

BOARD'S REPORT TO THE SHAREHOLDERS OF MAHINDRA AEROSTRUCTURES PRIVATE LIMITED

Your Directors present their Twelfth Report together with the audited financial statements of your Company for the year ended 31st March, 2022.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Rs.in Lakhs)

Particulars	For the year ended 31 st March, 2022	For the year ended 31 st March, 2021
Total Income	10,348.85	7,049.23
Profit / (Loss) before Depreciation, Finance Costs, and Taxation	844.98	(388.66)
Less: Depreciation & Amortization	1,322.82	1,318.38
Profit / (Loss) before Finance Costs and Taxation	(477.84)	(1,707.04)
Less: Finance Costs	43.60	19.43
Profit / Loss before Exceptional Item	(521.44)	(1,726.47)
Less: Exceptional Item	--	570.30
Profit / (Loss) before Tax	(521.44)	(2,296.77)
Less: Taxation	--	--
Profit / (Loss) for the year	(521.44)	(2,296.77)
Other Comprehensive Income, net of tax	(6.99)	8.18
Total Comprehensive Income for the Period	(528.43)	(2,288.59)
Balance of Profit / Loss for earlier years	(28,550.94)	(26,254.17)
Profit / Loss for the year	(521.44)	(2,296.77)
Balance of Profit carried forward	(29,072.38)	(28,550.94)
Net Worth	17,383.89	17,912.32

There are no material changes and commitments affecting the financial position of your Company after the closure of financial year till the date of this report.

DIVIDEND

In view of the losses, your Directors have not considered dividend for the year under review.

No amount was required to be transferred to Investor Education and Protection fund for the year under review.

AMOUNTS TRANSFERRED TO RESERVES

The Board of Directors have decided not to transfer any amount, in view of the losses, to Reserves for the year under review.

OPERATIONS

Despite continuing pandemic impacts and threat of contract termination, the Company engaged intensely with customers and not only achieved higher sales than pre-COVID levels, but also successfully negotiated extension of major customer contracts.

During the year, the Company also signed its largest contract, with a reputed US-based aircraft OEM, which will significantly raise the Company's profile and provide access to the next level of complexity. Further, the Company also secured an additional work package from an aero-engine OEM after successfully industrializing the first package during the peak of COVID pandemic.

The Company continues to be a 'Gold' supplier to one major global aircraft OEM and retained its 'Challenger' status with the other major aircraft OEM. This enhances MASPL's ability to receive bigger RFQs. The Company continues to pursue various opportunities in India and abroad for larger value work, and these efforts are expected to yield results in the coming years.

SHARE CAPITAL

The Authorised Share Capital of the Company, as at the end of the financial year under review, stood at Rs. 470,00,00,000/-

The Issued and Paid-up Equity Share Capital of the Company stood at Rs. 464,50,00,000/- as at the end of the financial year under review.

HOLDING COMPANY

Mahindra Aerospace Private Limited ("MAPL") is the Holding Company of your Company.

MAPL, being a subsidiary of Mahindra and Mahindra Limited ("M&M"), is thereby the Intermediate Holding Company and M&M is the Ultimate Holding Company of the Company.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

Your Company had no Subsidiaries, Associates and Joint Ventures as on 31st March, 2022.

BOARD OF DIRECTORS

The Composition of the Board of Directors of your Company, as at the end of the financial year under review, was as follows:

Sr. No.	Name of the Director	Designation	Executive/ Non-Executive	Independent/ Non-Independent
1.	Mr. Shriprakash Shukla (DIN: 00007418)	Chairman	Non - Executive	Non-Independent
2.	Mr. Mukul Verma (DIN: 02428217)	Director	Non - Executive	Non-Independent
3.	Mrs. Seema Bangia (DIN:08742264)	Director	Non - Executive	Non - Independent
4.	Mr. Dhiraj Rajendran (DIN:06884408)	Director	Non - Executive	Non-Independent
5.	Mr. Arvind Kumar Mehra (DIN: 01039769)	Managing Director & CEO	Executive	Non-Independent
6.	Dr. Krishnamurthy Karthik (DIN: 07130799)	Whole Time Director	Executive	Non-Independent

Dr. Karthik Krishnamurthy (DIN: 07130799) and Mr. Mukul Verma (DIN: 02428217) Directors, retire by rotation and being eligible, have offered themselves for reappointment.

During the year under review, the Board of Directors of your Company at their Meeting held on 25th January, 2022, had re-appointed Mr. Arvind Kumar Mehra (DIN: 01039769) as a Managing Director & CEO, subject to approval of Members, for a further period from 26th April, 2022 to 31st March, 2024.

All the Directors of your Company have given requisite declarations under Form DIR-8 pursuant to Section 164 of the Companies Act, 2013 that they are not disqualified for appointment/ reappointment as Directors.

CONSOLIDATED FINANCIAL STATEMENTS

The requirements of consolidated financial statements are not applicable to your Company as your Company does not have any Subsidiaries, Associates and Joint Ventures.

ANNUAL EVALUATION OF PERFORMANCE OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013, the Board carried out an annual evaluation of its own performance as well as performance of the Directors individually. Feedback was sought by way of a structured questionnaire covering various aspects of the Board's functioning and the evaluation was carried out based on responses received from Directors.

The performance evaluation of each Director and the Board as a whole was carried out by the Board.

CODES OF CONDUCT

Your Company has adopted Code of Conduct for Corporate Governance ("the Code") for its Directors and Senior Management Personnel and Employees. These Codes enunciate the underlying principles governing the conduct of your Company's business and seek to reiterate the fundamental precept that good governance must and would always be an integral part of your Company's ethos.

Your Company has for the year under review, received declarations from the Board Members and Senior Management Personnel and employees affirming compliance with the respective Codes of Conduct.

BOARD MEETINGS

Your Board of Directors met four times during the year under review i.e., on 27th April, 2021, 20th July, 2021, 19th October, 2021 and 25th January, 2022.

The attendance of the Directors at these meetings was as under:

Name of Directors	No. of meetings attended
Mr. Shriprakash Shukla	4
Mr. Mukul Verma	3
Mr. Dhiraj Rajendran	4
Mr. Arvind Kumar Mehra	4
Dr. Karthik Krishnamurthy	4
Mrs. Seema Bangia	4

GENERAL MEETINGS

Eleventh Annual General Meeting of the Members of the Company was held on 20th July, 2021.

No Extra Ordinary General Meeting of the Members of the Company was held during the year under review.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to section 134(3)(c) of the Companies Act, 2013, your Directors, based on the representation received from operating team, and after due enquiry, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) accounting policies have been selected in consultation with the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the loss of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

APPOINTMENTS OF/CHANGES IN KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Sections 2(51) and 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of your Company: -

- 1. Mr. Arvind Kumar Mehra is the Managing Director & CEO;
- 2. Dr. Karthik Krishnamurthy is the Whole-time Director;
- 3. Mr. T Subrahmanya Sarma is the Chief Financial Officer;
- 4. Mr. V S Ramesh is the Company Secretary.

During the year under review, the Board of Directors of your Company at their Meeting held on 25th January, 2022, had re-appointed Mr. Arvind Kumar Mehra (DIN: 01039769) as a Managing Director & CEO, subject to approval of Members, for a further period from 26th April, 2022 to 31st March, 2024.

COMMITTEES OF THE BOARD

There was no Committee of the Board during the year under review.

MEETING OF INDEPENDENT DIRECTORS

Your Company is exempted from appointing Independent Directors.

VIGIL MECHANISM

In accordance with section 177 of the Companies Act, 2013, your Company has established vigil mechanism for directors and employees to report genuine concerns. It provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the Chairman of the Board.

AUDITORS

STATUTORY AUDITORS

The Shareholders of the Company had, at their 7th Annual General Meeting held on 2nd August, 2017, appointed M/s. B S R & Co., LLP, Chartered Accountants, (ICAI Firm Registration Number: 101248 W/W-100022) as Statutory Auditors of the Company for a consecutive term of 5 years from the conclusion of the said Annual General Meeting until the conclusion of 12th Annual General Meeting to be held in the year 2022.

Your Board of Directors, at their Meeting held on 26th April, 2022, have considered and recommended to the Shareholders, the re-appointment of M/s. B S R & Co., LLP, Chartered Accountants, (ICAI Firm Registration Number: 101248 W/W-100022), as Statutory Auditors of the Company, to hold office of the Statutory Auditors, , for a second term of 5 consecutive years commencing from the conclusion of the forthcoming Annual General Meeting of the Members of the company to be held this year till the conclusion of 17th Annual General Meeting to be held in the year 2027.

The Report of the Statutory Auditors for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014, your Company had appointed M/s. "Siroya and BA Associates", Company Secretaries, (Partnership Registration No. P2019MH074300), to conduct the Secretarial Audit of the Company for the financial year 2021-2022.

The Company has annexed to this Board Report as **Annexure I**, a Secretarial Audit Report given by the Secretarial Auditor.

The Secretarial Audit Report for the year under review does not contain any qualification, reservation or adverse remark or disclaimer.

MAINTENANCE OF COST ACCOUNTS AND RECORDS

Your Company has made and maintained Cost Accounts and Records as required under the Section 148 (1) of the Companies Act, 2013 and rules made thereunder.

COST AUDIT

The provisions of the Companies Act, 2013 relating to Cost Audit were not applicable to your Company.

INTERNAL AUDITOR

Your directors had appointed Mr. K N Vaidyanathan, a professional having qualification and rich experience, as an Internal Auditor, to conduct the internal audit of the functions and activities of the Company for the year ended 31st March, 2022.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditors had not reported any instances of frauds committed in the Company by its officers or employees to the Board pursuant to Section 143 (12) of the Companies Act 2013.

