March 2018:EUR.1)}	24		
Basic		0.136	0.011
Diluted		0.136	0.011

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 Datta
Director

Manel González
C.F.O.

Date: 20th May 2019
Place: El Monjos

Juan Villar
General Manager



Sandhar Technologies Barcelona, SL Consolidated
Cash flow statement for the period ended March 31, 2019

	March 31, 2019 EUR	March 31, 2018 EUR
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	637,501	86,445
Non-cash adjustment to reconcile profit before tax to net cash flow	145,838	(474,640)
Depreciation/amortization	1,701,799	1,562,560
Interest expense	799,619	668,403
Grant	(931)	(1,597)
Operating profit before working capital changes	3,283,825	1,841,171
Movements in working capital:		
Decrease/(Increase) in trade receivables	(763,442)	702,677
Decrease/(Increase) in Inventories	(414,070)	(882,610)
Decrease/(Increase) in long-term loans and advances	(1,489)	20,555
Decrease/(Increase) in short-term loans and advances	(619,060)	96,142
Increase/(Decrease) in trade payables	422,255	465,150
Increase/(Decrease) in long-term trade payables	(492,367)	526,244
Increase/(Decrease) in short-term Provisions	196,410	114,991
Increase/(Decrease) in other long term liabilities		
Increase/(Decrease) in other current liabilities	968,233	(229,479)
Cash generated from operations	2,580,295	2,654,842
Direct tax paid	58,620	(8,733)
Net cash inflow from/(used in) operating activities (A)	2,521,675	2,663,575
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets, including intangible assets, capital work-in- progress	(2,653,931)	(2,447,727)
Purchase of non-current investment from subsidiary and joint ventures		
Sale of current investments	-	8,237
Net cash used in investing activities (B)	(2,653,931)	(2,439,489)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long-term borrowings	388,419	457,501
Repayment of long-term borrowings	(1,059,793)	(1,178,446)
Proceeds from short-term Borrowings (net of repayment)	1,667,640	1,027,584
Interest paid	(799,619)	(668,403)
Net cash flow used in financing activities (C)	196,647	(361,765)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	64,390	(137,680)
Cash and cash equivalents at the beginning of the year	47,422	185,102
Cash and cash equivalents at the end of the year	111,812	47,422
Components of cash and cash equivalents		
Cash on hand	3,768	3,103
With banks - on current account	108,045	44,319
- on deposit account	-	-
Total cash and cash equivalents (note 16)	111,812	47,422
Net increase (Decrease) in cash and cash equivalents	64,390	(137,680)

For and on behalf of
Sandhar Technologies Barcelona, SL

Jayant Datar
Director

Manel González
C.F.O.

Date: 20th May 2019
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.

Notes to financial statements for the period ended March 31, 2019

3 : Share capital	March 31, 2019	March 31, 2018
	EUR	EUR
Authorised shares		
3,248,403 (31 March 2018: 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 2018: 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, 2019		March 31, 2018	
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, 2019		March 31, 2018	
	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, 2019	March 31, 2018
	EUR	EUR
General reserve		
Balance as per the last financial statements	1,040,091	1,478,355
Add: Amount transferred from surplus balance in the statement of profit and loss	442,594	36,376
Add Share premium		
Add Other adjustments		
Add Foreign exchange fluctuation reserve variation	263,017	(474,640)
Closing balance	1,745,702	1,040,091
Grant		
Grant received from Generalitat de Catalunya	150,000	150,000
Transferred to P&L in the previous years	(136,351)	(134,753)
Transferred to P&L in the year	(931)	(1,597)
	12,718	13,649
	1,758,420	1,053,741

