Motherson PKC Harness Systems FZ-LLC

FINANCIAL STATEMENTS

31 MARCH 2021

Building a better working world

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MOTHERSON PKC HARNESS SYSTEMS FZ-LLC

Opinion
We have audited the financial statements of Motherson PKC Harness Systems FZ-LLC (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter
The financial statements of the Company for the year ended 31 March 2020 were audited by another auditor, who expressed an unmodified opinion on those financial statements on 13 November 2020 with an other matter paragraph mentioning the non-receipt of confirmations from bank.

Responsibilities of Management and the Shareholder for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and in compliance with the Ras Al Khaimah Economic Zone Companies Regulations of 2017, and the Memorandum of Association of the Company, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Shareholder is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF MOTHERSON PKC HARNESS SYSTEMS FZ-LLC (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- 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 communicate with the shareholder regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Ernst & Young

TS. Hari Gopal

Signed by:
Thodla Hari Gopal
Partner
Registration No.: 689

27 May 2021

Dubai, United Arab Emirates

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	***1 April 2020 to 31 March 2021 EUR***	*7 July 2019 to 31 March 2020 EUR*
Revenue from contracts with customers	3, 9	**161,491**	-
Selling, general and administrative expenses	4	**(998,200)**	(20,911)
Employee benefit expenses		**(803,819)**	(7,287)
OPERATING LOSS		**(1,640,528)**	(28,198)
Other income		**87,485**	2,422
Finance costs	5	**(348,826)**	(17,316)
LOSS FOR THE YEAR		**(1,901,869)**	(43,092)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,901,869)**	(43,092)

The attached notes from 1 to 16 form part of these finacial statements

STATEMENT OF FINANCIAL POSITION
At 31 March 2021

	Notes	***2021 EUR***	*2020 EUR*
ASSETS			
Non-current assets			
Property, plant and equipment	6	**8,222,959**	2,958,360
Right-of-use asset	7	**247,343**	-
		8,470,302	2,958,360
Current assets			
Inventories	8	**61,370**	-
Amounts due from related parties	9	**27,169**	-
Trade and other receivables	10	**101,507**	579,170
Bank balances and cash	11	**552,317**	142,873
		742,363	722,043
TOTAL ASSETS		**9,212,665**	3,680,403
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**37,155**	37,155
Accumulated losses		**(1,944,961)**	(43,092)
Deficiency of assets		**(1,907,806)**	(5,937)
Non-current liabilities			
Employees' end of service benefits	13	**25,477**	-
Loan from a related party	9	**10,000,000**	1,250,000
Lease liability	7	**251,470**	-
		10,276,947	1,250,000
Current liabilities			
Amounts due to related parties	9	**603,951**	16,066
Trade and other payables	14	**220,189**	2,420,274
Lease liability	7	**19,384**	-
		843,524	2,436,340
Total liabilities		**11,120,471**	3,686,340
TOTAL EQUITY AND LIABILITIES		**9,212,665**	3,680,403

Atul Kumar Agarwal
Director

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RAK, UNITED ARAB EMIRATES
MOTHERSON PKC HARNESS SYSTEMS FZ-LLC

The attached notes from 1 to 16 form part of these finacial statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2021

	Share capital EUR	*Accumulated losses EUR*	*Total EUR*
Share capital introduced	37,155	-	37,155
Loss for the year	-	(43,092)	(43,092)
Total comprehensive loss for the year	-	(43,092)	(43,092)
Balance at 31 March 2020	37,155	(43,092)	(5,937)
Loss for the year	-	(1,901,869)	(1,901,869)
Total comprehensive loss for the year	-	(1,901,869)	(1,901,869)
Balance at 31 March 2021	**37,155**	**(1,944,961)**	**(1,907,806)**