POLICY ON CRITERIA FOR APPOINTMENT/ REMOVAL OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL AND POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Your Company adopted the following Policies which, inter alia, include criteria for determining qualifications, positive attributes and independence of a Director:

- (a) Policy on Criteria for Appointment of Directors and Senior Management Personnel;
- (b) Policy for remuneration of the Directors, Key Managerial Personnel and other employees.

Policy (a) mentioned above includes the criteria for determining qualifications, positive attributes and independence of a Director, identification of persons who are qualified to become Directors and who may be appointed in the Senior Management Team in accordance with the criteria laid down in the said Policy, succession planning for Directors and Senior Management, and Policy statement for Talent Management framework of the Company.

Policy (b) mentioned above sets out the approach to Compensation of Directors, Key Managerial Personnel and other employees in Mahindra Aerostructures Private Limited.

The Policies mentioned at (a) and (b) above are provided in **Annexure IIA and IIB** respectively and the same form part of this Report.

The said policies have been uploaded on the Company's Website <https://www.mahindraaerospace.com/media-kit/>.

RISK MANAGEMENT POLICY

Your Company has, in place, Risk Management Policy which includes identification therein of the elements of risk which in the opinion of Board may threaten the existence of the Company. Your Company's Risk Management Policy sets out the objectives and elements of risk management within the organization and helps to promote risk awareness amongst employees and to integrate risk management within the corporate culture.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility were not applicable to your Company for the year under review.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls with reference to the Financial Statements commensurate with the size, scale and complexity of its operations. The internal control system is supplemented by documented policies, guidelines and procedures. Besides the Company regularly conducts reviews to assess the adequacy of financial and operating controls for various processes of the Company. Statutory Auditors have audited the Internal Financial Controls over Financial Reporting of the Company as of 31st March, 2022. Statutory Auditors are invited to attend the annual accounts approval Board Meetings. Corrective actions, if required, are being taken up immediately to ensure that the internal financial control system remains robust and as an effective tool.

PEOPLE

Your Company has 346 employees on its rolls as at 31st March, 2022. Your Company acknowledges its commitment to regional development and improving the standard of living of the people in the region.

SAFETY, HEALTH AND ENVIRONMENT

Your Company maintains a very high focus on Health and Safety standards and have implemented various processes in this regard

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of the Companies Act, 2013 read with the Companies Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given as **Annexure III** to this Report.

DISCLOSURE OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Being an unlisted company, provisions of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 were not applicable to your Company during the year under review.

PUBLIC DEPOSITS

Your Company had not accepted any deposits from the public, or its employees, within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review and there is no amount which qualifies as deposit outstanding as on the date of balance sheet and not in compliance with the requirement of chapter V of the Companies Act, 2013.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company had not made any investment or given loans/guarantees or provided any security in connection with a loan, particulars in respect of which are required to be given under section 186 of the Companies Act, 2013.

Your Company had not made any loans/advances which are required to be disclosed in the annual accounts of the Company pursuant to Regulations 34 (3) and 53 (f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Schedule V applicable to the Parent Company Mahindra and Mahindra Limited.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the Related Party Transactions entered, during the year, were in the Ordinary Course of Business and on arm's length basis.

There was no material contract or arrangement or transaction with related parties, which was required to be furnished in terms of Section 134 of Companies Act, 2013.

ANNUAL RETURN

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, as amended, a copy of the annual return under prescribed Form MGT-7, is placed on the website of the Company, which can be accessed at the web-address: <https://www.mahindraaerospace.com/media-kit/>.

As per the Rule 12 of Companies (Management and Administration) Rules, 2014 as amended, a copy of the annual return shall also be filed with the Registrar with prescribed fees.

THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has complied with the provisions relating to constitution of Internal Complaints Committee under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year under review, no complaint was received under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

COMPLIANCE WITH THE PROVISIONS OF SECRETARIAL STANDARD 1 AND SECRETARIAL STANDARD 2

The applicable Secretarial Standards, i.e., SS-1 and SS-2 relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly complied by your Company.

SUSTAINABILITY

Your Company continues with its journey on sustainable development with conscious efforts to minimize the environmental impact caused by its operations and simultaneously taking responsibility to enable communities to Rise without losing focus on economic performance.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events during the year under review.

1. Issue of Equity Shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (including Sweat Equity Shares) to employees of the Company under any Scheme.
3. Significant or material orders by Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.
4. Voting Rights not exercised directly by the employees in respect of shares for the subscription/purchase of which loan was given by the Company. (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3) (c) of the Companies Act, 2013).
5. There was no change in the nature of business of your Company.
6. During the year, the Company has not made any application and there are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016).
7. During the year, the Company has not made any one-time settlement for loans taken from the Banks or Financial Institutions, and hence the details of difference between amount of the valuation done at the time of one time settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof is not applicable.
8. There was no revision of financial statements and Board's Report of the Company during the year under review.

ACKNOWLEDGEMENTS

Your Directors are pleased to take this opportunity to thank the bankers, customers, vendors, all the other stakeholders for their co-operation to the Company during the year under review.

For and on behalf of the Board

Arvind Kumar Mehra
Managing Director & CEO
DIN: 01039769
Mumbai, 26th April, 2022

SP Shukla
Director
DIN: 00007418
Mumbai, 26th April, 2022

ANNEXURE I TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2022

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
Mahindra Aerostructures Private Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mahindra Aerostructures Private Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the relevant and applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (Not Applicable); and
3. As confirmed by the management, there are no other laws specifically applicable in relation to the business of the Company.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India, and
2. Listing Agreement/Regulations: The Company is an unlisted Company and therefore compliance with listing agreement is not applicable.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable.

Other statutes, Acts, laws, Rules, Regulations, Guidelines and Standards etc., as applicable to the Company are given below:

1. Labour Laws and other incidental laws related to employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts as prescribed under Direct Tax and Indirect Tax;
3. Stamp Acts and Registration Acts;
4. Labour Welfare Act; and
5. Such other Local laws etc. as may be applicable.

We further report that the Board of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Woman Director. During the year under review, Mr. Arvind Kumar Mehra was re-appointed as Managing Director & Chief Executive Officer and Key Managerial Personnel of the Company w.e.f. April 26, 2022.

Adequate notice was given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meeting.

During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company in order to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has not undertaken any significant or material corporate events/actions which may have a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For Siroya and BA Associates
Company Secretaries**

**Bhavyata Raval
Partner**

ACS No.: 25734

CP No.: 21758

UDIN: A025734D000211117

Date: 26th April, 2022

Place: Mumbai

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

‘Annexure A’

To,
The Members,
Mahindra Aerostructures Private Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Siroya and BA Associates
Company Secretaries

Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758
UDIN: A025734D000211117
Date: 26th April, 2022
Place: Mumbai

ANNEXURE IIA TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2022

**POLICY ON CRITERIA FOR APPOINTMENT/REMOVAL OF DIRECTORS
AND SENIOR MANAGEMENT PERSONNEL**

DEFINITIONS

The definitions of some of the key terms used in this Policy are given below.

“Board” means Board of Directors of the Company.

“Company” means Mahindra Aerostructures Private Limited.

“Committee(s)” means Committees of the Board for the time being in force.

“HR’ means the Human Resource department of the Company.

“Key Managerial Personnel”, (KMP) refers to key managerial personnel as defined under the Companies Act, 2013 and includes

- (i) the Chief Executive Officer or the managing director or the manager;
- (ii) the company secretary;
- (iii) the whole-time director;
- (iv) the Chief Financial Officer;
- (v) such other officer, not more than one level below the directors who is in whole-time employment, designated as key managerial personnel by the Board.

“Nomination and Remuneration Committee” (NRC) means Nomination and Remuneration Committee of Board of Directors of the Company for the time being in force.

“Senior Management” means personnel of the Company who are members of its Core Management Team excluding Board of Directors comprising of all members of management one level below the executive directors including the functional heads.

I. APPOINTMENT OF DIRECTORS

1. All Board appointments will be based on merit, in the context of the skills, experience, independence and knowledge, for the Board as a whole to be effective.
2. Ability of the candidates to devote sufficient time and attention to his professional obligations as Independent Director for informed and balanced decision making.
3. Adherence to the Code of Conduct and highest level of Corporate Governance in letter and in spirit by the Independent Directors.

- The Board will evaluate the candidate(s) and decide on the selection of the appropriate member. The Board through the Chairman/Managing Director/Whole Time Director will interact with the new member to obtain his/her consent for joining the Board. Upon receipt of the consent, the new Director will be co-opted by the Board in accordance with the applicable provisions of the Companies Act, 2013 and Rules made thereunder.

Removal of Directors

If a Director is attracted with any disqualification as mentioned in any of the applicable Act, rules and regulations thereunder or due to non - adherence to the applicable policies of the Company, the Board may, with reasons recorded in writing, remove a Director subject to the compliance of the applicable statutory provisions.

Senior Management Personnel

The Board shall identify persons who may be appointed in senior management team in accordance with the criteria laid down above.

Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman/Managing Director/Whole Time Director based on the business need and the suitability of the candidate.

II. SUCCESSION PLANNING:

Purpose

The Talent Management Policy sets out the approach to the development and management of talent in the Mahindra Group to ensure the implementation of the strategic business plans of the Group and the Group Aspiration of being among the Top 50 globally most-admired brands by 2021.

Board:

The successors for the Independent Directors shall be identified by the Board at least one quarter before expiry of the scheduled term. In case of separation of Independent Directors due to resignation or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.

The Board will accord due consideration for the expertise and other criteria required for the successor.

