Motherson Air Travel PVT. Limited

Annual Report for the year ended 31 March 2022

ANNUAL REPORT
for the year ended 31 March 2022

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DIRECTORS AND OTHER INFORMATION

DIRECTOR	Andreas Heuser
SECRETARY	Maple Secretaries Limited
REGISTERED OFFICE	Moyne Lower Old Dublin Road Enniscorthy Co Wexford
REGISTERED NUMBER	611496
BANKERS	Sparkasse Hanau Am Markt 1 63450 Hanau Germany
AUDITORS	Ernst & Young, Chartered Accountants, The Atrium, Maritana Gate, Canada Street, Waterford.

DIRECTOR´S REPORT
for the period ended 31 March 2022

The director presents his report and the financial statements of the company for the financial year ended 31 March 2022.

PRINCIPAL ACTIVITIES
The principal activity of the company is to maintain, operate and lease out an aircraft for passenger air transportation.

BUSINESS REVIEW
The level of business was in line with the director´s expectation in that the financial position has continued to be negative. The number of flights has increased compared to the previous financial year, which was significantly affected with travel restrictions caused by the COVID-19 pandemic. Motherson Air Travel Pvt. Limited has entered into a program agreement with an additional third party provider on which basis the company can provide further flight services in addition to its own airplane with an Aircraft Bombardier Global 5000/6000 and a Challenger 350 or other aircraft makes and models. In the current year the company has recharged business flights which took as place as well as private flights.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks and uncertainties of the business as perceived by the director are as follows:

- The Company's main operation is to maintain, operate and lease out an aircraft, mainly for use of the 'SAMIL' Group's management [Samvardhana Motherson International Ltd. ('SAMIL'), (formerly Motherson Sumi Systems Limited ('MSSL')]. The company's aircraft is used by the group management for shuttling within various locations in Europe as well as around the group headquarters in Asia. The operation of the aircraft is highly dependent on the services being required of the company.

FINANCE RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks; currency risk, liquidity risk and credit risk The Company's overall risk management program focuses on unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

- *CURRENCY RISK*
  The company has certain expenses and an intercompany loan denominated in USD and therefore the director must consider the risk regarding the payment of transaction in USD and translation to EUR.

- *LIQUIDITY RISK*
  The Company's policy is to ensure that sufficient resources are available either from cash balances and cash flows to ensure all obligations can be met when they fall due.

- *CREDIT RISK*
  The Company has group debtors and cash at bank. For group debtors, the risk is considered low with letters of support being in place when required. The risk over bank balances is considered low as cash is held with a reputable financial institution.

DIRECTOR´S REPORT
for the period ended 31 March 2022 (Continued)

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

- *COVID-19 impact*

  - The pandemic is still there, but the impact on our financial results and cashflows of 2021-22 is not the same as previous year which was affected by travel restrictions imposed in reaction to the pandemic and the global economic slump.

  - Based on information provided by the Government, the World Health Organisation and also available publicly, we are taking a number of measures to manage the impact, including adjusting outgoings to reflect current demand and preserving cash. Measures have also been taken to ensure operations adhere to current guidelines of the respective jurisdiction in which the aircraft is operating.

  - In terms of impact on risks outlined above, the company has financial resources at its disposal with the availability of group bank facilities; and has considered, through working with customers and suppliers, the ability of customers to honour their obligations and the availability of appropriate supplier credit terms; and as a consequence, the director believes that the company is well placed to manage the impact of COVID-19 and indeed all of its business risks successfully.

- *Ukraine/Russia War*

  - Geopolitical conflicts, such as the war in Ukraine, will in all likelihood increasingly lead to consequences and significant cuts in economic life and in society. A deterioration in the overall economic situation is therefore to be expected. The concrete effects on the economy as a whole cannot yet be reliably estimated. However, adverse effects on the economic structure, worsened financing conditions, lower investments and reluctance to buy are to be expected.The company is expecting significant increase in operating expenses due to rising energy costs. These costs are however recharged to the SAMIL group, hence there is no significant overall impact to the company expected.

GOING CONCERN

It is our view, to the best of our knowledge, that COVID-19 and the Ukraine/Russia War will not have a material adverse impact on the company's ability to continue as a going concern.