STATEMENT OF CASH FLOWS

For the year ended 31 March 2021

	Notes	***31 March 2021 EUR***	*7 July 2019 to 31 March 2020 EUR*
OPERATING ACTIVITIES			
Loss for the year		**(1,901,869)**	(43,092)
Adjustments for:			
Depreciation of property, plant and equipment	6	**216,846**	-
Depreciation of Right-of-use asset	7	**6,184**	-
Provision for employees' end of service benefits	13	**13,209**	-
Interest on lease liabilities	7	**17,327**	-
Finance cost		**331,499**	17,316
		(1,316,804)	(25,776)
Working capital changes:			
Inventories		**(61,370)**	-
Amounts due from related parties		**(27,169)**	-
Trade and other receivables		**477,663**	(579,170)
Amounts due to related parties*		**600,153**	16,066
Trade and other payables		**220,189**	-
Net cash (used in) / generated from operating activities		**(107,338)**	(588,880)
INVESTING ACTIVITY			
Purchase of property, plant and equipment		**(7,901,719)**	(538,086)
Net cash used in investing activity		**(7,901,719)**	(538,086)
FINANCING ACTIVITIES			
Share capital introduced	12	**-**	37,155
Proceeds from loan from related party		**8,750,000**	1,250,000
Finance cost		**(331,499)**	(17,316)
Net cash generated from financing activities		**8,418,501**	1,269,839
NET INCREASE IN BANK BALANCES AND CASH		**409,444**	142,873
Bank balances and cash at the beginning of the year	11	**142,873**	-
BANK BALANCES AND CASH AT THE END OF THE YEAR		**552,317**	142,873

Certain non-cash transaction included in operating activities are excluded from the statement of cash flows and are disclosed below:

*Transfer of employees' end of service benefits from related party "	9	**12,268**	-

1 CORPORATE INFORMATION

Motherson PKC Harness Systems FZ-LLC ("the Company") was incorporated as a Free Zone Company with limited liability (FZ-LLC) in the Ras Al Khaimah Economic Zone (RAKEZ) on 7 July 2019. The registered address of the company is Plot No. 57D, Al Hamra Industrial Zone-FZ, RAK, PO Box. 54522, UAE. The Trade License Number is 8000925.

The Company is a wholly owned subsidiary of PKC Eesti AS, a company registered in Tallinn, Estonia. The Ultimate Parent Company is Motherson Sumi Systems Limited, India, a company listed on National Stock Exchange of India.

The Company is engaged in the manufacture, processing assembly, trade and sale of wiring harness and components.

The financial statements of the Company for the year ended 31 March 2021 were authorised for issue on 27 May 2021.

2.1 BASIS OF PREPARATION

The financial statements of Motherson PKC Harness Systems FZ-LLC have been prepared in accordance with International Financial Reporting Standards (‘IFRS’) and IFRIC interpretations. The financial statements have been prepared under the historical cost convention.

The Company transacts its business mainly in EUR and accordingly, the functional and reporting currency of the Company is EUR. This is different from the currency of the country in which the Company is domiciled, the United Arab Emirates. The financial statements have been presented in EUR, being the functional currency of the Company.

2.2 CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations
The Company applied for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 April 2020. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 3: Definition of a Business
- Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform
- Amendments to IAS 1 and IAS 8 Definition of Material
- Conceptual Framework for Financial Reporting issued on 29 March 2018
- Amendments to IFRS 16 Covid-19 Related Rent Concessions

The amendments do not have any impact on the financial statements of the Company.

2.3 STANDARDS, AMENDMENTS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE:

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company’s financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- IFRS 17 Insurance Contracts - applicable from 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current or Non-current - applicable from 1 January 2023
- Reference to the Conceptual Framework – Amendments to IFRS 3 - applicable from 1 January 2022
- Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16 - applicable from 1 January 2022
- Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 - applicable from 1 January 2022
- IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter - applicable from 1 January 2022
- IFRS 9 Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities - applicable from 1 January 2022
- IAS 41 Agriculture – Taxation in fair value measurements - applicable from 1 January 2022

The amendments are not expected to have a material impact on the financial statements of the Company.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue from contracts with customers
The Company is in the business of providing manufacturing services. Revenue from contracts with customers is recognised when control of the services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for manufacturing services.

The following specific recognition criteria must also be met before revenue is recognised:

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.
2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognise revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised in the statement of comprehensive income to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur and the revenue and costs, if applicable, can be measured reliably.

The Company is involved in providing manufacturing services to its affiliates. The performance obligation is satisfied when services are transferred to the affiliate and the payment is generally due within 30 to 60 days from the date of transfer of service. The Company has concluded that it is the principal in its revenue arrangements because it typically controls the service before transferring to its affiliate.

Contract balances
Trade receivables
A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in the section Financial instruments.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of comprehensive income as incurred.