The Board may also decide not to fill the vacancy caused at its discretion.

Senior Management Personnel:

A good succession-planning program aims to identify high growth individuals, train them and feed the pipelines with new talent. It will ensure replacements for key job incumbents in KMPs and senior management positions in the organization.

Significantly, we have a process of identifying Hi-pots and critical positions. Successors are mapped for these positions at the following levels:

1. Emergency successor
2. Ready now
3. Ready in 1 to 2 years
4. Ready in 2 to 5 years
5. Ready in more than 5 years

in order to ensure talent readiness as per a ladder approach.

Policy Statement

The Talent Management framework of the Mahindra Group has been created to address three basic issues:

- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them – by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual development plans for individuals both in the succession pipeline as well as others?

The framework lays down an architecture and processes to address these questions using the **3E** approach:

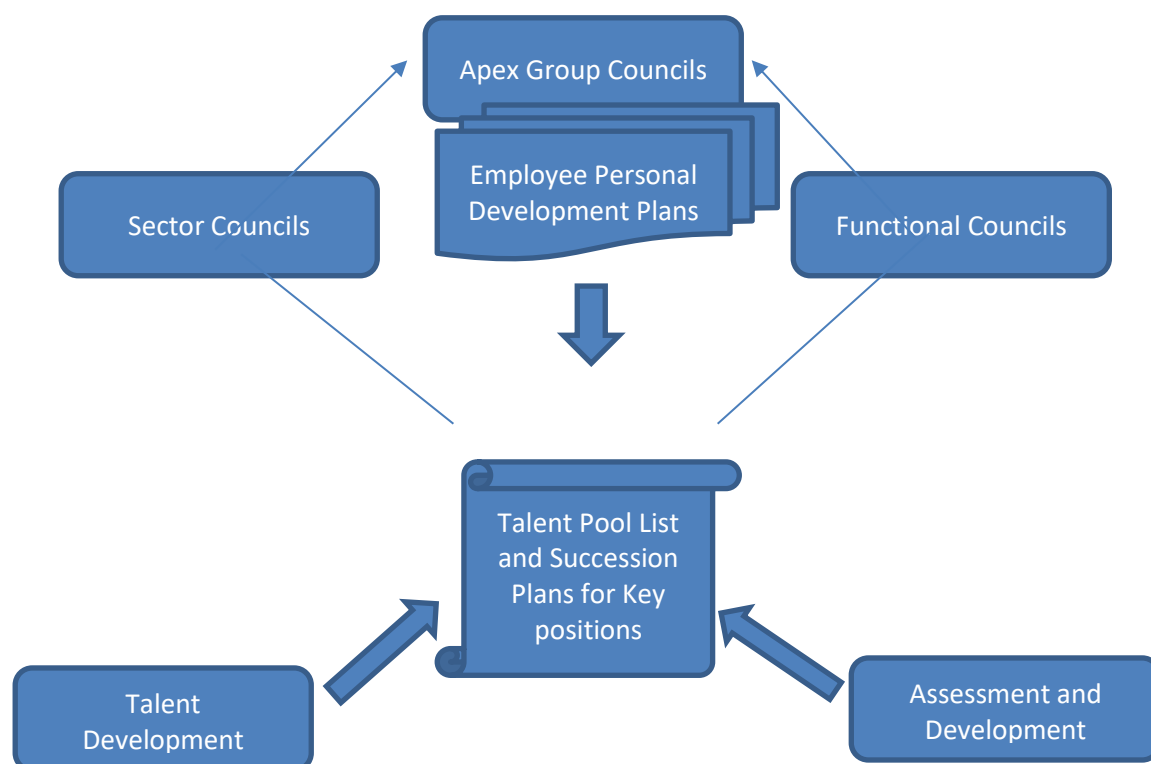
- a) **Experience** i.e., both long and short-term assignments. This has 70% weightage
- b) **Exposure** i.e., coaching and mentoring – 20% weightage
- c) **Education** i.e., learning and development initiatives – 10% weightage

The Talent Management process is applicable to all employees. Over the years, the Talent Management framework has become a well-structured and process-oriented system which is driven by an interactive and collaborative network of Talent Councils at the Group and Sector Levels.

These Talent Councils, which consist mainly of senior business leaders supported by HR, are a mix of Sector (Business) and Functional Councils coordinated by an Apex Talent Council, headed by the Group Chairman.

The Apex Council reviews the work done by the Talent Councils and facilitates movement of talent across Sectors. The Sector/Functional Councils meet regularly throughout the year and the Apex Council interacts with each one of them separately once a year, and in addition conducts an integrated meeting where the Chairpersons of all the Councils are present.

The Talent Management process can be represented pictorially as under:



The talent pipeline is maintained and developed so as to ensure that there is a seamless flow of talent. An important part of this exercise is drawing up and implementing IDAPs (Individual Development Action Plans) for every Executive concerned using the 3E approach mentioned above.

For and on behalf of the Board

Arvind Kumar Mehra
Managing Director & CEO
DIN: 01039769
Mumbai, 26th April, 2022

SP Shukla
Director
DIN: 00007418
Mumbai, 26th April, 2022

ANNEXURE IIB TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2022

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

Purpose

This Policy sets out the approach to compensation of Directors and Key Managerial Personnel in Mahindra Aerostructures Private Limited.

Policy Statement

Our compensation philosophy strives to attract and retain high performers by compensating them at levels that are broadly comparable with the median of the comparator basket while differentiating people on the basis of performance, potential and criticality for achieving competitive advantage in business.

In order to effectively implement this, our compensation structure is developed through external benchmarking as appropriate, with relevant players across the industry we operate in.

Non-Executive Including Independent Directors

The Board shall decide the basis for determining the compensation, both fixed and variable, to the Non-Executive Directors, including Independent Directors, whether as commission or otherwise. The Board shall take into consideration various factors such as director's participation in Board and Committee meetings during the year, other responsibilities undertaken, such as membership or Chairmanship of committees, time spent in carrying out their duties, role and functions as envisaged in Schedule IV of the Companies Act 2013 and such other factors as the Board may consider deem fit for determining the compensation. The Board shall determine the compensation to Non-Executive Directors within the overall limits specified in the Shareholders resolution.

Executive Directors:

The remuneration to Chairman & Managing Director and Executive Director(s) shall be considered and approved by the Board. The remuneration consists of both fixed compensation and variable compensation and shall be paid as salary, commission, performance bonus, stock options (where applicable), perquisites and fringe benefits as approved by the Board and within the overall limits specified in the Shareholders resolution. While the fixed compensation is determined at the time of their appointment, the variable compensation will be determined annually by the Board based on their performance.

Key Managerial Personnel (KMPs)

The terms of remuneration of Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS) shall be determined by the Board and may be revised, from time to time, either by any Director or such other person as may be authorised by the Board. The remuneration shall be consistent with the competitive position of the salary for similar positions in the industry and their Qualifications, Experience, Roles and Responsibilities. Pursuant to the provisions of section 203 of the Companies Act, 2013 the Board shall approve the remuneration at the time of their appointment.

The remuneration to directors, KMPs and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Employees

We follow a position and level-based approach for compensation benchmarking with aerospace component manufacturing companies.

We have a CTC (Cost to Company) concept which includes a fixed component (guaranteed pay) and a variable component (performance pay). The percentage of the variable component increases with increasing hierarchy levels as employees at higher positions have a greater impact and influence on the Company's overall business result. CTC is reviewed once every year and the compensation strategy for positioning of individuals takes into consideration the following elements:

- ❖ Performance
- ❖ Potential
- ❖ Criticality
- ❖ Longevity in grade

Remuneration for new employees other than KMPs and Senior Management Personnel will be decided by HR and approved by the Managing Director/Whole Time Director/Executive Director, based on factors such as relevant job experience, last compensation drawn, skill-set of the selected candidate, internal equity and related parameters.

The Company may also grant Stock Appreciation Rights and/or Stock Options/ Long Term Incentive and Retention benefits to Employees and Directors (other than Independent Directors) in accordance with any Scheme of the Company and subject to compliance of the applicable statutes and regulations.

For and on behalf of the Board

Arvind Kumar Mehra
Managing Director & CEO
DIN: 01039769
Mumbai, 26th April, 2022

SP Shukla
Director
DIN: 00007418
Mumbai, 26th April, 2022

ANNEXURE III TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2022

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

PARTICULARS AS PER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2022.

A. CONSERVATION OF ENERGY

- (a) **the steps taken or impact on conservation of energy:**
Though the activities/operations of the Company are not power intensive, necessary measures are taken to contain and bring about saving in power consumption, wherever practicable.
- (b) **the steps taken by the Company for utilizing alternate sources of energy:** During the year, the Company purchased Wind Energy to meet a portion of its requirements.
- (c) **the capital investment on energy conservation equipments:** NIL

B. TECHNOLOGY ABSORPTION

- i) **the efforts made towards technology absorption:** Not Applicable
- ii) **the benefits derived like product improvement, cost reduction, product development or import substitution:** Not Applicable
- iii) **in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** NIL
 - (a) the details of technology imported:
 - (b) the year of import
 - (c) whether the technology been fully absorbed:
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof:
- iv) **the expenditure incurred on Research and Development:** NIL

C. FOREIGN EXCHANGE EARNINGS AND OUTGO: (in terms of actual inflow and outflow)

Total Foreign Exchange Earned and Used: (Rupees in Lakhs)

	For the Financial Year Ended 31st March, 2022	For the Financial Year Ended 31st March, 2021
Total Foreign Exchange earned	8,871.73	6,496.59
Total Foreign Exchange used	4,064.23	3,085.04

For and on behalf of the Board

Arvind Kumar Mehra
Managing Director & CEO
DIN: 01039769
Mumbai, 26th April, 2022

SP Shukla
Director
DIN: 00007418
Mumbai, 26th April, 2022

Independent Auditor's Report

To the Members of Mahindra Aerostructures Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerostructures Private Limited (the "Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other 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 and other explanatory information (hereinafter referred to as Financial Statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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, 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.

