



## **GLOBAL MAZINKERT, S.L. (Single Shareholder Company)**

Annual Accounts and Directors' Report for the financial year ended 31 March 2020 along with the Auditors' Report on the Annual Accounts



**GLOBAL MAZINKERT, S.L.  
(Single Shareholder Company)**

**Annual Accounts and Directors' Report  
for the financial year ended 31 March 2020 along  
with the Auditors' Report on the Annual Accounts**

**AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS**

**ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020:**

- Balance Sheets at 31 March 2020 and 31 March 2019
- Profit and Loss Accounts for the financial year ended 31 March 2020 and 31 March 2019
- Statement of Changes in Net Equity for the financial year ended 31 March 2020 and 31 March 2019
- Cash Flow Statement for the financial year ended 31 March 2020 and 31 March 2019
- Report for the financial year ended 31 March 2020

**DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**



**GLOBAL MAZINKERT, S.L.  
(Single Shareholder Company)**

**Auditors' Report on the Annual Accounts**

*This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.*

## Audit report on the financial statements issued by an independent auditor

To the Sole Shareholder of GLOBAL MAZINKERT, S.L. (LIMITED COMPANY):

### *Opinion*

We have audited the financial statements of GLOBAL MAZINKERT, S.L. (LIMITED COMPANY) (the Company), which comprise the balance sheet at 31 March 2020, the profit and loss account, the statement of changes in equity, the statement of cash flows and the report for the financial year ended on that date (financial year 2019/2020).

In our opinion, the accompanying financial statements give, in all material respects, a true and fair view of the Company's equity and financial position as at 31 March 2020, as well as its results and cash flows for the financial year ending on said date, in accordance with the application of the regulatory framework of financial information (identified in note 2 a) of the report) and, in particular, with the accounting principles and criteria contained therein.

### *Basis for opinion*

We have performed our audit in accordance with the current regulations governing the auditing of accounts in Spain. Our responsibilities in accordance with these regulations are described later in the section *Auditor's Responsibilities relating to the audit of the financial statements* of our report.

We are independent of the Company in accordance with the ethical requirements, including those of independence, which are applicable to our audit of the financial statements in Spain as required by the regulations governing the activity of auditing accounts. Accordingly, we have not provided services other than those of the audit of accounts nor have concurred situations or circumstances that, in accordance with the provisions of the aforementioned governing regulations, have compromised the necessary independence.

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

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*Key audit matters*

The key audit matters are matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and in the formation of our opinion on these and we do not express a separate opinion on those matters.

Key audit matters	Audit response
<i>Recoverability of investments and balances in group companies</i>	
<p>The Company has a significant volume of investments and balances receivable from group companies.</p> <p>As indicated in note 4 b) of the accompanying annual accounts, at year end the Company's Management makes valuation adjustments if there is evidence that the carrying amount of an investment exceeds the recoverable value, or there is objective evidence that the value of an asset has deteriorated.</p> <p>We have considered that the analysis of these issues involves obtaining information from the companies of the group and making a judgment that makes these have been considered a key matter of our audit.</p>	<p>We have carried out, among others, the following audit procedures:</p> <ul style="list-style-type: none"><li>- Obtain the confirmation by the group companies and related entities of the recorded balances.</li><li>- Analysis of the financial statements and other relevant documentation, as well as discussion with the Company's Management, so that it allows us to conclude about the financial capacity and solvency of these entities</li><li>- Verification of the adequateness of the information included in the attached annual accounts on these aspects.</li></ul>

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Key audit matters	Audit response
<i>Financing of the Company's investments</i>	
<p>As indicated in note 2 d) of the annual accounts report, the Company has a recurring negative working capital as a result of the debts owed to group companies received to finance the acquisition of shares in group companies.</p> <p>This circumstance is a factor causing doubt regarding the application of the going concern, in the preparation of the annual accounts, thus this has been considered a key audit matter.</p>	<p>We have carried out, among others, the following audit procedures:</p> <ul style="list-style-type: none"><li>- Obtaining a letter of financial support from the MINDA Group.</li><li>- Verification of the extension of the maturity period of debts with the related parties for one year.</li><li>- Evaluation based on the financial information available on the capacity of the MINDA Group to support the Company.</li><li>- Verification of the adequateness of the information included in the attached annual accounts on these aspects.</li></ul>

*Other information: Management report*

The other information comprises exclusively the management report for financial year 2019/2020, the formulation of which is the responsibility of the Company's management and does not form an integral part of the financial statements.

Our audit opinion on the financial statements does not cover the management report. Our responsibility over the management report, in accordance with what is required by the regulations governing the audit activity, consists of evaluating and reporting on the consistency of the management report with the financial statements, based on the knowledge of the Entity obtained in performing the audit of the aforementioned accounts and without including information other than that obtained as evidence during the same. Likewise, our responsibility is to evaluate and report that the content and presentation of the management report are in accordance with the applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are obliged to report this.

Based on the work performed, as described in the previous paragraph, the information contained in the management report agrees with that in the financial statements for financial year 2019/2020 and its content and presentation is in accordance with the applicable regulations.

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*The responsibility of the management in respect of the financial statements*

The management are responsible for formulating the accompanying financial statements, so that they give a true image of the assets, the financial situation and the results of the Company, in accordance with the regulatory framework on financial information applicable to the Entity in Spain, and of the internal control that they consider necessary to allow the preparation of the financial statements free of material misstatement, due to fraud or error.

In the preparation of the financial statements, the management are responsible for assessing the Company's ability to continue as a going concern, revealing, as appropriate, the matters related with a company in operation and using the accounting principle of a going concern except if the management intend to liquidate the Company or cease operations, or if there is no other realistic alternative.

*The auditor's responsibility for the audit of the financial statements*

Our objectives are to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, due to fraud or error, and to issue an audit report that contains our opinion.

Reasonable assurance is a high degree of assurance, but is not a guarantee that an audit conducted in accordance with the regulations governing the audit activity in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the current regulations governing the account auditing activity in Spain, we exercise professional judgment and maintain an attitude of professional skepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement in the financial statements, due to fraud or error, design and perform audit procedures to respond to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or circumvention of internal control.
- We obtain knowledge of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

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- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and disclosures made by management<sup>2</sup>.
- We conclude whether the use, by management, of the accounting principle of the company as a going concern is adequate and, based on the audit evidence obtained, we conclude on whether or not there is a material uncertainty related to events or conditions that can generate significant doubts about the ability of the Company to continue as a going concern. If we conclude that there is material uncertainty, we are required to draw attention in our audit report to the corresponding information disclosed in the financial statements or, if such disclosures are not adequate, we express a modified opinion. Our conclusions are based on the audit evidence obtained at the date of our audit report. However, future events or conditions may cause the Company to cease to be a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with the Entity's management of regarding, amongst other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the course of the audit.

Amongst the matters that have been communicated to the Entity's management, we determine those that have been of the greatest significance in the audit of the financial statements of the current period and that are, consequently, the key matters of the audit.

We describe those matters in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

BDO Auditores, S.L.P.