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

Building	25 years
Plant & machinery	3-10 years
Electric installations	10 years
Furniture, fixtures and office equipment	3-5 years

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)
The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

Capital work in progress
Properties or assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes all direct costs attributable to the design and construction of the property including related staff costs, and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. When the assets are ready for intended use, the capital work in progress is transferred to the appropriate property, plant and equipment category and is depreciated in accordance with the Company's policies.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and are determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price as disclosed in Note of Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

The Company's financial assets include bank balances and cash, trade receivables, other receivables and amounts due from related parties.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at fair value through profit or loss – The Company has not designated any financial asset as fair value through profit or loss;
- Financial assets at amortised cost (debt instruments) – The Company subsequently measures financial assets at amortised cost using effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognized, modified or impaired;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments) - The Company has not designated any financial asset at fair value through OCI with recycling of cumulative gains and losses; and
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments) - The Company has not designated any financial asset at fair value through OCI with no recycling of cumulative gains and losses upon derecognition.

Financial assets at amortised cost
The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets at amortised costs include bank balances and cash, trade receivables, other receivables and amounts due from related parties.

The Company does not have any financial assets within the other categories as stated above.

Bank balances and cash
Bank balances and cash in the statement of financial position comprise cash at bank and cash on hand, which are subject to an insignificant risk of changes in value.

Amounts due from related parties
Amounts due from related parties are stated at original invoice amount less provision for expected credit losses. An estimate for expected credit losses is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

When a trade accounts receivable and amounts due from related parties are uncollectible, it is written off against the provision for expected credit losses. Subsequent recoveries of amounts previously written off are shown as other income in the statement of comprehensive income.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

i) Financial assets (continued)

Impairment
The Company recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integrated to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, other receivables and due from related parties, the Company applies a simplified approach in calculating ECLs based on lifetime expected credit losses at each reporting date.

The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. The expected credit losses are recognised in the statement of comprehensive income.

The Company considers a financial asset in default when contractual payments are 30-60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade payables, due to related parties, loan from related party and accruals.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Accounts payables and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Borrowings (Loan from a related party)
Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

ii) Financial liabilities (continued)

Subsequent measurement (continued)

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Due to related parties
Due to related parties are recognised for amounts to be paid in the future for goods or services received, whether billed by the related party or not.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

iii) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if:

- There is a currently enforceable legal right to offset the 12ategoriza amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously

Fair value measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to / by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Current versus non-current classification
The Company presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Leases
The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee
The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets as follows:

Leasehold land 25 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section Impairment of non-financial assets.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Company as a lessee (continued)

Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company’s lease liabilities are disclosed as a separate line-item under current and non-current portions (Note 7).

Short-term leases and leases of low value assets
The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Employees’ end of service benefits
The Company provides end of service benefits to its employees. The entitlement to these benefits is based upon the employees’ salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Foreign currencies
The Company’s financial statements are presented in Euro, which is also the Company’s functional currency.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the reporting date.

All differences arising on settlement or translation of monetary items are taken to the income statement with the exception of monetary items that are designated as part of the hedge of the Company’s net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the income statement. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on retranslation of non-monetary items is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income is also recognised in other comprehensive income, respectively).

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers
The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- *Identifying performance obligation*

The Company is involved in providing manufacturing services to its affiliates, the Company has concluded that the delivery of the service is the only performance obligation of the Company.

- *Determining the timing of satisfaction of performance obligation*

The Company has concluded that the revenue from the service is to be recognised at a point in time when the control of the service is transferred to the customer, being when the goods involved in the manufacturing service are sent to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the service. A receivable is recognised when the goods involved in the manufacturing service are sent as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

- *Determining the transaction price and allocating to performance obligation*

Revenue from the sale of service to the customers is recognised based on the price specified in the contract with the customer and the entire transaction price is allocated to the performance obligation of manufacturing service as the Company has concluded that this is the only single performance obligation of the Company. The Company has concluded that there are no variable consideration included in the transaction price.

- *Consideration of significant financing component in a contract*

The Company has concluded that there is no element of financing deemed to be present in its contract with the customer as the sales are made on credit terms of 30 to 60, which is consistent with market practice. An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an impairment applied according to the length of time past due, based on historical recovery rates.

- *Consideration of significant financing component in a contract*

The Company has concluded that there is no element of financing deemed to be present in its contract with the customer as the sales are made on credit terms of 30 to 60, which is consistent with market practice. An estimate of the collectible amount of trade receivables is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and an impairment applied according to the length of time past due, based on historical recovery rates.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

2.5 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Leases - Estimating the incremental borrowing rate
The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available. The Company estimates the IBR using observable inputs such as the average bank rate for the group adjusted for the region i.e. 12% p.a.