5 : Long- term borrowings

	Non-current portion		Current maturities	
Term Loans	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	EUR	EUR	EUR	EUR
EUR loan from BBVA and Santander (Corporate guarantee from STL)	-	52,948	52,824	83,137
EUR loan from Bankia	-	-	-	25,505
EUR loan from B. Popular and La Caixa	33,489	192,637	159,098	329,505
EUR loan from B.Sabadell&ICF	-	101,491	106,354	129,302
Lease financing loans from financial institutions	972,324	1,130,496	517,220	467,662
	1,005,813	1,477,572	835,497	1,035,112
The above amount includes				
-Secured borrowings	972,324	1,130,496	517,220	467,662
-Unsecured borrowings	33,489	347,076	318,277	567,450
Amount disclosed under the head "Other current liabilities" (note 10)			(835,497)	(1,035,112)
Total	1,005,813	1,477,572	-	-

Notes to financial statements for the period ended March 31, 2019

6 : Deferred tax liabilities (Net)

	March 31, 2019 EUR	March 31, 2018 EUR
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/amortization charged for the financial reporting	730,715	772,444
Gross deferred tax liability	730,715	772,444
Deferred tax asset		
Impact of tax credits due to freedom of depreciation generating negative corporate income tax results	261,962	439,977
Gross deferred tax asset	261,962	439,977
Deferred tax liability (Net)	468,753	332,467

	Long - term		Short - term	
	March 31, 2019		March 31, 2019	
	EUR	March 31, 2018 EUR	EUR	March 31, 2018 EUR
7 : Provisions				
Provision for employee benefits				
(i) Accruals for additional payroll			411,210.16	367,204
(ii) Other provisions	-	-	224,038.80	100,000
			635,249	467,204
Other provisions				
Provision for Social Taxes	-		273,528	240,405
Provision for IT			-	8,647
Provision for VAT	-	-	156,714	152,824
	-	-	430,242	401,876
Total			1,065,491	869,080

8 : Short-term borrowings

	March 31, 2019 EUR	March 31, 2018 EUR
Cash credit/WCDL/Buyer's line of credit from banks (secured by CL, CGT or SBLC from STL or by invoices financed)	18,448,066	16,299,581
Cash credit/WCDL/Buyer's line of credit from banks (unsecured)	328,576	442,496
	18,776,642	16,742,077

9 : Trade payables

	Non-current portion		Current maturities	
	March 31, 2019		March 31, 2019	
	EUR	March 31, 2018 EUR	EUR	March 31, 2018 EUR
Trade payable			7,646,809	7,224,554

10 : Other liabilities

	Non-current portion		Current maturities	
Current maturities of long-term borrowings			835,497	1,035,112
Others				
Advances from customers			1,838,676	1,132,680
Security deposit			35,000	35,000
Payable for capital goods	767,117	1,259,484	808,506	546,269
	767,117	1,259,484	2,682,182	1,713,949
	767,117	1,259,484	3,517,679	2,749,062

Notes to financial statements for the period ended March 31, 2019

11 Tangible assets

(Amount in EUR)

	Dies and Fixtures	Office equipment	Plant and equipment	Total
Gross block (cost)				
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
Foreign exchange fluctuation	-5,256	-9,788	-525,045	-540,090
At April 1, 2018	4,658,056	470,775	21,974,320	27,103,150
Additions	424,928	56,686	2,251,650	2,733,264
Disposals	-79,455	0	-191,625	-271,080
At March 31, 2019	5,003,528	527,461	24,034,345	29,565,334

Depreciation/Amortization

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
Foreign exchange fluctuation	-1,529	-1,257	-53,200	-55,986
At April 1, 2018	3,303,381	290,527	5,419,306	9,013,216
For the year	397,994	38,955	1,237,419	1,674,368
Disposals	-41,954	-683	-65,165	-107,802
At March 31, 2019	3,659,421	328,799	6,591,560	10,579,782

Net block

At March 31, 2018	1,350,947	171,717	16,083,169	17,605,831
At March 31, 2019	1,344,107	198,662	17,442,785	18,985,552

Net Depreciation & amortization Expenses**As at March 31, 2019****At March 31, 2018**

Tangible assets	1,674,368	1,520,143
Intangible assets	37,457	27,716
	1,711,825	1,547,859
Difference in the EUR/PLN/USD	-10,026	14,701
	1,701,799	1,562,560