Mahindra Aerostructures Private Limited

Independent Auditor's Report (Continued)

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Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit / loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also 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 SAs 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.

As part of an audit in accordance with SAs, 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

Mahindra Aerostructures Private Limited

Independent Auditor's Report (Continued)

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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements 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 those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

Mahindra Aerostructures Private Limited

Independent Auditor's Report (Continued)

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Report on Other Legal and Regulatory Requirements (Continued)

- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 30 to the financial statements.
 - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.
- e) The Company has neither declared nor paid any dividend during the year.

Mahindra Aerostructures Private Limited
Independent Auditor's Report (Continued)

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Report on Other Legal and Regulatory Requirements (Continued)

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration NO. 101248W/W-100022

Praveen Kumar Jain

Partner

Membership No. 079893

UDIN: 22079893AHVKYD3295

Place: Bengaluru

Date: 26 April 2022

With reference to the Annexure A referred to in paragraph 1 of our report to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - (a) (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, plant and equipment by which all Property, plant and equipment are verified every year. In accordance with this programme, property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
 - (c) The Company does not have any immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). Accordingly, clause 3(i)(c) of the Order is not applicable
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
 - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company. The Company did not have any sanctioned working capital limits from financial institutions.

Mahindra Aerostructures Private Limited
Annexure A to the Independent Auditors' Report (Continued)

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- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

Mahindra Aerostructures Private Limited
Annexure A to the Independent Auditors' Report (Continued)

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- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Customs Act, 1962	Custom duty and penalty	2,598.85 (232.14)*	FY 2014015	Custom, Excise and Service Tax Appellate Tribunal, Chennai	
Customs Act, 1962	Custom duty (excluding interest)	41.36 (45.33)*	FY 2014015	Joint Commissioner of Customs, Chennai	

* figures in brackets represent amounts paid under protest

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(f) is not applicable.

Mahindra Aerostructures Private Limited
Annexure A to the Independent Auditors' Report (Continued)

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- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clauses 3(xii)(a), (b) and (c) of the Order are not applicable.
- (xiii) The Company is a private limited company and accordingly the requirements as stipulated by the provisions of Section 177 of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us and on the basis of our examination of records of the Company, transactions with the related parties are in compliance with Section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv)(a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business. Also, refer b below.
- (b) Based on the information and explanations provided to us, no internal audit was conducted during the year and hence, the Internal Audit Reports could not be considered by us.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one CIC as part of the Group. The Group has 6 CICs as part of the Group (including 3 CICs which are in the process of getting merged with another group company).

Mahindra Aerostructures Private Limited
Annexure A to the Independent Auditors' Report (Continued)

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- (xvii) The Company has not incurred cash losses in the current financial year. However, the Company has incurred cash losses of Rs. 463.22 lakhs in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**
Chartered Accountants
Firm's Registration NO. 101248W/W-100022

Praveen Kumar Jain
Partner
Membership No. 079893
UDIN: 22079893AHVKYD3295

Place: Bengaluru
Date: 26 April 2022

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Aerostructures Private Limited for the year ended 31 March 2022.

Page 1 of 2

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (2A(f)) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Mahindra Aerostructures Private Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Annexure B to the Independent Auditors' report on the financial statements of Mahindra Aerostructures Private Limited for the year ended 31 March 2022. (Continued)

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Auditors' Responsibility (Continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**

Chartered Accountants

Firm's Registration N0. 101248W/W-100022

Praveen Kumar Jain

Partner

Membership No. 079893

UDIN: 22079893AHVKYD3295

Place: Bengaluru

Date: 26 April 2022

Mahindra Aerostructures Private Limited

Regd. Office: Mahindra Towers, P.K.Kurne Chowk, Worli, Mumbai - 400 018

Balance Sheet
Rs. In lakhs

Particulars	Note	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	3	10,005.53	10,822.87
Capital work in progress	3	268.13	63.97
Intangible assets	3	139.07	75.43
Right of use assets	3A	29.04	33.63
Financial assets			
Other financial assets	10	36.21	36.23
Income tax assets (net)	4	23.06	17.39
Other non-current assets	5	1,479.28	1,160.44
Total non-current assets		11,980.32	12,209.96
Current assets			
Inventories	6	3,415.38	2,456.73
Financial assets			
Trade receivables	7	2,772.68	1,823.07
Cash and cash equivalents	8	186.39	145.47
Bank balance other than cash and cash equivalents	9	1,380.00	2,541.96
Other financial assets	10	15.95	31.01
Other current assets	11	1,490.00	1,260.59
Total current assets		9,260.40	8,258.83
Total assets		21,240.72	20,468.79
Equity and liabilities			
Equity			
Equity share capital	12	46,450.00	46,450.00
Other equity	13	(29,066.11)	(28,537.68)
Total equity		17,383.89	17,912.32
Non-current liabilities			
Financial liabilities			
Lease liabilities		28.48	32.53
Provisions	16	98.00	80.10
Other non-current liabilities		12.09	13.04
Total non-current liabilities		138.57	125.67
Current liabilities			
Financial liabilities			
Borrowings	14	1,672.31	1,289.49
Lease liabilities		4.05	3.72
Trade payable	17		
Total outstanding dues of Micro Enterprises and Small Enterprises		290.28	92.45
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,168.50	590.53
Other financial liabilities	15	101.07	42.06
Other current liabilities	18	426.39	377.99
Provisions	16	55.66	34.56
Total current liabilities		3,718.26	2,430.80
Total equity and liabilities		21,240.72	20,468.79
Significant accounting policies	2		
The accompanying notes form an integral part of the financial statements			
As per our report of even date attached			
for B S R & Co. LLP		<i>For and on behalf of the Board of Directors of</i>	
Chartered Accountants		Mahindra Aerostructures Private Limited	
(Firm's registration No. 101248W/W-100022)		CIN No. U35122MH2011PTC212744	
Praveen Kumar Jain		Dr. Karthik Krishnamurthy	Mr. Arvind Mehra
Partner		Wholtime Director	Managing Director
Membership No. 079893		DIN No.07130799	DIN No.01039769
		Mr. T. Subrahmanya Sarma	Mr. V.S. Ramesh
		Chief Financial Officer	Company Secretary
Place: Bangalore		Place: Mumbai	
Date: April 26, 2022		Date: April 26, 2022	

Mahindra Aerostructures Private Limited

Regd. Office: Mahindra Towers, P.K.Kurde Chowk, Worli, Mumbai - 400 018

Statement of Profit and Loss**Rs. In lakhs**

Particulars	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	19	10,206.47	6,896.66
Other income	20	142.38	152.57
Total income		10,348.85	7,049.23
Expenses			
Cost of materials consumed	21	3,792.89	1,935.14
Purchase of stock-in-trade		232.96	196.72
Changes in inventories of finished goods and work-in-progress	22	(460.30)	52.59
Employee benefits expense	23	3,307.40	2,978.65
Finance costs	24	43.60	19.43
Depreciation and amortization expense	25	1,322.82	1,318.38
Other expenses	26	2,630.92	2,274.79
Total expenses		10,870.29	8,775.70
Loss from operations before exceptional items and tax		(521.44)	(1,726.47)
Exceptional items	33	-	570.30
Loss from operations before tax		(521.44)	(2,296.77)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Loss for the year		(521.44)	(2,296.77)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss) / gain on defined benefit plans (net of tax)		(6.99)	8.18
Other comprehensive income for the year, net of tax		(6.99)	8.18
Total comprehensive loss for the year		(528.43)	(2,288.59)
Earnings per equity share:	32		
(Nominal value of Rs. 10 per share)			
Basic		(0.11)	(0.50)
Diluted		(0.11)	(0.50)

Significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

(Firm's registration No. 101248W/W-100022)