Useful life for right-of-use assets
The Company assesses on an annual basis the useful life of leasehold improvements taking into consideration the economic life of asset and the life of the respective operating leases. The economic life is mainly based on the technical certification and frequency of general maintenance. The operating lease term is based on contractual term of the lease.

Management monitors renewals of lease agreements on continuous basis. Whenever the lease agreement is not renewed and the premises has to be vacated, the carrying net book value of the related leasehold improvements is charged to the statement of comprehensive income immediately.

Management estimated that the useful life of the right of use assets is 25 years which reflects the actual use of those assets evidenced by the agreement with the lessor. Management believes that the lease would be available to the Company on an on-going basis in the foreseeable future.

Useful lives of property, plant and equipment
The Company's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses of dues from related parties
Management believes that the amounts due from related parties are fully recoverable and no provision for credit loss is to be recognised against these balances. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Impact due to COVID-19
The outbreak of Novel Coronavirus (COVID-19) pandemic globally and the consequent lockdown restrictions imposed by national governments is causing significant disturbance and slowdown of economic activity across the globe. The commodity prices including oil have seen significant volatility with downward price pressures due to major demand centers affected by lockdown.

The Company has taken proactive measures to comply with various regulations/guidelines issued by the Government and local bodies to ensure safety of its workforce and the society in general.

The Company has considered possible effects of COVID-19 on the recoverability of its property,plant and equipment, receivables, etc. in accordance with IFRS. Based on the assessment, the Company concludes that there is no need for impairment in the carrying amount of its financial and non-financial assets as on reporting date. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made as at the date of the authorisation of these financial statements. These developments could impact future financial results, cash flows and financial condition of the Company. However, the management continue to consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

3 REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Company's revenue from contracts with customers:

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Type of revenue		
Manufacturing services for parts and wire harnesses	**161,491**	-
Timing of revenue recognition		
At a point in time	**161,491**	-
Geographical market		
Europe	**161,491**	-

4 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Depreciation on property, plant and equipment (Note 6)	**216,846**	-
Travelling and conveyance	**246,804**	1,140
Freight and forwarding	**52,633**	-
Insurance	**11,164**	-
IT services	**33,352**	-
Legal & professional	**33,687**	18,666
Office & administrative	**21,042**	43
Power, fuel & water	**44,748**	-
Rates & taxes	**35,448**	-
Consumable stores	**168,340**	-
Security service	**17,752**	-
Communication expenses	**19,481**	178
Depreciation on right-of-use asset (Note 7)	**6,184**	-
Other expenses	**90,719**	884
	998,200	20,911

5 FINANCE COSTS

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Interest on loan from a related party (Note 9)	**330,164**	16,066
Interest expense on a lease liability (Note 7)	**17,327**	-
Bank charges	**1,335**	1,250
	348,826	17,316

6 PROPERTY, PLANT AND EQUIPMENT

2021

	Building EUR	***Plant & machinery EUR***	***Electric installations EUR***	***Furniture, fixtures and office equipment EUR***	***Capital work in progress EUR***	***Total EUR***
Cost:						
At 1 April 2020	-	-	-	-	2,958,360	2,958,360
Additions	-	511,119	386,567	464,395	4,119,364	5,481,445
Transfers	6,960,236	-	-	-	(6,960,236)	-
At 31 March 2021	**6,960,236**	**511,119**	**386,567**	**464,395**	**117,488**	**8,439,805**
Depreciation						
Charge for the year	115,050	38,774	15,975	47,047	-	216,846
At 31 March 2021	**115,050**	**38,774**	**15,975**	**47,047**	**-**	**216,846**
Net carrying amount:						
At 31 March 2021	**6,845,186**	**472,345**	**370,592**	**417,348**	**117,488**	**8,222,959**

2020

	Building EUR	*Plant & machinery EUR*	*Electric installations EUR*	*Furniture, fixtures and office equipment EUR*	*Capital work in progress EUR*	*Total EUR*
Cost:						
Additions	-	-	-	-	2,958,360	2,958,360
At 31 March 2020	-	-	-	-	2,958,360	2,958,360
Net carrying amount:						
At 31 March 2020	-	-	-	-	2,958,360	2,958,360

The building is constructed on a plot of land, which is leased from RAKEZ for a period of 25 years.

7 LEASES

The Company has lease contract for a plot of land leased from RAKEZ for a period of 25 years expiring on 6 July 2044. The Company is restricted from assigning and subleasing the land.