The company has financial resources at its disposal with the availability of group bank facilities; as a consequence, the director believes that the company is well placed to manage its business risks successfully. The director has a reasonable expectation that the company has adequate resources, including the provision of financial support if required, from the parent company which has confirmed its ability to provide such support, to meet its obligations for a period of 12 months from the date of approval of the financial statements, to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

DIRECTOR´S REPORT
for the period ended 31 March 2022 (Continued)

DIRECTOR AND COMPANY SECRETARY

The names of the persons who served as director and and company secretary of the company during the financial year are:

Andreas Heuser (Director)
Maple Secretaries Limited (Company Secretary)

The director and Company Secretary both served for the entire financial year.

DIRECTOR`S REPORT
for the period ended 31 March 2022 (Continued)

DIRECTOR AND SECRETARY'S INTERESTS IN SHARES
The disclosable interests of the director and secretary in the shares of the ultimate holding company, Samvardhana Motherson International Ltd., formerly Motherson Sumi Systems Limited, were as follows:

	2022	*2021*
	Equity shares	*Equity shares*
Director	*Number*	*Number*
Andreas Heuser	-	-

The director and secretary had no other disclosable interests in the shares of the company or other group companies at 31 March 2022.

DISCLOSURE OF INFORMATION TO AUDITORS
The director in office at the date of this report have each confirmed that:

- As far as he/she is aware, there is no relevant audit information of which the company's statutory auditors are unaware; and
- He/she has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

DIVIDENDS
The director do not recommend the payment of a dividend for the year ended 31 March 2022 (2021: €nil).

ACCOUNTING RECORDS
The measures taken by director to secure compliance with the company's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at Moyne Lower, Old Dublin Road, Enniscorthy, Co Wexford.

AUDITOR
The auditor, Ernst & Young, Chartered Accountants and Statutory Audit Firm, will continue in office in accordance with section 383(2) of the Companies Act 2014.

On behalf of the board

Andreas Heuser
Director

Date: 24.11.2022

DIRECTORS' RESPONSIBILITIES STATEMENT
for the period ended 31 March 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law.

Irish law requires the directors to prepare financial statements for each financial year giving a true and fair view of the company's assets, liabilities and financial position at the end of the financial year and the profit or loss of the company for the financial year. Under that law the directors have prepared the financial statements in accordance with Generally Accepted Accounting Practice in Ireland (accounting standards issued by the Financial Reporting Council of the UK, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and promulgated by the Institute of Chartered Accountants in Ireland and Irish law).

Under Irish law, the directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the company for the financial year.

In preparing these financial statements, the directors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to:
- correctly record and explain the transactions of the company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the company to be determined with reasonable accuracy; and
- enable the directors to ensure that the financial statements comply with the Companies Act 2014 and enable those financial statements to be audited.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board

Andreas Heuser
Director

Date: 24.11.2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTHERSON AIR TRAVEL PVT. LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Motherson Air Travel PVT. Limited ('the Company') for the year ended 31 March 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTHERSON AIR TRAVEL PVT. LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial year ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MOTHERSON AIR TRAVEL PVT. LIMITED (CONTINUED)

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine 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, the directors are 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.

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 (Ireland) 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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

James Dower
for and on behalf of
Ernst & Young Chartered Accountants and Statutory Audit Firm

Waterford

Date: 25 November 2022

PROFIT AND LOSS ACCOUNT
for the financial period ended 31 March 2022

	Note	For 12 month period ended 31 March 2022 €	For 12 month period ended 31 March 2021 €
Turnover	5	3,096,032	748,391
Cost of sales		(2,708,495)	(2,558,730)
Gross profit		387,537	(1,810,339)
Administrative expenses		(1,633,334)	(671,673)
Operating loss	6	(1,245,797)	(2,482,012)
Interest payable and similar charges	8	(317,149)	(321,373)
Loss on ordinary activities before taxation		(1,562,946)	(2,803,385)
Tax on loss on ordinary activities	9	-	-
Loss for the financial period		(1,562,946)	(2,803,385)

Operating losses arose solely from continuing operations. There were no items of other comprehensive income or expense other than those dealt with in the profit and loss account that would be required to be included in a statement of comprehensive income.