For and on behalf of the Board of Directors of

Mahindra Aerostructures Private Limited

CIN No. U35122MH2011PTC212744

Praveen Kumar Jain

Partner

Membership No. 079893

Dr. Karthik Krishnamurthy

Wholtime Director

DIN No.07130799

Mr. Arvind Mehra

Managing Director

DIN No.01039769

Mr. T. Subrahmanya Sarma

Chief Financial Officer

Place: Mumbai

Mr. V.S. Ramesh

Company Secretary

Place: Bangalore

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. Cash flow from operating activities:				
Loss before tax		(521.44)		(2,296.77)
<u>Adjustments for:</u>				
Depreciation and amortisation expense	1,322.82		1,318.38	
Exceptional items (refer note 33)	-		570.30	
Finance costs	43.60		19.43	
Property plant and equipment written off	8.50		6.73	
Loss on sale of property plant and equipment (net)	0.89		0.66	
Interest income	(94.86)		(90.83)	
Provision no longer required	-		(55.84)	
Net unrealised exchange gain	(13.66)	1,267.29	(6.02)	1,762.81
Operating gain / (loss) before working capital changes		745.85		(533.96)
<u>Changes in working capital:</u>				
<u>Adjustments for (increase) / decrease in operating assets:</u>				
Inventories	(958.65)		(270.65)	
Trade receivables	(936.32)		117.35	
Current financial and other current assets	(229.41)		(176.42)	
Non-current financial and other non-current assets	0.02		-	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>				
Trade payables	775.28		(207.43)	
Current financial and other current liabilities	48.40		(61.60)	
Other non-current liabilities	(0.95)		(7.60)	
Provisions	32.01		1.72	
		(1,269.62)		(604.63)
Cash generated from/ (used in) operations		(523.77)		(1,138.59)
Net income tax refunds / (paid)		(5.67)		1.61
Net cash generated from / (used in) operating activities (A)		(529.44)		(1,136.98)
B. Cash flow from investing activities:				
Payment to acquire property, plant and equipment, including capital advances, for acquiring right-of-use assets	(1,037.58)		(619.60)	
Proceeds from sale of property, plant and equipment	0.05		0.17	
Bank deposits (addition) / matured (net)	1,161.96		(2,537.26)	
Interest income received	109.92		60.02	
Net cash generated from / (used in) investing activities (B)		234.35		(3,096.67)
C. Cash flow from financing activities:				
Proceeds from issue of equity shares	-		3,564.00	
Repayment of foreign currency loan	(3,054.84)		(2,075.95)	
Proceeds from foreign currency loan	2,374.67		2,798.68	
Working capital Borrowings (net)	1,064.85		1.70	
Repayment of lease liabilities	(3.72)		(3.42)	
Finance costs	(43.98)		(18.93)	
Net cash generated from / (used in) financing activities (C)		336.98		4,266.08
Net increase in cash and cash equivalents (A+B+C)		41.89		32.43
Effect of exchange differences on restatement of foreign currency cash and cash equivalent		(0.97)		(4.38)
Cash and cash equivalents at the beginning of the year		145.47		117.42
Cash and cash equivalents at the end of the year		186.39		145.47
Components of Cash and cash equivalents (Refer note 8)				
Balance with banks				
– On current accounts		9.59		17.54
– On EEFC accounts		176.80		127.93
Cash on hand		-		-
Reconciliation of movement of liabilities to cash flow arising from financing activities				
Particulars	Borrowings			
Balance of foreign currency loan as at April 1, 2021	1,287.79			
Foreign currency loan availed during the year	2,374.67			
Repayment of foreign currency loan during the year	(3,054.84)			
Effect of foreign currency fluctuations	(1.86)			
Closing balance of foreign currency loan as on March 31, 2022	605.76			
Significant accounting policies (Refer note 2)				
The accompanying notes form an integral part of the financial statements				
As per our report of even date attached				
for B S R & Co. LLP		<i>For and on behalf of the Board of Directors of</i>		
Chartered Accountants		Mahindra Aerostructures Private Limited		
(Firm's registration No. 101248W/W-100022)		CIN No. U35122MH2011PTC212744		
Praveen Kumar Jain	Dr. Karthik Krishnamurthy	Mr. Arvind Mehra		
Partner	Wholetime Director	Managing Director		
Membership No. 079893	DIN No.07130799	DIN No.01039769		
	Mr. T. Subrahmanya Sarma	Mr. V.S. Ramesh		
	Chief Financial Officer	Company Secretary		
Place: Bangalore	Place: Mumbai			
Date: April 26, 2022	Date: April 26, 2022			

Mahindra Aerostructures Private Limited

Regd. Office: Mahindra Towers, P.K.Kurane Chowk, Worli, Mumbai - 400 018

Statement of Changes in Equity**a. Equity share capital:**

	Rs. In lakhs
As at April 1, 2020	42,886.00
Add: changes in equity shares	3,564.00
As at March 31, 2021	46,450.00
Add: changes in equity shares	-
As at March 31, 2022	46,450.00

b. Other equity

	Rs. In lakhs		
Particulars	Retained Earnings	Other comprehensive income	Total
As at April 1, 2020	(26,254.17)	5.08	(26,249.09)
Loss for the year	(2,296.77)	-	(2,296.77)
Re-measurement gain on defined benefit plans	-	8.18	8.18
Total comprehensive income	(2,296.77)	8.18	(2,288.59)
As at March 31, 2021	(28,550.94)	13.26	(28,537.68)
As at April 1, 2021	(28,550.94)	13.26	(28,537.68)
Loss for the year	(521.44)	-	(521.44)
Re-measurement gain / (loss) on defined benefit plans	-	(6.99)	(6.99)
Total comprehensive income	(521.44)	(6.99)	(528.43)
As at March 31, 2022	(29,072.38)	6.27	(29,066.11)

Significant accounting policies (Refer note 2)

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

(Firm's registration No. 101248W/W-100022)

For and on behalf of the Board of Directors of

Mahindra Aerostructures Private Limited

CIN No. U35122MH2011PTC212744

Praveen Kumar Jain

Partner

Membership No. 079893

Dr. Karthik Krishnamurthy

Wholtime Director

DIN No.07130799

Mr. Arvind Mehra

Managing Director

DIN No.01039769

Mr. T. Subrahmanya Sarma

Chief Financial Officer

Place: Mumbai

Date: April 26, 2022

Mr. V.S.Ramesh

Company Secretary

Place: Bangalore

Date: April 26, 2022

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 3: Property, plant and equipment

Particulars	Tangible assets								Intangible assets	
	Factory Buildings	Plant & Machinery	Electrical Installations	Office Equipments	Computers	Furniture and Fixtures	Vehicles	Total	Computer software	Total
Cost										
As at April 1, 2020	6,602.95	10,229.74	1,410.77	261.16	297.76	364.71	32.82	19,199.91	466.75	466.75
Additions	4.37	727.03	-	70.26	6.08	8.63	-	816.37	37.41	37.41
Disposals	-	47.30	-	22.56	4.40	2.11	14.20	90.57	-	-
As at March 31, 2021	6,607.32	10,909.47	1,410.77	308.86	299.44	371.23	18.62	19,925.71	504.16	504.16
Additions	13.58	423.67	-	18.23	-	0.35	-	455.83	118.14	118.14
Disposals	-	45.18	3.57	9.13	38.23	19.12	18.62	133.85	22.05	22.05
As at March 31, 2022	6,620.90	11,287.96	1,407.20	317.96	261.21	352.46	-	20,247.69	600.25	600.25
Accumulated Depreciation and Amortisation										
As at April 1, 2020	1,472.83	4,491.54	762.73	191.17	228.69	165.86	25.75	7,338.57	391.92	391.92
Charge for the year (Refer note 33)	279.40	1,342.35	136.23	29.79	19.65	36.13	3.73	1,847.28	36.81	36.81
Disposals	-	41.08	-	22.52	4.29	1.63	13.49	83.01	-	-
As at March 31, 2021	1,752.23	5,792.81	898.96	198.44	244.05	200.36	15.99	9,102.84	428.73	428.73
Charge for the year	239.56	801.72	135.66	32.27	17.16	36.46	1.69	1,264.52	53.71	53.71
Disposals	-	44.46	2.68	8.41	36.42	15.55	17.68	125.20	21.26	21.26
As at March 31, 2022	1,991.79	6,550.07	1,031.94	222.30	224.79	221.27	-	10,242.16	461.18	461.18
Net block										
As at March 31, 2021	4,855.09	5,116.66	511.81	110.42	55.39	170.87	2.63	10,822.87	75.43	75.43
As at March 31, 2022	4,629.11	4,737.89	375.26	95.66	36.42	131.19	-	10,005.53	139.07	139.07

Net block	Rs in Lakhs	
	As at March 31, 2022	As at March 31, 2021
Property, plant and equipment	10,005.53	10,822.87
Capital work in progress	268.13	63.97
Intangible assets	139.07	75.43

Note:

- Plant and machinery includes certain equipment covered under a 'technical seizure order' issued by the Directorate of Revenue Intelligence (DRI). Gross block and net block value of these equipment as on March 31 2022 are Rs. 2,605.67 lakhs and Rs. 342.70 lakhs respectively (2021: 2,605.67 and 477.20 Gross block and net block respectively).
- Depreciation for the year ended March 31 2021 includes Rs. 570.30 Lakhs of accelerated depreciation (Refer Note 33)
- As at March 31, 2021, the Company had first charge by way of equitable mortgage of the immovable property comprising leasehold land with factory building and other structures (existing and to be constructed) and first charge by way of hypothecation on all movable fixed assets (both present and future) in favour of Axis Bank Limited for the Credit facilities availed by the Company. Such charge has been satisfied during the current year.

Capital work in progress		Rs in Lakhs
Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	63.97	247.76
Additions	778.13	669.99
Capitalised during the year	(573.97)	(853.78)
Closing balance	268.13	63.97

Ageing of Capital work in progress		Rs in Lakhs
Particulars	As at March 31, 2022	As at March 31, 2021
Less than 1 year	268.13	63.97
1-2 years	-	-
2-3 years	-	-
more than 3 years	-	-
	268.13	63.97

Capital work in progress does not contain any projects, which are temporarily suspended or whose completion is overdue or has exceeded its cost compared to its original plan.

Note 3A: Right of use assets		Rs. In lakhs
Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	33.63	38.22
Leasehold improvements - Additions during year ended	-	-
Depreciation on right-of-use asset	(4.59)	(4.59)
Net carrying amount	29.04	33.63

Interest on lease liabilities for the year ended on March 31, 2022 is Rs. 2.94 Lakhs (2021: Rs.3.24 lakhs)

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 4: Income tax assets (net)

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
TDS receivable (net of provision for taxation Rs. NIL Lakhs (2021: Rs. NIL Lakhs))	23.06	17.39
	23.06	17.39

Note 5: Other non-current assets

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST credit receivable	1,244.30	1,258.81
Less: Provision	(1,244.30)	(1,258.81)
	-	-
Customs deposit	277.47	277.47
Capital advances	318.84	-
Consideration paid for lease land [Refer note 30 (a)]	870.51	870.51
Other deposits	12.46	12.46
	1,479.28	1,160.44

Note 6: Inventories

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
(at the lower of cost and net realisable value)		
Raw materials	1,489.59	1,066.33
Work in progress	557.52	361.99
Finished goods		
[Includes in transit Rs. 48.83 lakhs; (2021: Rs. 19.48 lakhs)]	961.36	696.59
Stores and spares	406.91	331.82
	3,415.38	2,456.73

Note: The above Inventory is net of provision of Rs. 144.10 Lakhs (2021: Rs. 192.12 Lakhs) towards obsolescence. During the year, the Company has recognised provision of Rs. 24.73 Lakhs (2021: Rs. NIL Lakhs) and has utilized opening provision of Rs. 72.75 Lakhs (2021: Rs. 42.87 Lakhs).