Below are the carrying amounts of right-of-use asset recognized and movements during the year:

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Addition during the year/ period	**253,527**	-
Depreciation charge for the year/ period	**6,184**	-
At 31 March	**247,343**	-

Set out below are the carrying amounts of lease liability and the movements during the year:

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Addition during the year/ period	**253,527**	-
Accrual of interest	**17,327**	-
At 31 March	**270,854**	-
Current	**19,384**	-
Non-current	**251,470**	-
	270,854	-

Maturity analysis of lease liability is disclosed in note 15.

The following are the amounts recognised in the statement of comprehensive income:

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Depreciation on right-of-use asset	**6,184**	-
Interest expense on lease liability	**17,327**	-
Total amount recognised in comprehensive income	**23,511**	-

The Company had no cash outflows for long term leases during the year (2020: Nil). There are no leases that have not yet commenced at the reporting date.

The Company does not have leases that contain variable payments.

The Company has no lease contracts that include extension and termination options.

8 INVENTORIES

	2021	*2020*
	EUR	*EUR*
Spares and consumables	**61,370**	-

9 RELATED PARTY TRANSACTIONS

Related parties represent parent company, ultimate parent company, affiliates, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company’s management.

a) Transactions with related parties included in the statement of comprehensive income are as follows:

	1 April 2020 to 31 March 2021	*7 July 2019 to 31 March 2020*
	EUR	*EUR*
Revenue from contracts with customers	**161,491**	-
Selling, general and administrative expenses	**492,949**	-
Finance cost (Note 5)	**330,164**	-

Employees' end of service benefits amounting to EUR 12,268 relates to certain employees transferred from related parties (2020: Nil).

b) Balances with related parties included in the statement of financial position are as follows:

i) Amounts due from related parties:

	2021	*2020*
	EUR	*EUR*
Entities under common ownership / management control		
PKC Group Poland Sp. Z O.O.	**27,169**	-

ii) Amounts due to related parties:

	2021	*2020*
	EUR	*EUR*
Ultimate Parent Company		
Motherson Sumi Systems Ltd.	**21,139**	-
Parent Company		
PKC Eesti As	**347,365**	16,066
Entities under common ownership / management control		
Motherson Sumi Infotech And Designs Ltd.	**17,452**	-
Motherson Air Travel Agencies Ltd	**16,696**	-
PK Cables Do Brasil Ind E Com Ltda	**3,708**	-
PKC Wiring Systems D.O.O.	**22,054**	-
PKC Wiring Systems Oy	**1,899**	-
PKC Group Lithuania Uab	**6,774**	-
PKC Group Poland Sp. Z O.O.	**166,864**	-
	603,951	16,066

9 RELATED PARTY TRANSACTIONS (continued)

b) Balances with related parties included in the statement of financial position are as follows: (continued)

iii) Loan from a related party

	2021 EUR	*2020 EUR*
Non-current		
Parent company		
PKC Eesti As	**10,000,000**	1,250,000

The Company entered into loan facility agreement with the Parent Company on 4 December 2019, to receive loan amounting to EUR 10,000,000 of which drawdown could be done on requirement basis till 31 December 2021. This loan carries interest at the rate of 4.79% per annum plus EURIBOR 12 month rate (if positive). The loan has repayment term of 5 years starting from 4 December 2024 with bi-annual interest repayment.

c) Compensation of key management personnel

The remuneration of key management personnel during the year was as follows:

	1 April 2020 to 31 March 2021 EUR	*7 July 2019 to 31 March 2020 EUR*
Short term benefits	**323,013**	-
Employees' end of service benefit	**15,150**	-
	338,163	-

10 TRADE AND OTHER RECEIVABLES

	2021 EUR	*2020 EUR*
Advances to employees	**66,716**	-
Advances to vendors	**-**	464,760
VAT receivable	**5,724**	111,449
Prepaid expenses	**6,758**	1,728
Security deposits	**22,309**	1,233
	101,507	579,170

11 BANK BALANCES AND CASH

	2021 EUR	*2020 EUR*
Cash in hand	**12,194**	-
Cash at bank	**540,123**	142,873
	552,317	142,873

12 SHARE CAPITAL

	2021 EUR	2020 EUR
Authorised, issued and fully paid:		
150 Equity shares of AED 1,000 each (1 AED @ EUR 0.248)	**37,155**	37,155