BALANCE SHEET
as at 31 March 2022

	Note	2022 €	2021 €
FIXED ASSETS			
Tangible fixed assets	10	12,525,706	12,354,198
CURRENT ASSETS			
DEBTORS (amounts falling due within one year)	11	3,952,489	2,303,351
CASH at bank and in hand		588,126	121,482
		4,540,615	2,424,833
CREDITORS (amounts falling due within one year)	12	(3,330,063)	(4,067,877)
NET CURRENT LIABILITIES		1,210,552	(1,643,044)
TOTAL ASSETS LESS CURRENT LIABILITIES		13,736,258	10,711,154
CREDITORS (amounts falling due after one year)	13	(21,690,684)	(17,102,634)
NET LIABILITIES		(7,954,426)	(6,391,480)
CAPITAL AND RESERVES	15		
Called up share capital presented as equity		1	1
Accumulated loss account		(7,954,427)	(6,391,481)
EQUITY - deficit		(7,954,426)	(6,391,480)

Approved by the board on 24.11.2022

Andreas Heuser
Director

STATEMENT OF CHANGES IN EQUITY
for the financial period ended 31 March 2022

	Called up Share capital presented as equity €	Profit and loss account €	Total €
Balance at 1 April 2020	1	(3,588,096)	(3,588,095)
Loss for the financial period	-	(2,803,385)	(2,803,385)
Balance at 31 March 2021	1	(6,391,481)	(6,391,480)
Balance at 1 April 2021	1	(6,391,481)	(6,391,480)
Loss for the financial period	-	(1,562,946)	(1,562,946)
Balance at 31 March 2022	1	(7,954,427)	(7,954,426)

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022

1 GENERAL INFORMATION

Motherson Air Travel PVT. Limited is engaged in providing air travel services by maintaining, operating and leasing out an aircraft as well as arranging charter flights, mainly for use of the SAMIL Group's management personnel. The Group has an extensive business operation in Europe and the company's aircraft will primarily be used by Group management for shuttling between various locations in Europe and Asia.

The Company was incorporated on 13 September 2017.

MSSL Mideast FZE, a company incorporated in India owns 100% of the equity share capital of Motherson Air Travel PVT. Limited.

Motherson Air Travel PVT. Limited's ultimate parent and ultimate controlling party is Samvardhana Motherson International Ltd., formerly Motherson Sumi Systems Limited. The consolidated financial statements for the largest and smallest group of companies in which the Company is included, are prepared by Samvardhana Motherson International Ltd., having its registered office at Unit 705, C Wing, ONE BKC, G Block, Bandra Kurla Complex, Bandra East, Mumbai – 400051, India.

The consolidated financial statements are available at the following Internet address: http://www.motherson.com/annual-reports.html, at the address mentioned above with registered office of the company and as well at:
Samvardhana Motherson International Ltd., Plot No.1, Sector-127, Noida-Greater Noida, Expressway Noida 201301, U.P., India.

2 STATEMENT OF COMPLIANCE

The financial statements have been prepared on a going concern basis and in accordance with Irish GAAP (accounting standards issued by the Financial Reporting Council of the UK and promulgated by the Institute of Chartered Accountants in Ireland and the Companies Act 2014). The financial statements comply with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Companies Act 2014.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies used in the presentation of the financial statements are set out below. These policies have been consistently applied to all financial periods presented, unless otherwise stated.

(a) *Basis of preparation*
The financial statements have been prepared under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain key assumptions concerning the future, and other key sources of estimation

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

(a) Basis of preparation (Continued)

uncertainty at the reporting date. It also requires the director to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are disclosed in note 4.

It is the view of the director, that to the best of his knowledge, COVID-19 and the Ukraine/Russia War will not have a material adverse impact on the company's ability to continue as a going concern.

The company has financial resources at its disposal with the availability of group bank facilities; as a consequence, the director believes that the company is well placed to manage its business risks successfully. The director has a reasonable expectation that the company has adequate resources, including the provision of financial support if required, from the parent company which has confirmed its ability to provide such support, to meet its obligations for a period of 12 months from the date of approval of the financial statements, to continue in operational existence for the foreseeable future. Accordingly, the director continues to adopt the going concern basis in preparing the financial statements.