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 7: Trade receivables

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, undisputed trade receivables considered good	2,772.68	1,823.07
	2,772.68	1,823.07

Notes:

1. There are no disputed trade receivables
2. No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
3. The carrying amount of trade receivables approximates their fair value. The Company's exposure to credit and currency risks, and impairment allowances related to trade receivables is disclosed in Note 29

Undisputed trade receivables outstanding for the following periods from the due date of payment:

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Upto 6 months (including not due)	2,772.68	1,823.07
More than 6 months and less than 1 year	-	-
More than 1 year and less than 2 years	-	-
More than 2 years and less than 3 years	-	-
More than 3 years	-	-
	2,772.68	1,823.07

Note 8: Cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Balances with banks		
On Current accounts	9.59	17.54
On EEFC accounts	176.80	127.93
Cash on hand	-	-
	186.39	145.47

Note 9: Bank balance other than cash and cash equivalents

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Restricted cash and bank balances - current		
Earmarked deposit accounts with bank*	-	23.19
Others		
Fixed deposits	1,380.00	2,518.77
	1,380.00	2,541.96

* Fixed deposit is in lien with bank for Bank Guarantee/letter of credit.

Note 10: Other financial assets

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless and otherwise stated		
Non - current		
Security deposits	36.21	36.23
	36.21	36.23
Current		
Interest accrued on deposit	15.95	31.01
	15.95	31.01

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

These financial assets are carried at amortised cost unless otherwise stated.
The Company's exposure to currency and liquidity risk are disclosed in note 29.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 11: Other current assets

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless and otherwise stated		
Balances with government authorities:		
GST credit receivable	807.66	695.42
Foreign VAT receivable	55.43	79.63
MEIS /RoDTEP benefit receivable	127.48	207.20
Duty drawback receivable	18.78	31.59
	1,009.35	1,013.84
GST Refund receivable	151.91	128.56
Advance to suppliers	283.22	70.94
Advances to employees	10.71	0.01
Prepaid expenses	34.81	47.24
	1,490.00	1,260.59

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 12 - Share capital

	Particulars	Rs. In lakhs			
		As at March 31, 2022		As at March 31, 2021	
		Nos.	Amount	Nos.	Amount
1	Authorised: (Equity shares of Rs 10 each)	47,00,00,000	47,000.00	47,00,00,000	47,000.00
	Total	47,00,00,000	47,000.00	47,00,00,000	47,000.00
2	Issued, Subscribed and fully paid up: Equity: (Equity shares of Rs 10 each)				
	Opening balance	46,45,00,000	46,450.00	42,88,60,000	42,886.00
	Add: Issued during the year	-	-	3,56,40,000	3,564.00
	Closing balance	46,45,00,000	46,450.00	46,45,00,000	46,450.00
	Total	46,45,00,000	46,450.00	46,45,00,000	46,450.00

Notes:

- 1) The above 46,45,00,000 (2021: 46,45,00,000) shares are held by Mahindra Aerospace Private Limited, the holding company, including shares held jointly with nominees.

- 2) Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Nos	%	Nos	%
Mahindra Aerospace Private Limited and its nominees*	46,45,00,000	100.00%	46,45,00,000	100.00%

* Includes 8 shares (2021: 8 shares) held by nominees jointly with Mahindra Aerospace Private Limited

Mahindra Aerospace Private Limited is the Promoter of the Company and there is no change in the shareholding during the year

- 3) Rights, preferences and restrictions attached to equity shares:
The company has one class of equity shares having a par value of Rs.10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.
- 4a) During previous year ended March 31, 2021, the company has made a rights issue offer of 3,35,00,000 equity shares of Rs. 10 each for cash at par. The offer period was from June 1, 2020 to June 15, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, the Rights Issue Committee of the Board of Directors allotted 3,35,00,000 shares.
- 4b) During previous year ended March 31, 2021 the company has made a rights issue offer of 21,40,000 equity shares of Rs. 10 each for cash at par. The offer period was from October 30, 2020 to November 13, 2020 (both days inclusive). After the expiry of the time specified in this offer as aforesaid, the Rights Issue Committee of the Board of Directors allotted 21,40,000 shares.
- 5) The Company has not allotted any fully paid equity shares by way of bonus shares nor has bought back any class of equity shares during the period of five years immediately preceding the balance sheet date nor has issued shares for consideration other than cash.

Note 13: Other equity

Particulars	Retained earnings	Other comprehensive income	Rs. In lakhs
			Total
As at April 1, 2020	(26,254.17)	5.08	(26,249.09)
Re-measurement gain/(loss) on defined benefit plans	-	8.18	8.18
Loss for the year	(2,296.77)	-	(2,296.77)
As at March 31, 2021	(28,550.94)	13.26	(28,537.68)
Re-measurement gain/(loss) on defined benefit plans	-	(6.99)	(6.99)
Loss for the year	(521.44)	-	(521.44)
As at March 31, 2022	(29,072.38)	6.27	(29,066.11)
Total other equity			
As at March 31, 2021	(28,550.94)	13.26	(28,537.68)
As at March 31, 2022	(29,072.38)	6.27	(29,066.11)

Retained earnings :

The cumulative gain or loss arising from the operations which is retained by the Company is recognized and accumulated under the heading of retained earnings. At the end of the year, the profit / (loss) after tax is transferred from the Statement of profit and loss to retained earnings.

Other comprehensive income :

Differences between the interest income on plan assets and return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognized in 'Other equity' and subsequently not reclassified to the Statement of profit and loss.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 14: Borrowings

	Rs. In lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021
Carried at Amortised Cost		
Current [repayable on demand (Refer note below)]		
Export credit facility	1,672.31	1,289.49
	1,672.31	1,289.49

Notes:

A) Export credit facility of Rs. 2,600 lakhs (2021: Rs. 2,500 lakhs) is secured by charge on current assets of the company.

B) Repayment and other terms :

Export credit facility includes -

- (i) Rupee loan amounting to Rs 1,067.54 Lakhs (2021: Rs.1.70 Lakhs), carrying interest of 6 months MCLR
- (ii) Foreign currency loan amounting to Rs.605.76 Lakhs (2021: Rs. 1,287.79 Lakhs) carrying interest of 6 months LIBOR + 100 bps

C) Borrowings are used for the specific purpose for which it was taken. Monthly stock statements submitted to banks are in agreement with books of account.

Net debt reconciliation:

	Rs. In lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	186.39	145.47
Fixed deposits	1,380.00	2,518.77
Current borrowings	(1,672.31)	(1,289.49)
Net Surplus/ (debt)	(105.92)	1,374.75

Note 15: Other financial liabilities

	Rs. In lakhs	
Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Interest accrued but not due on borrowings	0.71	1.09
Security deposits - Dues to related parties (Refer note 28)	3.60	3.60
Capital creditors*	96.76	37.37
	101.07	42.06

*Includes Dues to micro and small enterprises Rs. 92.62 Lakhs (2021: Rs.23.31 Lakhs) (Refer Note No. 31)

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 16: Provisions

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits		
Non-current		
Compensated absences	98.00	80.10
	98.00	80.10
Current		
Gratuity (Refer note 27)	26.93	14.03
Compensated absences	28.73	20.53
	55.66	34.56

Note 17: Trade Payables

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Current, undisputed		
Dues to micro and small enterprises (Refer note 31)	290.28	92.45
Dues to related parties (Refer note 28)	39.60	42.68
Dues to others	1,128.90	547.85
	1,458.78	682.98

Note: there are no disputed trade payables

Undisputed trade payables outstanding for the following periods from the due date of payment:

Rs in Lakhs

	As at March 31, 2022	As at March 31, 2021
Dues to micro and small enterprises		
Less than 1 year (including not due)	290.28	92.45
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	290.28	92.45
Dues to related parties and others		
Less than 1 year (including not due)	1,167.06	586.77
1-2 years	0.18	2.50
2-3 years	-	1.26
More than 3 years	1.26	-
	1,168.50	590.53

Note 18: Other current liabilities

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	49.61	42.31
Payables to employees	373.13	333.22
Others	3.65	2.46
	426.39	377.99

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 19: Revenue from operations

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of products		
- Manufactured products	9,114.87	5,468.86
- Traded goods	288.18	244.90
Sale of services		
- Job work income	179.18	624.63
Product development income	239.70	315.18
Other operating revenues		
Duty drawback and other export incentives	252.42	235.98
Scrap sales	132.12	7.11
	10,206.47	6,896.66

Note 20: Other income

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Operating lease rental income	4.18	3.99
Gain on foreign exchange translation, (net)	22.08	-
Interest income on		
Bank deposits	94.36	89.99
Income tax refund	0.50	0.84
Provision no longer required written back*	-	55.84
Other miscellaneous income	21.26	1.91
	142.38	152.57

*Provision was originally created in FY 20 for doubtful export incentive

Note 21: Cost of materials consumed

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventory at the beginning of the year	1,066.33	621.67
Add: Purchases	4,216.15	2,379.80
Less: Inventory at the end of the year	1,489.59	1,066.33
	3,792.89	1,935.14