3 June 2020

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*Translation of the Annual Accounts originally issued in Spanish.  
In the event of a discrepancy, the Spanish-language version prevails.*

**GLOBAL MAZINKERT, S.L.**  
**(Sole Shareholder Company)**

**ANNUAL ACCOUNTS FOR THE FINANCIAL YEAR**  
**ENDED 31 MARCH 2020**

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*Annual Accounts of Global Mazinkert, S.L. (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**BALANCE SHEET AT 31 MARCH 2020 AND 31 MARCH 2019**  
(Stated in thousand euros)

ASSETS	Notes to the Report	31.03.20	31.03.19
<b>A- NON-CURRENT ASSETS</b>			
<b>I - LONG-TERM INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES</b>			
- Equity Instruments	Note 5.3	8,328	8,328
<b>TOTAL LONG-TERM INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES</b>		<b>8,328</b>	<b>8,328</b>
<b>IV - DEFERRED TAX ASSETS</b>	Note 11	<b>52</b>	<b>-</b>
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,380</b>	<b>8,328</b>
<b>B - CURRENT ASSETS</b>			
<b>II - DEBTORS</b>			
- Customers for sales and services	Note 5.4	28	-
- Current taxation assets	Note 11	12	51
<b>TOTAL DEBTORS</b>		<b>40</b>	<b>51</b>
<b>III - CURRENT INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES</b>			
- Loans to group companies	Note 5 & 15	2,254	2,322
<b>TOTAL INVESTMENTS IN GROUP AND ASSOCIATE COMPANIES</b>		<b>2,254</b>	<b>2,322</b>
<b>IV - CASH AND OTHER EQUIVALENT LIQUID ASSETS</b>			
- Cash and banks	Note 5	18	33
<b>TOTAL CASH AND OTHER EQUIVALENT LIQUID ASSETS</b>		<b>18</b>	<b>33</b>
<b>TOTAL CURRENT ASSETS</b>		<b>2,312</b>	<b>2,406</b>
<b>TOTAL ASSETS</b>		<b>10,692</b>	<b>10,734</b>

*The Company's Annual Accounts, which form a single unit, consist of these Balance Sheets, the attached Profit and Loss Accounts, Statement of Changes in Net Equity, Cash Flow Statements and the attached Annual Report, which consists of 15 Notes.*

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*Annual Accounts of Global Mazinkert, S.L (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**BALANCE SHEET AT 31 MARCH 2020 AND 31 MARCH 2019**  
(Stated in thousand euros)

NETEQUITY AND LIABILITIES	Notes to the Report	31.03.20	31.03.19
<b>A - NET EQUITY</b>			
I - CAPITAL			
- Authorised share capital		2,782	2,782
<b>TOTAL CAPITAL</b>	<b>Note 10.1</b>	<b>2,782</b>	<b>2,782</b>
<b>II - SHARE ISSUE PREMIUM</b>		<b>2,184</b>	<b>2,184</b>
III - RESERVES			
- Voluntary reserves		(5)	(5)
- Other Reserves		(671)	(671)
<b>TOTAL RESERVES</b>	<b>Note 10.2</b>	<b>(676)</b>	<b>(676)</b>
IV - PRIOR YEAR RESULTS		(1,230)	(1,064)
V - RESULT FOR THE YEAR		(61)	(166)
<b>TOTAL SHAREHOLDERS' FUNDS</b>	<b>Note 10</b>	<b>2,999</b>	<b>3,060</b>
<b>TOTAL NET EQUITY</b>		<b>2,999</b>	<b>3,060</b>
<b>C - CURRENT LIABILITIES</b>			
II - CURRENT LIABILITIES			
- Other Current liabilities	Note 6	3,513	3,345
<b>TOTAL CURRENT LIABILITIES</b>	<b>Note 6</b>	<b>3,513</b>	<b>3,345</b>
<b>III. SHORT-TERM DEBTS WITH GROUP AND AFFILIATED COMPANIES</b>	<b>Note 6</b>	<b>4,178</b>	<b>4,328</b>
IV - TRADE CREDITORS AND OTHER ACCOUNTS PAYABLE			
- Suppliers	Note 6	2	2
- Suppliers - group and associate companies	Note 6	-	-
- Other liabilities with public administrations	Note 11	-	-
<b>TOTAL TRADE CREDITORS</b>		<b>2</b>	<b>2</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>7,693</b>	<b>7,675</b>
<b>TOTAL NET EQUITY AND LIABILITIES</b>		<b>10,692</b>	<b>10,734</b>

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*Annual Accounts of Global Mazinkert, S.L (Sole Shareholder Company)*  
*Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**PROFIT AND LOSS ACCOUNTS FOR THE FINANCIAL YEAR ENDED**  
**31 MARCH 2020 AND 31 MARCH 2019**  
(Stated in thousand euros)

	Notes to the Report	31.03.20	31.03.19
<b>A - ONGOING OPERATIONS</b>			
1 - OTHER OPERATING EXPENSES			
- External services	Note 12	(2)	(6)
<b>TOTAL OTHER OPERATING EXPENSES</b>		<b>(2)</b>	<b>(6)</b>
<b>A.1 - OPERATING RESULT</b>		<b>(2)</b>	<b>(6)</b>
2 - FINANCIAL INCOME			
- Income from holdings in equity instruments, group and affiliated companies		25	25
<b>TOTAL FINANCIAL INCOME</b>		<b>25</b>	<b>25</b>
3 - FINANCIAL EXPENSES			
- On amounts owing to group and associate companies		(64)	(76)
- On amounts owing to third parties		(168)	(164)
<b>TOTAL FINANCIAL EXPENSES</b>		<b>(232)</b>	<b>(240)</b>
<b>A.2 - FINANCIAL RESULT</b>		<b>(208)</b>	<b>(216)</b>
<b>A.3 - RESULT BEFORE TAX</b>		<b>(210)</b>	<b>(221)</b>
4 - TAX ON PROFITS	Note 11	149	55
<b>A.4 - RESULT FOR THE YEAR FROM ONGOING OPERATIONS</b>		<b>(61)</b>	<b>(166)</b>
<b>A.5 - RESULT FOR THE YEAR</b>		<b>(61)</b>	<b>(166)</b>

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*Annual Accounts of Global Mazinkert, S.L. (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**STATEMENT OF CHANGES IN NET EQUITY**

**A) STATEMENT OF REVENUES AND EXPENSES RECOGNISED ENDED**

**31 MARCH 2020 AND 31 MARCH 2019**

(Stated in thousand euros)

	Notes to the Report	31.03.20	31.03.19
<b>RESULT FROM THE PROFIT AND LOSS ACCOUNT (I)</b>		(61)	(166)
Revenues and expenses attributed directly to net equity:			
Grants, donations and legacies received		-	-
Tax effect		-	-
<b>TOTAL REVENUES AND EXPENSES ATTRIBUTED DIRECTLY TO NET EQUITY (II)</b>		-	-
Transfers to the profit and loss account			
Grants, donations and legacies received		-	-
Tax effect		-	-
<b>TOTAL TRANSFERS TO THE PROFIT AND LOSS ACCOUNT (III)</b>		-	-
<b>TOTAL RECOGNISED REVENUES AND EXPENSES (I+II+III)</b>		(61)	(166)

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*Annual Accounts of Global Mazinkert, S.L (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**STATEMENT OF CHANGES IN NET EQUITY**

**B) TOTAL STATEMENT OF CHANGES IN NET EQUITY ENDED 31 MARCH 2020 AND 31**

**MARCH 2019**

(Stated in thousand euros)