Notes to financial statements for the period ended March 31, 2019

12 Intangible assets		(Amount in EUR.)
	Computer Software	Total
Gross block		
At April 1, 2017	157,967	157,967
Purchase	49,741	49,741
Deletions	-	-
At March 31, 2018	207,708	207,708
Foreign exchange fluctuation	294	294
At April 1, 2018	208,002	208,002
Purchase	33,637	33,637
Deletions	-	-
At March 31, 2019	241,638	241,638
Amortization		
At April 1, 2017	99,430	99,430
For the year	27,716	27,716
Deletions / adjustments		
At March 31, 2018	127,146	127,146
Foreign exchange fluctuation	78	78
At April 1, 2018	127,224	127,224
For the year	37,457	37,457
At March 31, 2019	164,681	164,681
Net block		
At March 31, 2017	80,856	80,562
At March 31, 2019	76,957	76,957

Sandhar Technologies Barcelona, SL Consolidated

Notes to financial statements for the period ended March 31, 2019

13 : Loans and advances	Non Current		Current	
	March 31, 2019 EUR	March 31, 2018 EUR	March 31, 2019 EUR	March 31, 2018 EUR
Capital advances				
-Secured (considered good)	-	-	-	-
Unsecured, considered good	6,141	-	-	-
a	6,141	-	-	-
Security deposits				
Unsecured, considered good				
With others	197,688	192,799	-	-
b	197,688	192,799	-	-
Loans & advances to suppliers				
Unsecured				
Considered good	-	-	1,500,968	890,688
Doubtful	-	-	-	-
Less: Provision for bad & doubtful advances	-	-	-	-
c	-	-	1,500,968	890,688
Advances recoverable in cash or kind				
Unsecured				
Considered good			80,117	147,310
Doubtful				
Less: Provision for bad & doubtful advances				
d	-	-	80,117	147,310
Other loans and advances				
Advance tax (Net of Provisions)	-	-	26,330	42,212
Prepaid expenses	-	-	116,843	106,057
Long term receivables	19,082	28,624		
Balances with statutory/government authorities			793,677	712,607
Loans to Group companies			-	-
e	19,082	28,624	936,850	860,876
Total (a+b+c+d+e)	222,911	221,422	2,517,935	1,898,874
14 : Inventories				
(Valued at lower of cost and net realizable value)			March 31, 2019 EUR	March 31, 2018 EUR
Raw materials and components			411,797	339,910
Work-in-progress			4,247,858	4,442,724
Finished goods			1,659,794	1,368,089
Stores and spares			4,539,093	4,293,749
			10,858,542	10,444,472
Provision for slow moving stock-raw material and components			(54,944)	(54,944)
			10,803,598	10,389,528
15 : Trade receivables			March 31, 2019 EUR	March 31, 2018 EUR
Outstanding for a period exceeding six months from the date they are due for payment				
Unsecured, considered good			4,420,965	3,698,154
Unbilled receivables			40,630	
Less: Provision for doubtful debts				
Total (A+B)			4,461,595	3,698,154
16 : Cash and bank balances				
	Non Current		Current	
	March 31, 2019 EUR	March 31, 2018 EUR	March 31, 2019 EUR	March 31, 2018 EUR
Cash and cash equivalents				
Balances with banks:				
On current account				
-In EUR	-	-	108,045	44,319
Cash on hand	-	-	3,768	3,103
			111,812	47,422

Sandhar Technologies Barcelona, SL Consolidated

Notes to financial statements for the period ended March 31, 2019

	March 31, 2019 EUR	March 31, 2018 EUR
17 : Revenue from operations		
Sale of products	34,506,469	32,133,109
Sale of services	257,309	385,912
Other operating revenue		
Scrap sales	303,072	310,813
Revenue from operations (Net)	35,066,850	32,829,834
Detail of product sold		March 31, 2018 EUR
Finished goods sold	March 31, 2019 EUR	
Aluminum components	30,791,648	28,159,742
Tools	3,714,821	3,973,367
Revenue from operations	34,506,469	32,133,109
Detail of services rendered		
Water treatment	257,309	385,912
Administrative assistance	257,309	385,912
18 : Other income	March 31, 2019 EUR	March 31, 2018 EUR
Interest income on		
Bank deposits	-	-
Others	-	-
Profit / (loss) on sale / written off of fixed assets (Net)	(2,792)	(7,450)
Dividend income / (provisions) on long-term investments	-	-
Foreign exchange fluctuation gain (Net)	-	-
Capital Grant brought yearly to P&L	931	1,597
Other non-operating income	807	12,991
	(1,053)	7,138