Note 22: Changes in Inventories of finished goods and work-in-progress

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
At the beginning of the year		
Work-in progress	361.99	305.99
Finished progress	696.59	805.18
	1,058.58	1,111.17
At the end of the year		
Work-in progress	557.52	361.99
Finished goods	961.36	696.59
	1,518.88	1,058.58
Net (increase) / decrease	(460.30)	52.59

Note 23: Employee benefits expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,666.99	2,391.52
Remuneration to Managing Director	195.37	190.81
Contribution to provident and other funds	134.20	124.08
Staff welfare expenses	310.84	272.24
	3,307.40	2,978.65

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 24: Finance costs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense at amortised costs		
on loans	26.52	11.54
on lease liabilities	2.94	3.24
on others	14.14	4.65
	43.60	19.43

Note 25: Depreciation and amortisation expense

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation of tangible assets (Refer note 3)	1,264.52	1,276.98
Amortisation of intangible assets (Refer note 3)	53.71	36.81
Depreciation on right-of-use asset (Refer note 3A)	4.59	4.59
	1,322.82	1,318.38

Note 26: Other expenses

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores and spares	422.29	432.77
Power and fuel	391.13	298.78
Rent	-	6.60
Repairs and maintenance:		
- Plant and equipment	242.67	152.22
- Buildings	21.09	-
- Others	73.61	57.58
Insurance	111.48	102.64
Rates and taxes	23.49	21.45
Auditors remuneration (refer note below)	12.15	9.34
Legal and other professional charges	615.04	636.79
Travelling and conveyance	49.09	5.17
Bank charges	43.92	41.13
Business promotion expenses	16.58	9.41
Freight outwards	189.10	91.23
Loss on foreign exchange translation	-	0.95
Information technology expenses	146.66	128.63
Loss on sale of property, plant and equipment, (net)	0.89	0.66
Property, plant and equipment written off	8.50	6.73
Office and administrative expenses	104.10	103.16
Testing and calibration charges	69.48	86.54
Other miscellaneous expenses	89.65	83.01
	2,630.92	2,274.79

Note:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Auditors' remuneration (excluding GST) includes:		
Statutory audit	9.00	6.00
Other services and certifications	2.75	3.00
Reimbursement of expenses	0.40	0.34
	12.15	9.34

Note 27: Employee benefits

(a) Defined Contribution Plan

The Company's contribution to Provident Fund and others aggregating Rs.103.01 Lakhs (2021 : Rs. 94.09 Lakhs) has been recognised in the Statement of Profit or Loss under the head employee benefits expense.

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit is payable as per the Payment of Gratuity Act, 1972. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the group gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

Particulars	Rs. In lakhs	
	Funded Plan	
	Gratuity	
	31-Mar-22	31-Mar-21
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	31.09	29.07
Net interest cost	0.10	0.91
	31.19	29.98
II. Recognised in other comprehensive income for the year		
Return on Plan Assets	2.76	4.02
Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	-	-
- Financial Assumptions	0.99	(9.57)
- Experience Adjustments	3.24	(2.63)
	6.99	(8.18)
Total	38.18	21.80
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	160.53	138.89
2. Acquisitions/Divestures/Transfer (transfer of employees from MAPL)	-	-
3. Current Service Cost	31.09	29.07
4. Interest Cost	11.36	9.81
5. Recognised in Other Comprehensive Income		
- Actuarial (Gain) / Loss	4.23	(12.20)
6. Benefit paid	(5.10)	(5.04)
Present value of defined benefit obligation at the end of the year	202.11	160.53
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	146.50	105.67
2. Interest income	11.26	8.89
3. Recognised in Other Comprehensive Income		
- Return on plan assets	(2.76)	(4.02)
4. Contributions by employer	25.28	41.00
5. Benefit paid	(5.10)	(5.04)
Fair value of plan assets at the end of the year	175.18	146.50
V. Net Liability/(Asset) recognised in the Balance Sheet		
- Present value of defined benefit obligation	202.11	160.53
- Fair value of plan assets	(175.18)	(146.50)
Net liability	26.93	14.03
Current portion of the above	26.93	14.03
Non current portion of the above	-	-

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Plan Assets:

The details with respect to the investment made by Fund manager (Life Insurance Corporation) into major categories of plan assets have not been disclosed, as the same has not been provided by the Fund manager to the Company.

Actuarial Assumptions:

The principal assumptions used in determining defined benefit obligations and fair value of asset for gratuity and leave encashment are:

Particulars	31-Mar-22	31-Mar-21
Discount rate	7.14%	7.19%
Future salary increases	6.00%	6.00%
Attrition rate	11.12%	11.12%
Estimated rate of return on plan assets	7.14%	7.19%
Mortality	Indian Assured Lives Mortality (2012-14) (Ultimate)	Indian Assured Lives Mortality (2012-14) (Ultimate)

A quantitative sensitivity analysis for significant assumption as at 31 March 2022 are as below

Assumptions	Discount Rate		Further Salary Increase		Attrition		Mortality
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	
Sensitivity Level							
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(16.66)	19.57	19.10	(16.49)	0.61	(0.74)	0.01
Percentage change	(8.24%)	9.68%	9.45%	(8.16%)	0.30%	(0.37%)	0.00%

A quantitative sensitivity analysis for significant assumption as at 31 March 2021 are as below

Assumptions	Discount Rate		Further Salary Increase		Attrition		Mortality
	1% Increase	1% Decrease	1% Increase	1% Decrease	1% Increase	1% Decrease	
Sensitivity Level							
Impact on defined benefit obligation - Gratuity (Rs.in Lakhs)	(14.00)	16.50	16.11	(13.86)	0.36	(0.48)	0.010
Percentage change	(8.72%)	10.28%	10.04%	(8.63%)	0.23%	(0.30%)	0.01%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions by the Company to the defined benefit plan in future years:

Particulars	Rs. In lakhs	
	Gratuity	
	31-Mar-22	31-Mar-21
Within the next 12 months	13.50	9.20
Between 2 and 5 years	55.47	38.25
Between 6 and 10 years	47.02	34.12

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 28: Related Party transactions

i) Related parties where control exists along with nature of relationship

Name of Related Party Company	Nature of Relationship
Mahindra & Mahindra Limited	Ultimate holding company
Mahindra Aerospace Private Limited	Holding company

Other related parties with whom transaction have taken place during the year:

Name of Related Party	Nature of Relationship
GippsAero Pty Ltd.	Fellow subsidiary
Mahindra Integrated Business Solutions Private Limited	Fellow subsidiary
Bristlecone India Limited	Fellow subsidiary
Mahindra Defence Systems Limited, SSG Division	Fellow subsidiary
Mahindra Aerostructures Private Limited Employees Group Gratuity Assurance Scheme	Employees Gratuity Trust

ii) Related parties under Ind AS 24 and as per Companies Act, 2013

Key management personnel (KMP)

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Managing Director & CEO
Dr. Karthik Krishnamurthy	Wholetime Director & Chief Operating Officer
Ms. Seema Bangia	Director (w.e.f June 1, 2020)
Mr. Mukul Verma	Director
Mr. Dhiraj Rajendran	Director
Mr. T Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties during the year:

Rs. In lakhs

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<u>I. Transactions with Group entities</u>		
Services received (included under note 26 Other expense)		
Mahindra & Mahindra Limited	265.99	280.09
Mahindra Integrated Business Solutions Private Limited	56.86	77.04
Bristlecone India Limited	0.69	-
Mahindra Defence Systems Limited, SSG Division	-	0.99
	323.54	358.12
Sale of goods		
GippsAero Pty Ltd.	-	120.28
	-	120.28
Rent received		
Mahindra Aerospace Private Limited	4.18	3.99
	4.18	3.99
Reimbursement of expenses made to:		
Mahindra Aerospace Private Limited (included under Legal and other professional charge Refer note 26)	31.62	77.65
	31.62	77.65
Expenses paid		
Mahindra Aerostructures Private Limited Employees Group Gratuity Assurance Scheme	-	0.15
	-	0.15

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Equity shares issued		
Mahindra Aerospace Private Limited	-	3,564.00
	-	3,564.00
Particulars	2021-22	2020-21
II. Transactions with key managerial personnel		
Salary and perquisites*		
Mr. Arvind Kumar Mehra	195.37	190.81
Dr. Karthik Krishnamurthy	67.60	74.10
Mr. T. Subrahmanya Sarma	52.39	57.70
	315.36	322.61

* Compensation of key managerial personnel does not include post employment defined benefit plan and compensated absences as the same has been provided based on the actuarial valuation determined for the Company as a whole.