	Share Capital	Issue Premium	Reserves	Prior year results	Result for the current year	Total
Adjusted balance, start 01/04/18	2,254	1,037	(676)	(904)	(160)	1,551
Total recognized income and expenses	-	-	-	-	(166)	(166)
Transactions with shareholders or owners						
- Capital increases (note 10.1)	528	1,147	-	-	-	1,675
Other changes in equity	-	-	-	(160)	160	-
Closing balance 31/03/19	2,782	2,184	(676)	(1,064)	(166)	3,060
Adjusted balance, start 01/04/19	2,782	2,184	(676)	(1,064)	(166)	3,060
Total recognized income and expenses	-	-	-	-	(61)	(61)
Other changes in equity	-	-	-	(166)	166	-
Closing balance 31/03/20	2,782	2,184	(676)	(1,230)	(61)	2,999

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*Annual Accounts of Global Mazinkert, S.L (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**CASH FLOW STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 AND 31 MARCH 2019**

(Stated in thousand euros)

	Notes to the Report	31.03.20	31.03.19
<b>Cash flows from operating activities</b>			
Result for the year before tax		(209)	(221)
Adjustments to the result		207	216
Financial income		(25)	(25)
Financial expenses		232	240
Adjustments to current capital		(27)	(7)
Trade and other payables		(27)	(7)
Other cash flows from operating activities		227	(477)
Payments for interest		-	(336)
Receipts/Payments for income tax		227	(142)
<b>Cash flows from operating activities</b>		<b>199</b>	<b>(490)</b>
<b>Cash flows from financing activities</b>			
Receipts and payments for financial-liability instruments		(214)	(1,156)
Debts with group and affiliated companies	Note 15	(214)	(784)
Repayment and amortization of debts with credit institutions	Note 6.2	-	(373)
Receipts and debts for equity instruments		-	1,675
Issuing of equity instruments	Note 10.1	-	1,675
<b>Cash flow from financing activities</b>		<b>(214)</b>	<b>519</b>
<b>NET REDUCTION OF CASH AND CASH EQUIVALENTS</b>		<b>(15)</b>	<b>29</b>
Cash or cash equivalents at start of financial year		33	4
Cash or cash equivalents at end of financial year		18	33

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

**NOTE 1. COMPANY'S INCORPORATION, BUSINESS AND LEGAL REGIME**

**a) Incorporation and Registered Office**

**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**, (hereinafter the Company) was incorporated on 2 January 2013.

Its current registered office is located at CALLE PRADILLO NÚMERO 5, BAJO EXTERIOR, DERECHA en el 28002 de MADRID.

The Company is registered in Madrid Company's Register volume 30.572, book 0, folio 160, section 8, sheet M-550243, 1st entry. The Company's Tax Identity Number is B86624657.

The Company is the head of a group of companies that files consolidated annual accounts. In turn, the sub-group whose main parent company is Global Mazinkert, S.L.U. is part of a higher group located in India, which is listed on a secondary market in that country. The group's ultimate holding company is Minda Industries Limited.

**b) Business activity**

The Company's corporate purpose is the acquisition, administration and management of assets, securities and investment portfolios, market research and promotion of external trade, development of activities related with the Internet, publicity services, production and distribution of content for communication media, development of computer and planning applications and projects, the design, development, marketing, administration and operating of facilities and plants for the production of energy from natural resources.

The Company's financial year starts on 1 April 2019 and ends on 31 March 2020. In the remaining Notes to this Report whenever reference is made to the financial year ended 31 March 2020, this is simplified to "financial year 2019-20".

**c) Legal Regime**

The Company is governed by its articles of association and by the current Capital Companies Act.

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## **NOTE 2. BASIS OF PRESENTATION OF THE ANNUAL ACCOUNTS**

### **a) True and fair view and applicable legal framework for financial information**

The annual accounts for the financial year 2019-20 have been obtained from the Company's accounting records and have been drawn up in accordance with current company legislation and the regulations established in the General Accounting Plan as approved by Royal Decree 1514/2007 of 16 November, with the application of the amendments introduced by Royal Decree 1159/2010 of 17 September and Royal Decree 602/2016, of 2 December, so as to give a true and a fair view of the Company's net assets, financial situation and results, as well as the veracity of the flows incorporated in the cash flow statements.

### **b) Accounting Principles Applied**

The annual accounts have been drawn up applying the accounting principles established in the Commercial Code and the Spanish General Accounting Plan, as approved by Royal Decree 1514/2007, which was modified by Royal Decree 1159/2010 of 17 September, and by the Royal Decree 602/2016 of 2 December.

### **c) Presentation currency**

In accordance with current legal regulations on accounting matters the annual accounts are stated in thousand euros.

### **d) Critical Aspects in the Valuation and Estimation of Uncertainty**

There are no material uncertainties or aspects regarding the future that could have an associated important risk that might suppose significant changes in the value of the assets and liabilities in the following year.

Notwithstanding the above, at 31 March 2020 the Company presented negative working capital amounting 5,382 thousand euros (5,268 thousand euros at 31 de March 2019). The managers consider that, if necessary, this imbalance might be compensated through the disposal of funds from other sources. In this aspect the Company's Sole Shareholder is prepared and has the ability to provide the necessary funds for the Company to be able to meet its short-term obligations and the year 2018-2019 has performed a capital increase amounting 1,675 million euros. Consequently, there is no material uncertainty regarding the ability of Global Mazinkert, S.L.U. to continue as a going concern.

### **e) Comparative Information**

In compliance with companies legislation, the managers present for comparative purposes for each of the Balance Sheet, Profit and Loss Account, Statement of Changes in Net Equity and Cash Flow Statement the figures for the financial year ended 31 March 2020 and in addition to those for the financial year ended 31 March 2019.



#### **f) Responsibility for the Information and Estimates Made**

The information contained in these annual accounts is the responsibility of the Company's managers. Estimates have been used in these annual accounts in order to evaluate some of the assets, liabilities, revenues, expenses and commitments that are recorded therein, with these estimates referring basically to the evaluation of impairment losses on certain assets, the useful lives of non-current assets and the probability of occurrence of provisions.

Despite these estimates being made on the basis of the best available information at the date of formulation of the Annual Accounts, it is possible that future events might make it necessary to modify these in coming years. In such case, this modification will be made in a prospective manner, recognising the effects of the change to the estimate in the corresponding profit and loss accounts.

#### **NOTE 3. APPLICATION OF RESULTS**

The proposal for the distribution of results for the financial year 2019-20 as drawn up by the Directors is as shown below, in thousand euros:

	2019-20	2018-19
<b>Basis for distribution</b>		
Loss obtained in the year	61	166
<b>Distribution to:</b>		
Prior year losses	61	166

#### **NOTE 4. ACCOUNTING AND VALUATION POLICIES**

The main valuation policies used by the Company in drawing up its Annual Accounts for the financial year 2019-20 are in accordance with those established by the Spanish General Accounting Plan and are as follows:

##### **a) Leases and other operations of a similar nature**

The operating leases expenses incurred during the financial year are charged to Profit and Loss Account.



## **b) Financial instruments**

The Company determines the classification of its financial assets at the time of their initial recognition and, when this is allowed and appropriate, such classification is re-evaluated at each balance sheet date. For the purpose of their measurement, financial instruments used by the Company are classified into one of the following categories:

- Loans and receivables and debits and payables.
- Investments in the equity of group, associate and multi-group companies.

### **Loans and receivables and debits and payables**

#### **Loans and receivables**

Classified into this category are:

- 1 Receivables for trade operations: financial assets originated in the sale of goods and the provision of services for trade operations, and
- 2 Receivables for non-trade operations: financial assets that, not being equity instruments or derivatives, are not of trade origin, the collections on which are of a determined or determinable amount and which are not traded on an active market. Not included are those financial assets for which the Company cannot make substantial recovery of the whole initial investment for circumstances other than credit impairment. The latter are classified as available for sale.