19 : Cost of raw material and components consumed

	March 31, 2019 EUR	March 31, 2018 EUR
Inventories at the beginning of the year	339,910	431,354
Add: Purchases	9,706,248	9,611,545
	10,046,157	10,042,900
Less: Inventories at the end of the year	411,797	339,910
EUR/USD fluctuation and difference in BS vs. P&L	7,807	(15,663)
Cost of raw material and components consumed	9,642,168	9,687,327

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

	March 31, 2019 EUR	March 31, 2018 EUR	(increase/decrease) EUR
Inventories at the end of the year			
Work-in-progress	4,247,858	4,442,724	(194,867)
Finished goods	1,659,794	1,368,089	291,705
EUR/USD fluctuation and difference in BS vs. P&L	(571)	44,066	(44,637)
	5,907,081	5,854,879	52,201
Inventories at the beginning 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
	44,066	(25,286)	69,352
	5,854,879	4,648,030	1,206,849
	52,201	1,206,849	

Sandhar Technologies Barcelona, SL Consolidated

Notes to financial statements for the period ended March 31, 2019

	March 31, 2019 EUR	March 31, 2018 EUR
21 : Employee benefit expense		
Salary, wages and bonus	6,294,046	5,909,806
Social security expenses	1,592,006	1,468,042
Staff welfare expenses	482,904	365,991
Non recurrent severance payments and other non recurrent labour expenses	152,039	124,995
	8,520,995	7,868,834

22 : Other expenses		
	March 31, 2019 EUR	March 31, 2018 EUR
Consumption of stores and spares	5,453,956	6,064,160
Packing material	355,628	363,097
Job work charges	2,163,559	1,725,760
Rent	983,563	971,805
Vehicle hire charges	49,292	44,386
Rates and taxes	79,374	79,442
Insurance	113,457	103,684
Freight and forwarding charges	602,294	604,370
Power and fuel	2,751,496	2,467,118
Repairs and maintenance		
- Buildings	91,094	128,123
- Plant & Machinery	533,448	499,070
- Others	326,741	278,291
Works done for the fixed assets	(489,430)	(565,530)
Legal & professional charges	265,606	217,649
Travelling and conveyance	93,720	92,909
Payment to auditor*	32,003	31,906
Foreign exchange fluctuation loss (net)	(66,441)	531,952
Loss on sale of financial assets	-	7,275
Environmental expenses	106,477.47	98,172
Miscellaneous expenses	370,078	426,613
	13,815,917	14,170,252

*Payment to auditor	March 31, 2019 EUR	March 31, 2018 EUR
As auditor:		
- Audit fee	32,003	31,906
In other capacity		
- Reimbursement of expenses	-	-
	32,003	31,906

23 : Finance costs		
	March 31, 2019 EUR	March 31, 2018 EUR
Interest to banks on		
- Term loan	91,378	123,012
- Others	437,001	299,476
Interest to others	28,214	19,902
Cash discounting charges	43,395	41,776
Bank charges	84,972	94,339
SBLC expenses	114,660	89,899
	799,619	668,403

24 : Earnings per equity share (EPS)	March 31, 2019 EUR	March 31, 2018 EUR
The following reflects the profit and share data used in the basic and diluted EPS		
Net profit for calculation of EPS	442,594	36,376
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	0.136	0.011
Diluted	0.136	0.011