13 EMPLOYEES' END OF SERVICE BENEFITS

	2021 EUR	2020 EUR
Charge for the year/ period	**13,209**	-
Transferred from related parties	**12,268**	-
At 31 March	**25,477**	-

14 TRADE AND OTHER PAYABLE

	2021 EUR	2020 EUR
Trade payables	**41,571**	2,420,274
Accrued expense	**140,613**	-
Provision for staff benefits	**33,781**	-
Salary & wages payable	**4,224**	-
	220,189	2,420,274

15 RISK MANAGEMENT

The Company's principal financial liabilities comprise trade payables, amounts due to related parties, borrowings (loan from a related party) and accrued expenses. These financial liabilities arise from the Company's operations. The Company has various financial assets such as amounts due from related parties, other receivables and bank balance, which arise directly from its operations.

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and currency risk. The Company's management reviews and agrees policies for managing each of these risks which are summarized below.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its interest-bearing liabilities (loan from a related party).

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

15 RISK MANAGEMENT (continued)

Interest rate risk (continued)
The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial liabilities held at 31 March 2021. There is no impact on the Company's equity.

	Increase/ decrease in basis points	*Effect on loss for the year/ period*
2021	**+15**	**10,339**
	-15	**(10,339)**
2020	+15	503
	-15	(503)

Credit risk
Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss to the Company.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company's credit exposure is continuously monitored and regularly reviewed by the management and the Company maintains an allowance for doubtful debts based on expected collectability of all receivable.

The carrying amounts of the financial assets recorded in the financial statements, which is net of impairment losses, represents the Company's maximum exposure to credit risks.

	2021 EUR	*2020 EUR*
Amounts due from related parties (Note 9)	**27,169**	-
Bank balances (Note 11)	**540,123**	142,873
Security deposits (Note 10)	**22,309**	1,233
Advances to employees (Note 10)	**66,716**	-
	656,317	144,106

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available. The Company's terms of sales require amounts to be paid within 30-60 days of the date of sale. Trade payables are normally settled within 60 days of the date of purchase.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 March, based on contractual payment dates and current market interest rates.

2021	***Less than 3 months EUR***	***3 months to 1 years EUR***	***1 year to 3 years EUR***	***More than 3 years EUR***	***Total EUR***
Trade and other payables (Note 14)	**182,184**	**-**	**-**	**-**	**182,184**
Amounts due to related parties	**603,951**	**-**	**-**	**-**	**603,951**
Loan from a related party (Note 9)	**-**	**479,000**	**958,000**	**10,326,770**	**11,763,770**
Lease liability	**-**	**22,809**	**81,412**	**810,202**	**914,423**
	786,135	**501,809**	**1,039,412**	**11,136,972**	**13,464,328**

15 RISK MANAGEMENT (continued)

Liquidity risk (continued)

2020	*Less than 3 months EUR*	*3 months to 1 years EUR*	*1 year to 3 years EUR*	*More than 3 years EUR*	*Total EUR*
Trade and other payables (Note 14)	2,420,274	-	-	-	2,420,274
Amounts due to related parties	16,066	-	-	-	16,066
Loan from related party (Note 9)	-	479,000	958,000	805,769	2,242,769
	2,436,340	479,000	958,000	805,769	4,679,109

Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company has amounts due to related parties and trade payables amounting to net liability of EUR 45,279 (2020: EUR 2,420,274) which are due in foreign currencies, mainly in AED and USD.

	Increase/ decrease in basis points	***Effect on loss for the year***
Year ended 31 March 2021	**+5**	**(2,264)**
	-5	**2,264**
Peiod ended 31 March 2020	+5	(121,013)
	-5	121,013

The Company's exposure to foreign currency changes for all other currencies is not material.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 March 2021. Capital comprises share capital and accumulated losses, and is measured at deficiency of assets of EUR 1,907,806 as at 31 March 2021 (2020: EUR 5,937).

16 COMPARATIVE INFORMATION

Certain corresponding figures for the previous year have been reclassified in order to conform to the presentation for the current year. Such reclassification does not affect previously reported loss or equity.

	As reported earlier 2020 EUR	*Reclassification EUR*	*As reported now 2020 EUR*
Statement of financial position			
Interest payable (Refer note a)	(16,066)	16,066	-
Amounts due to related parties (Refer note a)	-	(16,066)	(16,066)

a. Interest payable to related party, which was earlier classified under trade and other payables as interest payable, now reclassified as amounts due to related party.