#### **Debits and payables**

Classified into this category are:

- a) Debits for trade operations: financial liabilities originating in the purchase of goods and services for trade operations, and
- b) Debits for non-trade operations: financial liabilities that, not being derivative instruments, do not have a trade origin.

Initially, the financial assets and liabilities included in this category are measured at fair value, which is the transaction price and which is equivalent to the fair value of the consideration paid over plus the directly attributable transaction costs.

Despite what is indicated above, receivables and debits from trade operations with due dates of less than one year that do not have a contractual rate of interest as well as, if applicable, advances and loans to personnel, dividends receivable and payments called on equity instruments, for which receipt is expected in the short term, are measured at their nominal value when the effect of updating the cash flows is not material.



In subsequent valuation, both assets and liabilities, are measured at amortized cost. Accrued interest is recorded in the Profit and Loss Account using the effective interest rate method. Notwithstanding the foregoing, credits and debits with a maturity of not more than one year that were initially valued at their nominal value, continue to be valued at that amount, except, in the case of credits, which have deteriorated.

The necessary value corrections are made at year end if there is objective evidence about the value impairment of a credit, i.e. if there is evidence of a reduction or delay in the estimated future cash flows corresponding to that asset.

The impairment loss on loans and receivables corresponds to the difference between their carrying amount and the present value of future cash flows that are expected to be generated, as discounted at the effective rate of interest calculated at the time of their initial recognition.

The valuation correction due to impairment of debtors at 31 March 2020 has been estimated on the basis of the analysis of each of the individual balances pending collection at this date.

#### **Investments in equity of group companies**

These are measured initially at cost, which is equivalent to the fair value of the consideration paid plus the transaction costs directly attributable to them.

They are subsequently measured at cost less, as applicable, the accumulated amount of the value corrections for impairment.

At yearend, and if there is objective evidence that the carrying value of an investment will not be recovered, the necessary valuation corrections are made.

The amount of the valuation correction is determined as the difference between the carrying value and the recoverable amount. Barring better evidence for the recoverable value of the investments, when estimating the impairment of this kind of assets the proportional part of the investee company's net equity is taken into account, as corrected by the existent capital gains at the valuation date, corresponding to identifiable items in the investee company's balance sheet.

#### **Derecognition of financial assets**

A financial asset, or part of it, is derecognised when the contractual rights over the financial asset's cash flows expire or are assigned, and the risks and benefits inherent to its ownership have been substantially transferred.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the corresponding obligation is extinguished.



### **Interest and dividends received on financial assets**

Interest and dividends from financial assets accrued subsequent to the moment of acquisition are recognised as revenues in Profit and Loss Account.

On the other hand, when the dividends received come unequivocally from results generated prior to the date of acquisition these are recorded reducing the carrying value for the investment.

Interest is recognised using the effective rate of interest method and dividends are recognised when the shareholder's right to receive these is recognised. For this purpose, the initial measurement of financial investments includes the amount of explicit interest accrued and not due at that moment, as well as the amount of dividends agreed for payment by the competent body at the time of acquisition.

### **Deposits provided**

The deposits submitted for operating leases and the provision of services, the difference between their fair value and the amount paid, are recorded as payments in advance for the lease or service provision. In the case of short-term deposits provided, these are measured by the amount paid.

Deposits for operating leases are measured at fair value.

### **c) Foreign currency transactions**

Transactions in foreign currency are recorded at their equivalent in euros applying the exchange rates on the dates on which these are carried out.

Monetary items are measured at year end by applying the closing exchange rate at that date. Exchange differences, both positive and negative, originated in this process are recognised in Profit and Loss Account for year.

In the case of financial assets of monetary nature classified as available-for-sale, the determination of exchange differences arising from the variation in the exchange rate between the transaction date and the year end date is made as if these assets were valued at amortised cost in the foreign currency, in a way that the exchange differences are those resulting from the variations in this amortised cost as a consequence of the variations in exchange rates, independently of their fair value. Exchange differences thus calculated are recognised in the Profit and Loss Account for the financial year in which they arise, whereas other changes in the carrying value of these financial assets are recognised directly in Net Equity in accordance with the accounting standards relating to financial instruments.



Non-monetary items are valued at historic cost, and continue to be valued applying the exchange rate at the transaction date. The measurement thus obtained cannot exceed at yearend the recoverable amount at that time, applying if necessary, the closing exchange rate; i.e. the annual accounts date.

At each year end, non-monetary items measured at fair value are measured by applying the exchange rate at the date of determination of the fair value, i.e. at yearend. When the profits and losses derived from changes in the valuation of a non-monetary item are recognised directly in net equity, any exchange rate difference is also recognised directly in Net Equity. By contrast, when the profits and losses derived from changes in the valuation of a non-monetary item are recognised directly in the Profit and Loss Account for the year, any exchange rate difference is recognised directly in the result for the year.

**d) Corporate income tax**

Corporate income tax is recorded in the Profit and Loss Account or directly against Net Equity, depending on where the profits or losses arising from the tax are recorded. The corporate income tax for each year contains both the current and, if applicable, any deferred tax.

The amount for current tax is the amount to be settled by the Company as consequence of its tax returns.

The differences between the carrying amounts of assets and liabilities and their tax base, give rise to deferred tax assets and liabilities, calculated using the foreseeable tax rates at the time of reversal and in accordance with the manner in which it is rationally foreseen that the asset or liability will be recovered or paid.

Variations in deferred tax assets or liabilities are recognised in Profit and Loss Account or directly in Net Equity, as applicable.

Deferred tax assets are only recognised to the extent that it is probable that the company will have future taxable profits that will allow these assets to be applied.

The carrying amounts of recorded deferred tax assets are analysed at each balance sheet date and the necessary adjustments are made to the extent that doubts exists related to their future tax recoverability. Likewise, an evaluation is made each yearend of deferred tax assets not recorded in the balance sheet, with these being recognised if their recovery against future tax profits has become probable.



The Company files consolidated tax returns with some of its affiliated companies. The accrued expense for Corporate Income Tax of these companies in consolidated tax returns, is determined considering, in addition to the considered parameters of individual taxation previously mentioned, the following:

- The permanent and temporary differences produced as a consequence of eliminating the results of group intercompany operations, derived from the process of determining the consolidated tax base.
- The deductions and tax credits that correspond to each company within the consolidated tax returns of the fiscal group; to this effect the deductions and tax credits are accrued by the Company that carried out the necessary activity to obtain the right of deduction or tax credit.

The parent Company of the group records the total amount payable (refundable) for the consolidated Corporate Income Tax and are charged (credited) to Receivables (liabilities) with group and associated companies.

**c) Revenues and expenses**

Revenues and expenses are accounted on the accruals basis, i.e. when the real flow of goods and services take place, independently of the moment in which the monetary or financial flow derived from these occurs.

Revenues from the sale of goods and the provision of services are measured at the fair value of the consideration, received or receivable, derived from these and which, barring evidence to the contrary, is the agreed price for such goods or services, after deducting: the amount of any discount, price reduction or other similar items that the Company might grant, as well as the interest added to the nominal amount of the credits.

**f) Provisions and contingencies**

Existing obligations at yearend as a result of past events from which there could derive harm to the Company's net equity and for which the amount and date of cancellation cannot be determined are recorded in the balance sheet as provisions and are measured using the present value of the best possible estimation of the amount needed to settle the obligation or to transfer it to a third party.