(b) Disclosure exemptions for qualifying entities under FRS 102

The company meets the definition of a qualifying entity under FRS 102 and has taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to:

- Exemption from FRS 102 3.17(d) of Section 7 from disclosure to prepare a Statement of Cash Flows
- The company has taken advantage of the exemption under FRS 102 paragraph 33.7 to disclose key management personnel compensation in total.

(c) Foreign currencies

(i) Functional and presenting currency

The company's functional and presentation currency is the Euro denominated by the symbol "€".

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At the end of each financial period foreign currency monetary items are translated to Euro using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at exchange rates at the end of the financial period of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

(d) *Turnover*

Turnover represents the value of services performed outside Ireland during the financial period at invoiced value, exclusive of value added tax and trade discounts. Where services are performed over time, turnover is recognised as the service is carried out to reflect the company's partial performance of its contractual obligations.

(e) *Income tax*

Income tax expense for the financial period comprises current and deferred tax recognised in the financial period. Income tax expense is presented in the same component of total comprehensive income (profit and loss account or other comprehensive income) or equity as the transaction or other event that resulted in the income tax expense.

Current or deferred taxation assets and liabilities are not discounted.

(i) *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the financial period or past financial periods. Current tax is measured at the amount of current tax that is expected to be paid using tax rates and laws that have been enacted or substantively enacted by the end of the financial period.

The director periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. A current tax liability is recognised where appropriate and is measured on the basis of amounts expected to be paid to the tax authorities.

(ii) *Deferred tax*

Deferred tax is recognised in respect of timing differences, which are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in financial periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the end of each financial period with certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the end of each financial period end and that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) *Cash and cash equivalents*

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid instruments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities. Cash and cash equivalents are initially measured at transaction price and subsequently measured at amortised cost. Bank deposits which have original maturities of more than three months are not cash and cash equivalents and are presented as current asset investments.

(g) *Financial Instruments*

The company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

Financial assets

Basic financial assets, including trade and other debtors and cash and cash equivalents, are initially recognised at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial asset is initially measured at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

At the end of each financial period financial assets measured at amortised cost are assessed for objective evidence of impairment. If there is objective evidence that a financial asset measured at amortised costs is impaired an impairment loss is recognised in profit or loss. The impairment loss is the difference between the financial assets carrying amount and the present value of the financial assets estimated cash flows discounted at the asset's original effective interest rate.

If, in a subsequent financial period, the amount of an impairment loss decreased and the decrease can be objectively related to an event occurring after the impairment was recognised the previously recognised impairment loss is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment loss not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities
Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction. Where the arrangement constitutes a financing transaction the resulting financial liability is initially measured at the present value of the future payments discounted at a market rate of interest.

Trade and other creditors and financial liabilities from arrangements which constitute financing transactions are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as due within one period if payment is due within one period or less. If not, they are presented as falling due after more than one period. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(h) *Share capital presented as equity*
Equity shares issued are recognised at the proceeds received. Incremental costs directly attributable to the issue of new equity shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(i) *Tangible fixed assets*
Tangible fixed assets are stated at original cost less accumulated depreciation and accumulated impairment losses. Depreciation is provided on all other property, plant and equipment at rates calculated to write off the cost, less estimated residual value of each asset on a systematic basis over its expected useful economic lives as follows:

	Estimated useful life (in periods)
Aircraft components:	
Engine	21
Auxiliary power unit	15
Interior	15
Airframe	21

The useful lives and methods of depreciation of tangible fixed assets are reviewed at each financial period end and adjust prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Tangible fixed assets (Continued)

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.If any such indication exists the company estimates the recoverable amount of the asset. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount is less than its carrying amount, the carrying amount of the asset is impaired and it its reduced to its recoverable amount through an impairment in profit and loss unless the asset is carried at a revalued amount where the impairment loss of the revalued asset is a revaluation decrease.