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.G.	Claim to permanent disablement benefits	257/2017, 78/2018, 689/2018	First one provisionally filed, trial dates: 11th June 2019 and 2 nd July 2019.	Nil. If the worker wins the main responsible is the Mutual Insurance Company for Accidents at Work
R.J.	Claim to permanent disablement benefits	595/2018	Trial 27 th June 2019	Nil. If the worker wins the main responsible is the Mutual Insurance Company for Accidents at Work
W.J.	Claim to permanent disablement benefits	469/2018	Trial 31 st March 2020	Nil. If the worker wins the main responsible is the Mutual Insurance Company for Accidents at Work
J.V.	Claim for social security surcharges		The worker filed a social security claim against company. Social security refused it, but it still can be appealed.	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
ATOX SISTEMAS DE ALMACENAJE	2,835.10
BERG, S.L.U.	6,281.00
BOYFRE, S.L.	686.00
C.C.H.RECAHU, S.L.	4,997.44
COMPUTER PC-21, S.L.	1,877.35
CONIEX, S.A.	102,337.50
DISEÑO, PROGRAMACION Y REPARACION	1,962.32
ELECMAN TECNICS, S.L.	585.00
ELECTRICA GUELL, S.A.	614.33
FERRETERIA INDUSTRIAL MARTI, S.A.	246.33
GESTION INTEGRAL DE TECNOLOGIA Y	1,855.00
LABOPRINTER, S.L.	1,425.00
MANUFACTURES BUSQUETS, S.L.	4,676.80
MARCLEAN PENEDES, S.L.	1,148.40
MARTIN CONTENEDORES PARA LOGISTICA,	2,765.52
MECANITZATS NEMEGAL S.L.L.	6,240.98
MIGUEL ANGEL SANCHEZ	10,346.00
OSCAR IÑIGO GRIERA	5,565.00
PAVIMENTS KONNIK, S.A.	9,717.30
RAIMON SENDRA FONTANALS	3,229.00
SAFEWORK	1,740.00
SPEED DOOR ESPAÑA, S.L.U.	2,905.00
STOTZ Feinmesstechnik GmbH	7,953.00
THIDRA, S.L.	2,875.35
Total general	184,864.71

STM

SUPPLIER	EUR
PRETRANSA DIECASTING, S.L.	10,670.40
GRUAS GH MEXICO S.A DE C.V	33,659.10
RESOURCES UNLIMITED EIN	28,598.13
DISEÑO, PROGRAMACION Y REPARACION	103,000.00
Total general	175,927.63

26. Contribution to the earnings by company

(EUR)	STB	BRENIAR	STP	STM	Consolidated
Earnings before taxes	656,820	-9,199	11,358	-21,479	637,501
Corporate Income Tax	-115,575		-4,307	-75,024	194,907
PAT	541,245	-9,199	7,051	-96,503	442,594

27. Related party disclosures for the period ended 31st March , 2019.

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
- Supanavi Trading Private Limited

ii.) Subsidiaries of parent company

- Sandhar Tooling Pvt. Ltd
- Sandhar Strategic System Pvt Ltd

iii.) Joint Venture of parent company

- Indo Toolings Private Limited
- Sandhar Han Sung Technologies Private Limited
- Sandhar Ecco Energy Private Limited
- Jinyoung Sandhar Mechatronics Pvt Ltd
- Sandhar Amkin Industries Pvt Ltd
- Sandhar Daewha Automotive Systems Pvt Ltd
- Sandhar Daeshin Auto Systems Private Limited
- Sandhar Whetron Electronics Private Limited
- Kwangsung Sandhar Technologies 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)
- Shorah Realty LLP

28. Remuneration to Directors

Nil.