Adjustments arising from the update of the provision are recorded as financial expenses as they accrue. In the case of provisions with a due date that is less than or equal to one year no discount rate is applied, provided that the financial effect is not significant.

Also, the Company discloses information, as applicable, on contingencies that do not give rise to a provision.



**g) Assets of environmental nature**

Expenses related with the minimisation of environmental impact as well as for the protection and improvement of the environment are recognised in accordance with their nature in the Profit and Loss Account for the year in which they arise.

Assets intended for these activities, are classified under the corresponding heading for property, plant and equipment and are measured at their acquisition price or production cost, net of the corresponding accumulated amortisation and, as applicable, the accumulated amount of recognised value impairment corrections.

A provision of an environmental nature is recorded if, as a consequence of the existence of legal, contractual or any other type of obligations, as well as of commitments acquired for the prevention and repair of environmental damage it is probable or certain that the Company will have to make a future economic disbursement, for which the foreseen amount and/or moment of settlement is not certain at the yearend.

**h) Related party transactions**

As a general rule, items that are object of a transaction with related parties are recorded initially at their fair value. Their subsequent measurement is made in accordance with the provisions set out in the corresponding accounting rules.

**i) Cash flow statements**

The expressions used in the cash flow statements have the following meanings:

Cash or equivalents: cash includes both cash on hand and deposits in banks. Cash equivalents are financial instruments that form part of the Company's normal treasury management, are convertible into cash, have initial due dates that do not exceed three months and are subject to irrelevant risks of value changes.

Cash flows: inflows and outflows of cash or other equivalent resources, being understood as investments for a period of less than three months with high liquidity and low risk of value changes.

Operating activities: these are the activities that constitute the main source of the Company's ordinary revenue as well as other activities that cannot be classified as investment or financing activities.

Investment activities: those of the acquisition, sale or disposal by other means of long-term assets and other investments not included under cash or cash equivalents.

Financing activities: activities that produce changes in the size and composition of the net worth and in financial liabilities.



**j) Business combination**

The Company, on the date of acquisition of a business combination arising from a merge or dc merger or of the acquisition of all or part of the equity items of a company, recognises all the assets acquired and all the liabilities assumed, as well as, where appropriate, the difference between the value of those assets and liabilities and the cost of the business combination.

The acquisition date is that in which the control is acquired for the business or businesses acquired.

The cost of a business combination corresponds to the total amount of:

- a) The fair values, on the date of acquisition, of the assets gained, of the liabilities incurred or assumed and of the equity instruments issued in exchange for the businesses acquired.
- b) The fair value of any additional consideration which depends on future events or the fulfilment of certain conditions, where such consideration is considered probable and its fair value can be reliably estimated.
- c) Any cost that is directly attributable to the combination, such as fees paid to legal advisers or other professionals involved in the transaction.

Expenses relating to the issue of equity instruments or of financial liabilities supplied in exchange for the equity items acquired do not form part of the cost for a business combination.

On the acquisition date, identifiable assets acquired and liabilities assumed are generally recognized for their fair value provided that this fair value can be measured with sufficient reliability. Nevertheless, in the valuation and recognition of the assets acquired and liabilities assumed account is taken of the following rules:

- Non-current assets which are classified as held to maturity are recognized by their fair value less the sales costs.
- Deferred tax assets and liabilities are valued by the amount that it is expected to be recovered or paid by the tax authorities, depending on the types of tax that are to be applied during the financial years in which the assets are expected to be realized or the liabilities paid.
- Where on the date of acquisition, the business acquired maintains an operating lease under favourable or unfavourable conditions with respect to the market conditions, it is recognized as an intangible fixed asset or a provision respectively.



- Assets and liabilities associated with defined contribution pension plans are recognized, on the date of acquisition, by the current value of the undertaken payments less the fair value of the plan assets in the commitments with which the obligations will be met. The present value of the obligations shall in any case include the costs of the past services which result from changes in the provisions or the introduction of a plan, prior to the date of acquisition.
- In the event that the recognition of an identified intangible fixed asset, whose valuation cannot be calculated by reference to a marketed asset, involves the recognition of an income in the Profit and Loss Account, that asset is valued by deducting the amount of its fair value, the negative difference initially calculated. Where the amount of that negative difference is greater than the total value of the intangible fixed asset, that asset is not recognized.

Where the business acquired incorporates obligations classified as contingencies, the Company recognises as a liability the fair value of assuming such obligations, provided that this fair value can be measured with sufficient reliability.

The surplus, on the date of acquisition, of the cost of the business combination on the corresponding value of the identifiable assets acquired less that of the liabilities assumed is recognized as goodwill.

Where the value of the identifiable assets acquired less that of the liabilities assumed is greater than the cost of the business combination, the surplus is recognized in the Profit and Loss Account as an income.

Adjustments that are recognized in order to complete the initial accounting are carried out retroactively, i.e. so that the resulting values are those that would derive had the information that is incorporated been initially known. Therefore:

- Adjustments in the initial value of identifiable assets and liabilities are deemed to be made on the date of acquisition.
- The value of the goodwill or negative difference is corrected, with effect from the date of acquisition, for an amount equal to the adjustment that is made to the initial value of the identifiable assets and liabilities.

Once the provisional recognition period has lapsed, adjustments shall only be made in the initial valuations when:

- Adjustments are made to the additional considerations which depend on future events or the fulfilment of certain conditions.
- Previously unrecognized deferred tax assets are recognized.
- Errors are corrected under the provisions laid down in the regulation on changes in accounting standards, errors and accounting estimates.
- Other changes subsequently made are recognized as changes in the estimates.



## **NOTE 5. FINANCIAL ASSETS**

The detail of long-term financial assets is as follows:

	Equity Instruments 31/03/2020	Equity Instruments 31/03/2019
Investments in group companies (Note 5.3)	8,328	8,328
<b>Total</b>	<b>8,328</b>	<b>8,328</b>

The detail for current financial assets is as follows:

	Loans, Derivatives and Others		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
<b>Cash and other liquid assets</b>				
Cash and other liquid assets (Note 5.1)	18	33	18	33
<b>Loans and receivables</b>				
Loans to group and associate companies (Note 15)	2,254	2,322	2,254	2,322
<b>Customers for sales and services</b>	28	-	28	-
<b>Total</b>	<b>2,300</b>	<b>2,355</b>	<b>2,300</b>	<b>2,355</b>

### **5.1) Cash and other equivalent liquid assets**

The detail of these assets at 31 March 2020 and 2019 is as follows:

	Balance at 31/03/2020	Balance at 31/03/2019
Current accounts	18	33
<b>Total</b>	<b>18</b>	<b>33</b>

### **5.2) Other information relating to financial assets**

#### **a) Classification by due dates**

At 2019-20 year end, all of the Company's financial assets had maturity dates of less than 1 year (1 year ended 31 March 2019).



### 5.3) Group Companies

The breakdown of the holdings held at 31 March 2020 in Group Companies are detailed below, in thousand euros:

	% Direct Holding	Value of the holding	Amount of the Impairment	Net Carrying Value
<b>Group Companies</b>				
Clarton Horn, S.A.U.	100%	6,814	-	6,814
Light & Systems Technical, S.L. Center, S.L.	100%	1,514	-	1,514
		<b>8,328</b>		<b>8,328</b>

The breakdown of the holdings held at 31 March 2019 in Group Companies are detailed below, in thousand euros:

	% Direct Holding	Value of the holding	Amount of the Impairment	Net Carrying Value
<b>Group Companies</b>				
Clarton Horn, S.A.U.	100%	6,814	-	6,814
Light & Systems Technical, S.L. Center, S.L.	100%	1,514	-	1,514
		<b>8,328</b>	-	<b>8,328</b>

During the financial year 2017-18 the company registered, according to what is indicated in note 4.j "Business combinations", the value of the participation in the company Light & Systems Technical Center, S.L., registering an impairment loss of 671 thousand euros to complete the initial accounting for 2,185 thousand euros during financial year 2016-17 retroactive, so that the resulting values are those that would be derived from initially having the information that is incorporated.