If the estimated recoverable amount of the asset exceeds its carrying amount, the company shall increase the carrying amount to the recoverable amount, limited to the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. The increase is a reversal of an impairment loss and is recognised immediately in profit and loss unless the asset is carried at revalued amount

After a reversal of an impairment loss is recognised the company will adjust the depreciation (amortisation) charge for the asset in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

The company shall recognise the cost of an item of property, plant and equipment as an asset if, it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Parts of some items of property, plant and equipment may require replacement at regular intervals. In such instances the company will add to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if the replacement part is expected to provide incremental future benefits to the entity. The carrying amount of those parts that are replaced is derecognised regardless of whether the replaced parts had been depreciated separately. If it is impracticable for the company to identify the carrying amount of the replaced part, it may be estimated using the current cost of the replacement part as a proxy for the original cost of the replaced part and adjusting it for depreciation and impairment. If the major components of an item of property, plant and equipment have significantly different patterns of consumption of economic benefits, the company shall allocate the initial cost of the asset to its major components and depreciate each such component separately over its useful life.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

4 CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATION UNCERTAINTY

Estimates and judgements made in the process of preparing the entity financial statements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions
The director makes estimates and assumptions concerning the future in the process of preparing the entity financial statements. The resulting accounting estimates will, by definition, seldom equal the related actual results. The impairment review as well as the useful economic life of the aircraft component represent critical accounting estimates that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5 TURNOVER

Turnover represents the value of services performed outside the Republic of Ireland during the financial period.

6 OPERATING LOSS	2021/22	2020/21
	€	€
Operating loss is stated after charging:		
Depreciation expenses	767,804	782,339
(Reversal of Impairment) / Impairment Loss	(799,679)	850,000
Loss of derecognition of PPE	477,648	-
Auditor's remuneration – audit of accounts	12,600	18,000

7 EMPLOYEES AND DIRECTORS

(i) *Employees*
The company has no regular employees as at 31 March 2022. Aircraft operations are handled by a third party aircraft management company. Administrative functions are handled by employees of another group company.

(ii) *Directors*
Director´s remuneration is borne by another group company.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

		2021/22	2020/21
8	INTEREST PAYABLE AND SIMILAR CHARGES	€	€
	Interest and charges	317,149	321,373

		2021/22	2020/21
9	INCOME TAX	€	€
(a)	Tax expense included in profit or loss		
	Current tax:		
	German corporation tax on profit for the financial period	-	-
	Current tax charge for the financial period	-	-

(b) *Reconciliation of tax expense*

Tax assessed for the financial period is different than the standard rate of corporation tax in Germany for the financial period ended 31 March 2022 of 15%. The differences are explained below:

	2021/22	2020/21
	€	€
Loss on ordinary activities before tax	(1,562,946)	(2,803,385)
Profit multiplied by the standard rate of tax In Germany of 15%	(234,442)	(420,508)
Effects of:		
Depreciation in excess of tax depreciation:	(122,875)	131,441
Tax loss carry-forward	357,317	289,067
Tax on loss on ordinary activities	-	-

Deferred tax asset amounted to €1,175,707 (2021: €818,390) has not been recognised due to uncertainty over the timing of future taxable profits. This asset arises mainly from the losses carried forward.

10 TANGIBLE FIXED ASSETS

The Company's tangible fixed assets pertains to a Bombardier Challenger Aircraft 350 which has the following components:

	Engine	Auxiliary power unit	Interior	Airframe	Total
	€	€	€	€	€
Cost:					
Opening balance	6,903,201	690,320	690,320	7,593,521	15,877,362
Addition during the year	617,281	-	-	-	617,281
Derecognition during the year	(617,281)	-	-	-	(617,281)
Closing balance	6,903,200	690,320	690,320	7,593,521	15,877,361
Accumulated depreciation and Reversal of impairment:					
Opening balance	1,492,674	194,274	194,274	1,641,942	3,523,164
Depreciation for the year	341,224	42,979	42,979	340,622	767,804
Depreciation on Derecognition	(139,633)	-	-	-	(139,633)
Reversal of Impairment	(362,118)	(19,615)	(19,615)	(398,331)	(799,679)
Closing balance	1,332,147	217,638	217,638	1,584,233	3,351,656
Net book value:					
at 31 March 2022	5,571,054	472,682	472,682	6,009,288	12,525,706
Net book value:					
at 1 April 2021	5,410,527	496,046	496,046	5,951,579	12,354,198

The Company has re-evaluated the Aircraft to its current market value with a Reversal of Impairment, but not more than the recovery in value that has occurred up to €12.5 Milion.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

11	DEBTORS (amount falling due within one year)	2021/22	2020/21
		€	€
	Amounts due from group companies	1,845,827	1,945,088
	Other current assets	1,695,501	-
	Other Receivables	52,233	-
	Prepayments	11,091	11,091
	VAT	107,837	107,172
	Deposit	240,000	240,000
		3,952,489	2,303,351

Deposit pertains to operating expenses security fund paid to the third party aircraft management company. Amounts due from group companies are unsecured, interest free and have no fixed date of repayment and are therefore treated as payable on demand. Other current assets consist the inventory of flight hours purchased from third party as per closing date.