29. Audit fees

Other expenses include auditor's remuneration of 32,003 EUR

30. Production, Sales and Stock of Finish Goods

<u>Description (Amounts in EUR)</u>	<u>Opening (No.) 31/03/2018</u>	<u>Production (Nos.)</u>	<u>Closing (No.) 31/03/2019</u>	<u>Sales Quantity (Nos.)</u>	<u>Sales Value (EUR)</u>
Seat belts retractors components	5,386,670	32,861,139	6,327,004	31,920,805	17,305,995
Wiper systems components	1,878,334	7,207,001	1,849,716	7,235,619	9,030,970
Other components	607,976	2,720,453	359,205	2,969,224	4,454,683
Total	7,872,980	42,788,593	8,535,925	42,125,648	30,791,648

31. Consumption of Raw Materials

Class of Goods	Units	(EUR) Period ended 31.03.2019	
		Quantity	Value
Aluminium	MT	5,853	9,642,168

32. Value of Raw Materials Consumed.

Particulars	Period ended 31.03.2019	
	EUR	%
Indigenous	9,166,304	97%
Imported	475,864	3%
	9,642,168	100%

33. Sales in foreign currency

	Period ended 31.03.2019		
	USD	EUR	MXN
Sale of Tools (STB)	1,760,223.98		
Sale of Parts (STB)	1,962,754.59		
Sale of Parts (STM)		1,370	
Sale of Scrap (STM)			643,050.8



34. Expenditure incurred in foreign currency

Particulars	Period ended 31.03.2019		
	USD	EUR	MXN
Stores & Spares (STB)	4,372.30		
Job Work (STB)	89,184.24		
Raw Material (STM)		36,050.30	
Stores & Spares (STM)			14,474,116.48
Rent (STM)			362,267.25
Job Work (STM)			463,073.79
Legal & Professional (STM)		4,785.26	1,340,111.11
Salary, wages and bonus (STM)			14,294,499.38
Social security expenses (STM)			2,999,644.40
Staff welfare expenses (STM)			5,098,425.62
Rates and taxes (STM)			122,296.14
Miscellaneous expenses (STM)			1,511,553.44
Travelling and conveyance (STM)			227,556.65
Repairs and maintenance P&M (STM)		3,200.15	2,679,272.63
Repairs and maintenance Buildings (STM)			459,694.27
Repairs and maintenance Others (STM)			44,663.80
Insurance (STM)			496,103.89
Environmental expenses (STM)			324,742.85
Freight and forwarding charges (STM)			417,553.16
Power and fuel (STM)			8,988,886.61
SBLC expenses (STM)		11,623.34	154,897.00
bank charges (STM)		1,377.40	70,458.89
Interest to banks (STM)		2,109.96	
CAPEX (STM)		58,000.88	5,717,616.31

35. CIF Value of imports

Particulars	Period ended 31.03.2019	
	EUR	USD
Tools and Spares (STB)	233,006.07	4,805.31
CAPEX (STM)	58,000.88	3,916.33
Raw Material (STM)	36,050.30	
Stores & Spares (STM)	5,913.98	11,312.45

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 106,477.47 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	6.87	6.55	13.42
G&A	3.33	8.00	11.33
HR	3.00	1.60	4.60
MAINTENANCE	1.00	19.49	20.49
MOULDS SHOP	0.88	20.01	20.89
PRODUCTION	58.22	93.93	152.15
QUALITY	91.15	10.69	101.84
R&D	1.35	5.62	6.96
TOTAL	165.79	165.88	331.67

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



Import Trade Payables

	Foreign Currency	
	March 31,2019	March 31,2018
USD	44,254.47	8,353.16
EURO	107,581.94	174,747.5

Receivable Balance of Labor, Domestic Suppliers, cash and Taxes

	Foreign Currency	
	March 31,2019	March 31,2018
MXN	1,206,255.05	2,925,285.37

LT Fixed Assets Payables

	Foreign Currency	
	March 31,2019	March 31,2018
EURO	281,158.65	415,046.04

ST financings (netted with receivables)

	Foreign Currency	
	March 31,2019	March 31,2018
USD	540,917.50	
EUR	13,400.10	62,568

Trade Receivable (netted with financings)

	Foreign Currency	
	March 31,2019	March 31,2018
USD		375,933.64
MXN	82,925.86	



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

20th May 2019

MANEL GONZALEZ
CFO

JUAN VILAR
General Manager

JAYANT DAVAR
Director