During the financial year 2019-20 there has been no movement in this item, maintaining the same holding values.

Clarton Horn, S.A.U. has its register office at Avenida Juan Carlos I, s/n in La Carolina (Jaén). Its business activity consist of the production and sale of horns for the automotive sector.

Light & Systems Technical Center, S.L. has its register office at "Parque Tecnológico de Bizkaia - Edificio 802" in Derio (Bizkaia). It is a company dedicated to Research and Development for automotive lighting.

The investees Companies are not listed on a Stock Exchange.



*This version of the Annual Report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the Annual report takes precedence over this translation*

**Annual Accounts of Global Mazinkert, S.L (Sole Shareholder Company)**  
**Financial year ended 31 March 2020**

The summary of the investee company's net equity as at 31 March 2020, as per its audited annuals accounts of Clarton Horn, S.A.U. and the accounting data of Light Systems Technical Center, S.L. is as follows, in thousand euros:

Company	Balance sheet date	Share Capital	Share Premium	Reserves	Prior year results	Result for the financial year 2019-20	Grants	Total
<b>Group companies:</b>								
Clarton Horn, S.A.U.	31/03/20	962	5,975	9,811	-	(340)	5	16,413
Light & Systems Technical Center, S.L.	31/03/20	1,320	-	24	(265)	171	-	1,250

The summary of the investee company's net equity as at 31 March 2019, as per its audited annuals accounts of Clarton Horn, S.A.U. and the accounting data of Light Systems Technical Center, S.L. is as follows, in thousand euros:

Company	Balance sheet date	Share Capital	Share Premium	Reserves	Prior year results	Result for the financial year 2018-19	Grants	Total
<b>Group companies:</b>								
Clarton Horn, S.A.U.	31/03/19	962	5,975	7,484	-	2,350	12	16,783
Light & Systems Technical Center, S.L.	31/03/19	1,320	-	174	(571)	380	-	1,303

#### 5.4) Customers for sales and services

##### a) Customers for sales and services

At the end of the financial year, an invoice amounting 28 thousand euros had yet to be settled with Clarton Horn S.A.U. for services assumed by Global during 2019-20 and which must be charged to that company.

#### **NOTE 6. FINANCIAL LIABILITIES**

The detail of current financial liabilities is as follows:

	Amounts owing to credit entities		Derivatives and Others		Total	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Debits and accounts payable (Note 6.1)	-	-	7,693	7,675	7,693	7,675
<b>Total</b>	-	-	<b>7,693</b>	<b>7,675</b>	<b>7,693</b>	<b>7,675</b>

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## 6.1) Debits and accounts payable

The following is the detail of these items at 31 March 2020 and 2019, in thousand euros:

	Balance at 31/03/2020		Balance at 31/03/2019	
	Long Term	Short Term	Long Term	Short Term
<b>On trade operations:</b>				
Suppliers	-	2	-	2
Suppliers, related parties (Note 15.1)	-	-	-	-
<b>Total balance for trade operations</b>	-	2	-	2
<b>On non-trade operations:</b>				
Amounts owing to credit entities	-	-	-	-
Amounts owing to Group entities (Note 15.1)	-	4,178	-	4,328
Amounts owing to related parties (Note 15.1)	-	3,513	-	3,345
<b>Loans and other accounts payable</b>	-	7,691	-	7,673
<b>Total balance for non-trade operations</b>	-	7,691	-	7,673
<b>Total debits and accounts payable</b>	-	7,693	-	7,675

## 6.2) Other information relating to financial liabilities

### a) Classification by due dates

The detail of due dates for financial liability instruments at the end of financial year 2019-20 is as follows:

	Due date in years		
	2020/21	2021/22	Total
<b>Liabilities with associated parties</b>			
Liabilities with associated parties	3,513	-	3,513
<b>Amounts owing to group and associate companies:</b>			
Current liabilities with group and associate companies	4,178	-	4,178
<b>Trade creditors and other accounts payable</b>			
Suppliers	2	-	2
<b>Total</b>	<b>7,693</b>	<b>-</b>	<b>7,693</b>

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The detail of due dates for financial liability instruments for the financial year 2018-19 are as follows:

	Due date in years		Total
	2019/2020	2020/21	
<b>Liabilities with associated parties</b>			
Liabilities with associated parties	3,345	-	3,345
<b>Amounts owing to group and associate companies:</b>			
Current liabilities with group and associate companies	4,328	-	4,328
<b>Trade creditors and other accounts payable</b>			
Suppliers	2	-	2
<b>Total</b>	<b>7,675</b>	<b>-</b>	<b>7,675</b>

**NOTE 7. INFORMATION ON PAYMENT DEFERRALS MADE WITH SUPPLIERS. THIRD ADDITIONAL PROVISION ON "DUTY OF INFORMATION" UNDER LAW 15/2010, OF 5 JULY**

The Law 15/2010, of 5 July, modifying Law 3/2004 of 29 December, establishing measures against late payments in trade operations states: "companies must clearly publish information regarding payment periods to their suppliers in the Notes to the Annual Accounts". To this end, the Resolution of 29 January 2016 by the *Instituto de Contabilidad y Auditoría de Cuentas* (Institute of Accounting and Audit), regarding the information to be included in the Notes to the Annual Accounts in relation to the suppliers average payment period in trade operations, dictates the information to be included in the notes to comply with said Law.

The average payment period during the financial year 2019-20 has amounted to 60 days (60 days during the financial year 2018-19).

**NOTE 8. AUDIT FEES**

The audit fees accrued by BDO Auditores, S.L.P., during the financial year 2019-20 for the audit of the annual accounts amounted to 2.025 thousand euros, (2.025 thousand euros in the financial year 2017-18). In addition, fees for the audit of the consolidated annual accounts accrued by the auditor during 2019-20 amounted to 3.050 thousand euros (3.050 thousand euros in 2018-2019).

**NOTE 9. INFORMATION ON THE NATURE AND LEVEL OF RISK FROM FINANCIAL INSTRUMENTS**

The Company's activities are exposed to different types of financial risks, notably credit and liquidity risks and market risks (exchange rate, interest rate and other price risks).

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### **9.1) Credit risk**

The Company's main financial assets are bank and cash balances, trade debtors and other receivables and investments, representing its maximum exposure to the credit risk in respect of financial assets.

The Company's credit risk is mainly attributable to its trade receivables. The amounts are reflected in the balance sheet net of provisions for bad debts, which have been estimated by the Company's Management on the basis of prior years' experience and its appraisal of the current economic environment.

The Company does not have a significant concentration of credit risk, its exposure is distributed among a large number of counterparts and customers.

### **9.2) Liquidity risk**

The Company does not have any material exposure to the liquidity risk (except as indicated in note 2 d) with regard to its negative working capital), due to the fact that it maintains sufficient cash and credit facilities to be able meet the outgoings necessary in its normal operations. Should there be the need for ad hoc finance the Company has access to loans and credit facilities as well as the liquidity that might be generated by its subsidiary Clarton Horn, S.A.U. or the funds that might be provided by the Sole Shareholder.