12	CREDITORS (amount falling due within one year	2021/22	2020/21
		€	€
	Amounts due to third parties	745,525	125,533
	Amounts due to group companies:		
	Interest and other charges	2,279,768	3,793,800
	Accruals	304,770	148,544
		3,330,063	4,067,877

Included under interest and other charges were the administrative and other day-to-day expenses shouldered by MSSL GmbH and charged back to the company. These are payable on demand.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

13	CREDITORS (amount falling due after one year	2021/22	2020/21
		€	€
	Amounts due to group companies:	21,690,684	17,102,634

In 2017, the company entered into an interest bearing loan agreement with its parent company, MSSL Mideast FZE for a principal amount of €14.2 million with an interest rate of 1.5% plus EURIBOR. With an amendment to the loan agreement done during the last financial year the maturity date of the loan had been extended to 31 December 2025.

In 2020, the company has concluded a further loan agreement with its parent company MSSL Mideast FZE for a principal amount of €2.5 million with an interest rate of 1.5% plus EURIBOR. The company has drawn down an amount of €1.735 million from this loan as of 31 March 2022. The maturity date of this loan is 31 December 2023.

On 30 April 2021 the company has entered into an additional loan agreement with its parent company MSSL Mideast FZE for a principal amount of € 700,000 with reference to the Engine Update done in actual financial year with an interest rate of 1.5% plus EURIBOR. Further the company has indent on 25 May 2021 an loan agreement with MSSL Mideast FZE for a principal amount of €1.670 million as well as on 21 March 2022 for a principal amount of €1.652 million both with an interest rate of 1.5% plus EURIBOR. The maturity date of those loans each is 31 December 2024.

The interest expense for the period amounted to € 261,407.

In 2017, the company entered into an interest bearing loan agreement with another group company, MSSL GmbH for a principal amount of $1.88 million with interest rate of 1.75% plus LIBOR. The maturity date of the loan is 31 December 2020. With an amendment to the loan agreement done during the last financial year the maturity date of the loan had been extended to 31 December 2025.

The interest expense for the period amounted to € 31,129.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

14	FINANCIAL INSTRUMENTS	2021/22	2020/21
		€	€
	The company has the following financial instruments:		
	Financial assets that are debt instruments measured at amortised cost:		
	Amounts due from group companies (Note 11)	1,845,827	1,945,088
	Financial liabilities measured at amortised cost:		
	Trade creditors & accruals *(Note 12)*	1,050,295	274,077
	Amounts due to group companies (Note 12 and 13):	23,970,452	20,896,434

15 SHARE CAPITAL AND RESERVES

The Company has a total of one (1) issued share with total value of €1. The nominal value per share is €1.

There is a single class of equity shares. There are no restrictions on the distribution of dividends and the repayment of capital. All shares carry equal voting rights and rank for dividends to the extent to which the total amount on each share is paid up.

Profit and loss account
Profit and loss account represents accumulated comprehensive income for the financial period.

16 CAPITAL AND OTHER COMMITMENTS

(a) The company has no capital commitments at 31 March 2022.

(b) The company has no non-cancellable operating leases at the end of the financial period.

(c) The company had no other off-balance sheet arrangements.

NOTES TO THE FINANCIAL STATEMENTS
31 March 2022 (Continued)

17 RELATED PARTY TRANSACTIONS

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Samvardhana Motherson International Ltd. group, formerly Motherson Sumi Systems Limited group.

18 REPORT ON SUBSEQUENT EVENTS

There are no subsequent events that required disclosure or amendments to the financial statements.

19 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the director on 24.11.2022 and were signed on that date.