The general situation of the financial markets, especially the banking market, has been particularly unfavourable to those seeking credit. The Company is permanently attentive to the evolution in the different factors that might help it to resolve liquidity crises and, especially, the sources of funding and their characteristics.

Especially, we can summarise the points to which most attention is paid:

- Monetary assets liquidity: the placement of surplus funds is always for very short terms, Placements for terms above three months require explicit authorisation.
- Diversification of due dates for credit facilities and control over funding and refinancing.
- Control over the remaining life of funding facilities.
- Diversification of sources of funding: at corporate level, bank funding is fundamental due to the ease of access to this market and its cost and, on many occasions, without there being any competition from other alternative sources.

This does not exclude the use of other sources in the future.

### **9.3) Exchange rate risk**

The Company is not exposed to significant exchange rates risk and so it does not carry out operations with hedging financial instruments.

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#### **9.4) Interest rate risk**

The variations in interest rates modify the fair value of those assets and liabilities that accrue a fixed rate of interest as well as the future flows from assets and liabilities benchmarked to a variable interest rate.

The purpose of interest rate risk management is to achieve stability in the debt structure that makes it possible to minimise the cost of debt over a pluri-annual horizon with reduced volatility in the Profit and Loss Account.

The reference rate of interest for the debt contracted by the Company is, fundamentally, the Euribor.

### **NOTE 10. SHAREHOLDER FUNDS**

#### **10.1) Share Capital**

The share capital at 31 March 2020, is represented by 2,781,991 bearer shares each with a nominal value of 1 euro, totally subscribed, and paid up. All of these shares have equal voting and economic rights.

During 2018-19, the Sole Shareholder Minda Industries Limited has granted a capital increase for an amount of 528 thousand euros in share capital and 1,147 thousand euros increase for the share issue premium. Total amount of the capital increase has been of 1,675 thousand euros.

The capital at 31 March 2020 amounts to 2,782 thousand euros (2,782 thousand euros as at 31 March 2019).

The Company's Sole Shareholder at 31 March 2020 is Minda Industries Limited, a company with Indian nationality.

#### **10.2) Reserves**

The detail for Reserves is as follows in thousands euros:

	31/03/2020	31/03/2019
Voluntary reserves	(5)	(5)
Other reserves	(671)	(671)
<b>Total</b>	<b>(676)</b>	<b>(676)</b>



#### a) Legal Reserve

The Legal Reserve is restricted with regard to its use, which is subject to various legal provisions. Under the provisions of the Capital Companies Act, companies incorporated under whichever legal form are obliged, if they earn profits, to transfer 10% of those profits to a legal reserve until such reserve reaches a level that is one fifth of the subscribed share capital. The legal reserve may be used to compensate losses or for share capital increase for the part that exceeds 10% of the share capital once increased, as well as for distribution to shareholders in the event of liquidation. At 31 March 2020, the Legal Reserve was not fully provided.

#### b) Voluntary reserves

All the expenses incurred by the Company for its incorporation are carried to voluntary reserves.

### NOTE 11. TAX POSITION

The detail of balances with Public Administrations at 31 March 2020 and 31 March 2019 is as follows, in thousand euros:

	Financial year to 31/03/2020		Financial year to 31/03/2019	
	Receivable	Payable	Receivable	Payable
<b>Current</b>				
Corporate income tax	12	-	51	-
	<b>12</b>	<b>-</b>	<b>51</b>	<b>-</b>

#### Tax position

Under current legislation, tax returns may not be considered as agreed until the tax authorities have inspected them or the period of four years has expired. Consequently, in the event of possible inspections there might arise additional liabilities to those recorded by the Company.

On 17 March 2015 the directors took the decision to create a tax group to take effect as from 1 April 2015, with the parent company being Global Mazinkert, S.L., the subsidiary being Clarton Horn, S.A.U. The tax group number assigned by the Tax Agency is 417/15.

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Annual Accounts of Global Mazinkert, S.L (Sole Shareholder Company)  
Financial year ended 31 March 2020

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### Corporate income tax

The reconciliation between the net amount of revenues and expenses for the year with the taxable base for corporate income tax is as follows in thousands euros:

	Financial year ended 31/03/2020 Profit and Loss Account			Financial year ended 31/03/2019 Profit and Loss Accounts		
Results for year (after tax)			(61)			(166)
	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>	<i>Increases</i>	<i>Decreases</i>	<i>Net effect</i>
Corporate income tax	-	149	(149)	-	55	(55)
Tax base (tax result)	-	-	(210)	-	-	(221)

The following are the calculations made in determining the corporation tax payable, in thousand euros:

	31/03/2020	31/03/2019
Prior tax base	(210)	(221)
Tax base	(210)	(221)
Tax charge	-	-
Less: withholdings and payments on account	(12)	(292)
Less: deductions	-	-
Tax (payable)/refundable	(12)	(292)

As indicated in Note 4.d) the Company opts for the consolidated tax regime so the consolidated corporate tax debt would amount to 759 thousand euros (852 thousand euros receivable as at 31 March 2019). The tax base of Clarton Horn, S.A.U. is integrated into the profit tax of Global Mazinkert, S.L.U.

During the financial year 2019/2020 52 thousand euros have been recognised as tax credits for year losses.

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## **NOTE 12. REVENUES AND EXPENSES**

### **a) Other operating expenses**

The following is the detail of other operating expenses, in thousand euros:

	31/03/2020	31/03/2019
Independent professional services	1	2
Banking services and similar	1	4
<b>Total expenses</b>	<b>2</b>	<b>6</b>

## **NOTE 13. SECURITIES AND GUARANTEES**

The Company had not requested or provided guarantees of any type to third parties at 31 March 2020 neither as at 31 March 2019.

## **NOTE 14. SUBSEQUENT EVENTS**

During the start of financial year 2020, there has been a general expansion of a new coronavirus (hereafter, "COVID-19") which is supposedly originated in the Chinese city of Wuhan. Due to the rapid spread within and outside of the Chinese territory, the World Health Organization considered, on 11 March 2020, the public health emergency caused by COVID-19 as an international pandemic.

The rapid evolution of events, at national and international levels, is causing a serious health crisis in several countries. To face this situation, the Spanish Government approved on March 14, 2020 the Royal Decree 463/2020 where, to improve the management of the health crisis caused by COVID-19, the State of Alarm has been declared.

Among the measures adopted is the limitation of people's freedom of movement, except for a small number of allowed activities. These measures have an impact on the ordinary management of the country's economy and, consequently, on the ordinary activity of the Company's subsidiaries.

However, the subsidiaries have adopted measures to mitigate the effect of this crisis and the Directors have estimated the possible economic consequences that may affect the Company, considering that it will not have a significant impact.



## **NOTE 15. RELATED PARTY TRANSACTIONS**

### **15.1) Balances between related parties**

The detail of the balances held with related parties at 31 March 2020 and 31 March 2019 is as shown below, in thousand euros:

	31/03/2020		31/03/2019	
	Receivable	Payable	Receivable	Payable
<b>Current</b>				
<b>Credits and Loans</b>				
<b>Group Companies</b>				
Clarton Horn, S.A.U.	759	4,178	852	4,328
Light & Systems Technical Center, S.L.	1,495	-	1,470	-
<b>Related parties</b>				
SAM Global Pte., LTD	-	466	-	460
PT Minda Asean Automotive	-	3,047	-	2,885
<b>Total current</b>	<b>2,254</b>	<b>7,691</b>	<b>2,322</b>	<b>7,673</b>

These balances are remunerated under normal market conditions.

The balances payable to Clarton Horn, S.A.U. at 31 March 2020 correspond to the amount of a credit line granted by it, as well as accrued and unpaid interest amounting to 300 thousand euros (236 thousand euros at 31 March 2019).

In the financial years 2019-20 and previous, "Amounts owed to other related parties" correspond, on the one hand, to two short-term loans received in the financial year 2014-15 from the company SAM Global for the amount of 280 thousand euros and PT Minda Asean Automotive for an amount of 380 thousand euros and, on the other hand, a short-term loan received in the financial year 2015-16 from PT Minda Asean Automotive in March 2016 for an amount of 1,600 thousand euros. Moreover in the financial year 2018-19 the amounts owed to other related parties has increased for two new short term-loans, one from the company SAM Global for an amount of 150 thousand euros, and another from the company PT Minda Asean Automotive for an amount of 825 thousand euros. This caption reflects both credit and interest accrued and not collected during the financial year 2019-20.

In the financial year 2019-20 and previous, the loans to Group companies correspond to a loan granted during the financial year 2016-17 to Light & Systems Technical Center for an amount of 1,400 thousand euros for its trade operations. This caption reflects both credit and interest accrued and not collected during the financial year 2019-20.

The prices policy followed in all transactions carried out complies with the application of normal market values.



## 15.2) Related party transactions

The following is the detail of the most important transactions carried out with related parties during the financial year 2019-20, in thousand euros:

	Minda Industries Limited	Clarton Horn, S.A.U.	Light & Systems Technical Center, S.L.	SAM Global	PT Minda
Interest revenues	-	-	25	-	-
Interest expenses	-	64	-	6	162

The following is the detail of the most important transactions carried out with related parties during the financial year 2018-19 in thousand euros:

	Minda Industries Limited	Clarton Horn, S.A.U.	Light & Systems Technical Center, S.L.	SAM Global	PT Minda
Loans received	-	-	-	150	825
Interest revenues	-	-	25	-	-
Interest expenses	-	76	-	6	158

## 15.3) Balances and Transactions with Directors and Senior Management

No remuneration accrued to any member of the Board of Directors during the financial year 2019-20 (neither 2018-19) and neither are there any loans or advances made to these or any other commitments, guarantees or others.

Apart from the members of the Board of Directors, the Company has no other personnel meeting the definition of Senior Management.

There were no commitments at 31 March 2020 (neither at 31 March 2019) in respect of complementary pensions or guarantees in favour of members of the Board of Directors.

### Other information relating to the Directors

On 18 March 2015 with a certificated minute from the Sole Shareholder, MINDA INDUSTRIES LIMITED, the decision was taken to set up a Board of Directors with the appointment of the directors:

- Mr. Pradip Kumar Tewari as Chairman Director.
- Mr. Sanjay Jain as Secretary Director.
- Mr. Juan Pedro Tabernero as Director.

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Up until 18 March 2015, the Company's Sole Administrator was Mr. Pradip Kumar Tewari who, in turn, is Joint Administrator of the company Global Mazinkert, S.L., the company that owns 100% of the shares of Clarton Horn, S.A. (Sole Shareholder Company). He is also an employee of the company Minda Industries Limited, where he holds the position of "CEO" for the automobile components activities.

Mr. Sanjay Jain request his resignation as Secretary Director of Board of management the 1<sup>st</sup> October 2018, the same day that Mr. Rajesh Kumar Rustagi is appointed instead.

The Board of Directors is formed as follows:

- Mr. Pradip Kumar Tewari as Chairman Director.
- Mr. Rajesh Kumar Rustagi as Secretary Director.
- Mr. Juan Pedro Tabernero as Director.

In accordance with what is established in article 229 of the Capital Companies Act introduced by Royal Decree Law 1/2010 of 2 July 2010 and Law 31/2014 of 3 December 2014, modifying the Capital Companies Act for improving corporate governance, it is stated that none of the members of the Board of Directors was in a situation of conflict of interest with the Company, directly or indirectly, during the financial year 2019-20.

Similarly, and in accordance with the provisions of the aforementioned Capital Companies' Act, it is stated that the members of the Board of Directors have not carried out any activity with the Company, either on their own behalf or for third parties that might be considered to be outside of ordinary business or not carried out under normal market conditions.



*This version of the Annual Report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the Annual report takes precedence over this translation*

*Director's report of Global Mazinkert, S.L (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**Global Mazinkert, S.L. (Sole Shareholder Company)**

**DIRECTOR'S REPORT CORRESPONDING THE FINANCIAL YEAR ENDED  
31 MARCH 2020**

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*Director's report of Global Mazinkert, S.L. (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**DIRECTOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH  
2020**

**Evolution in the financial year 2019-20**

The Company had a loss after tax of 61 thousand euros, this being made up mainly of the interest accrued on the loan taken out by the company for the acquisition of Clarton Horn, S.A.U.

**The Company's expected development**

The Company was incorporated mainly to be the owner of 100% of the shares in Clarton Horn, S.A.U. and its natural evolution for the future is to continue paying the interest on the loan taken out for this purpose and to continue with the repayments of this loan as well as carrying out other activities.

**Purchase of treasury shares**

No operations with treasury shares were carried out during the financial year.

**Main risks to which the company is exposed**

In principle there are no significant risks to be taken into account in the activity of Global Mazinkert, S.L. (Sole Shareholder Company) and it could only be affected by the risks to which its subsidiary companies Clarton Horn, S.A.U. and Light & Systems Technical Center, S.L. are exposed.

**Research and Development activities**

No research and development activities were carried out during the financial year 2019-20.

**Operations with derivative financial instruments**

No operations were carried out with derivative financial instruments during the financial year 2019-20.

**Average period of payment to suppliers**

In accordance with the provisions of the Capital Companies Act, it is stated that the average period of payment to suppliers during the financial year 2019-20 has been 60 days (60 days at 31 March 2019).

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*Director's report of Global Mazinkert, S.L (Sole Shareholder Company)  
Financial year ended 31 March 2020*

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### **Subsequent events**

During the start of financial year 2020, there has been a general expansion of a new coronavirus (hereafter, "COVID-19") which is supposedly originated in the Chinese city of Wuhan. Due to the rapid spread within and outside of the Chinese territory, the World Health Organization considered, on 11 March 2020, the public health emergency caused by COVID-19 as an international pandemic.

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Among the measures adopted is the limitation of people's freedom of movement, except for a small number of allowed activities. These measures have an impact on the ordinary management of the country's economy and, consequently, on the ordinary activity of the Company's subsidiaries.

However, the subsidiaries have adopted measures to mitigate the effect of this crisis and the Directors have estimated the possible economic consequences that may affect the Company, considering that it will not have a significant impact.

There are no other relevant events after closing that could affect the Management Report for the 2019 financial year.

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**GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)**

**PREPARATION OF THE ANNUAL ACCOUNTS AND THE DIRECTORS' REPORT**

In compliance with current company law, the Directors of **GLOBAL MAZINKERT, S.L. (Sole Shareholder Company)** have drawn up the Annual Accounts and Management Report for the financial year ended 31 March 2020.

Madrid, 2 June 2020

The Board of Directors

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Mr. Pradip Kumar Tewari  
Chairman

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Mr. Rajesh Kumar Rustagi  
Secretary - Director

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Mr. Juan Pedro Tabernero  
Director

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