(iv) Details of balances receivable from and payable to related parties are:

Rs. In lakhs

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
Mahindra & Mahindra Limited	39.32	41.59
Mahindra Integrated Business Solutions Private Limited	0.28	-
Mahindra Defence Systems Limited, SSG Division	-	1.09
	39.60	42.68
Security Deposit		
Mahindra Aerospace Private Limited	3.60	3.60
	3.60	3.60

Note:

Corporate guarantees given by holding company in respect of credit facilities availed by the Company Rs. NIL (2021: Rs. 9,500 Lakhs)

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

Note 29: Financial instruments - Fair values and risk management

Rs. in lakhs							
A The carrying value and fair value of financial instruments by categories							
	As at March 31, 2022		As at March 31, 2021		Fair value		
	Carrying Value	Fair values	Carrying Value	Fair values	Level 1	Level 2	Level 3
Financial assets							
Trade receivables	2,772.68	2,772.68	1,823.07	1,823.07	-	-	-
Cash and cash equivalents and other bank balances	186.39	186.39	145.47	145.47	-	-	-
Bank balance other than cash and cash equivalents	1,380.00	1,380.00	2,541.96	2,541.96	-	-	-
Security deposits	36.21	36.21	36.23	36.23	-	-	-
Interest accrued on deposits	15.95	15.95	31.01	31.01	-	-	-
	As at March 31, 2022		As at March 31, 2021		Fair value		
	Carrying Value	Fair values	Carrying Value	Fair values	Level 1	Level 2	Level 3
Financial liabilities							
Borrowings	1,672.31	1,672.31	1,289.49	1,289.49	-	-	-
Trade payables	1,458.78	1,458.78	682.98	682.98	-	-	-
Other financial liabilities	101.07	101.07	42.06	42.06	-	-	-

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of cash and cash equivalents, trade receivables, loans, bank balance other than cash and cash equivalents, borrowings, trade payables, other current financial assets and liabilities approximate their carrying amount largely due to the short-term nature of these instruments. The Company's long-term debt has been contracted at market rates of interest. Accordingly, the carrying value of such long-term debt approximates fair value. Based on this evaluation, the Company records allowance for estimated losses on these receivables. As of March 31, 2022 and March 31, 2021, the carrying value of such receivables, net of allowances approximates the fair value.

There have been no transfers among Level 1, Level 2 and Level 3 during the period.

B Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's management oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

C Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to the following risks from its use of financial instruments:

- Market risk
- Credit risk
- Liquidity risk

The note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies. The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The following assumptions have been made in calculating the sensitivity analyses:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

a. 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's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

b. Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Average Interest Rate	Increase/decrease in base points	Effect on profit before tax
March 31, 2022			
Interest rates increased by 50 bps	2.36%	+50	Increase in interest by Rs. 5.63 Lakhs
Interest rates reduced by 50 bps	2.36%	-50	Reduction in interest by Rs. 5.63 Lakhs
March 31, 2021			
Interest rates increased by 50 bps	1.38%	+50	Increase in interest by Rs. 3.02 Lakhs
Interest rates reduced by 50 bps	1.38%	-50	Reduction in interest by Rs. 3.02 Lakhs

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

c. Foreign 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).

d. Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, GBP, AUD, EUR and SGD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The Company's exposure to foreign currency changes for all other currencies are not material.

Particulars	Rs. In lakhs			
	31-Mar-22		31-Mar-21	
	Increase /decrease in basis points	Effect on profit before tax	Increase /decrease in basis points	Effect on profit before tax-
USD	+50	10.41	+50	9.63
EUR	+50	(0.10)	+50	0.78
GBP	+50	-	+50	(0.03)
SGD	+50	(0.01)	+50	(0.01)
USD	-50	(10.41)	-50	(9.63)
EUR	-50	0.10	-50	(0.78)
GBP	-50	-	-50	0.03
SGD	-50	0.01	-50	0.01

The movement in the pre-tax effect is a result of a change in the fair value of monetary assets and liabilities denominated in US dollars, where the functional currency of the entity is a currency other than US dollars.

(ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

a. Trade Receivable

Trade Receivables: The credit period on sales ranges between 30 to 120 days. No interest is charged on trade receivables. The company's customers are reputed Aerospace industry companies having good financial position and there is no past default experience of the counter parties. Trade receivables disclosed below includes the amounts that are past due at the end of the reporting period for which the company has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts are still considered recoverable.

Particulars	Rs. In lakhs	
	31-Mar-22	31-Mar-21
Not Due	2,300.38	1,806.84
< 30 days due	470.03	15.62
30-60 days due	2.13	0.61
61-180 days due	0.14	-
181-360 days due	-	-
> 360 days due	-	-
Total	2,772.68	1,823.07

Information about major customers:

Revenue from single external customer is Rs. 2,547.48 Lakhs (2021: Rs. 1,572.51 Lakhs) representing 26% (2021: 24%) of Company's total revenue from operations for the year ended March 31, 2022. Receivables from single external customer is approximately Rs. 875.99 Lakhs (2021: Rs. 373.15 Lakhs) representing 32% (2021: 20%) of Company's total receivables as at March 31, 2022. Apart from the aforesaid single customer, the Company does not have a significant credit risk exposure to any other single counterparty.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

iii Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturity profile of the company's financial liabilities based on contractual undiscounted payments.

Rs. In lakhs						
	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended 31 March 2022						
Borrowings	1,672.31	-	-	-	-	1,672.31
Trade payables	-	1,458.78	-	-	-	1,458.78
Other financial liabilities	-	101.07	-	-	-	101.07
	1,672.31	1,559.85	-	-	-	3,232.16
Year ended 31 March 2021						
Borrowings	1,289.49	-	-	-	-	1,289.49
Trade payables	-	682.98	-	-	-	682.98
Other financial liabilities	-	42.06	-	-	-	42.06
	1,289.49	725.04	-	-	-	2,014.53

Financial assets carried at amortised cost as at March 31, 2022 is Rs. 4,391.23 Lakhs (2021: Rs. 4,577.48 Lakhs) carried at amortised cost is in the form of cash and cash equivalents, bank deposits, earmarked balances with banks, security deposits etc. where the Company has assessed the counterparty credit risk. Trade receivables of Rs. 2,772.68 Lakhs as at March 31, 2022 forms a significant part of the financial assets carried at amortised cost which is valued considering provision for allowance using expected credit loss method (if any). In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to Aerospace Sector. The Company closely monitors its customers who are being impacted.

Basis this assessment, the Management believes Company is not required to provide for doubtful trade receivables as at March 31, 2022.

D Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

	Rs. In lakhs		% change
	As at March 31, 2022	As at March 31, 2021	% change
Total equity (A)	17,383.89	17,912.32	(2.95)
Current loans and borrowings	1,672.31	1,289.49	
Non current loans and borrowings	-	-	
Current maturities of long-term loans	-	-	
Total loans and borrowings (B)	1,672.31	1,289.49	29.69
Total capital (loans and borrowings and equity) (C)	19,056.20	19,201.81	
As percentage of total capital (B/C)	8.78	6.72	
Total loans and borrowings as percentage of Total equity (B/A)	9.62	7.20	

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Ultimate Holding/ Parent company will provide financial support in the future to enable them to settle their obligation as and when they fall due and operate as a going concern.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

30. Commitments and contingent liabilities

a) The Company entered into a lease-cum-sale agreement ('Agreement') for a period of 10 years with KIADB for 20 acres of land allotted in Narasapura Industrial area, Kolar District, Karnataka, for the setting up of aerospace component manufacturing facility. The title of the land will be transferred to the Company during the current lease term or at the end of 10 year or extended period, if any, after fulfilling all conditions stipulated in the said Agreement.

During the year ended March 31, 2012, the company incurred Rs. 870.51 Lakhs towards allotment consideration and other related expenses in connection with the said lease-cum-sale agreement. The said amount is disclosed under non-current assets.

As per the agreement, an amount of Rs. 134.00 lakhs is payable to KIADB towards implementation of water supply scheme. However, during 2014 the KIADB raised a demand for Rs. 410.00 lakhs. Further during the current year, the KIADB revised the demand to Rs. 337.64 lakhs i.e. an increase of Rs. 203.64 lakhs. The Company had disputed the amount to be paid and the matter is pending with KIADB.

b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs. 1,047.85 lakhs (2021: Rs. 176.01 lakhs)

c) Customs duty and penalty of Rs. 2,598.85 lakhs (2021: 2,598.85 lakhs) along with the applicable interest payable against the order issued by the Commissioner of Customs in the matter of import of certain pre-owned equipment. The Company has filed an appeal and the same is pending with the CESTAT.

d) Customs duty of Rs. 41.36 lakhs along with the applicable interest (2021: Rs. 41.36 lakhs) payable against the Demand Cum show cause notice issued by the Directorate of Revenue Intelligence in the matter of certain imports relating to installation of certain equipment, for which the company has submitted reply and the same is pending with Joint Commissioner of Customs.

e) In February 2019, Supreme Court of India in its judgement clarified that certain special allowances should be considered to measure obligation under Employees Provident Fund Act, 1952. The company has been legally advised that there are interpretive challenges on the application of judgement retrospectively and as such does not consider there any probable obligations for past periods. Accordingly, based on legal advice the company has made provision for provident fund contribution from the date of Supreme court order. The probable obligation for past periods amounting to Rs. 83.75 Lakhs has been considered by the Company as contingent liability.

Note: The Company is contesting the demands and the management believes that its position will likely be upheld in the various appellate authorities/courts and the ultimate outcome will not have a material adverse effect on the Company's financial position and results of operations.

31. Dues to micro , small and medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. This information has been relied upon by the Auditors. The disclosures relating to Micro, Small and Medium Enterprises as at the year ends are as under: -

Sr. No.	Particulars	Rs in Lakhs	
		As at March 31, 2022	As at March 31, 2021
A	The principal amount remaining unpaid to supplier as at the end of the year	382.90	115.76
B	The interest due thereon remaining unpaid to supplier as at the end of the year	5.19	0.42
C	Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed day during the year		
	- Principal paid beyond the appointed date	1,260.95	625.56
	- Interest paid in terms of the Section 16 of the Act	7.29	9.85
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
E	Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	12.09	13.04
F	The amount of interest accrued during the year and remaining unpaid at the end of the year	6.90	2.25

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

32. Earnings Per Share:

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of Equity Shares outstanding during the year.

Sr. No.	Particulars	Rs in lakhs	
		For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Earnings attributable to equity shareholders	(521.44)	(2,296.77)
(b)	Weighted average number of equity shares outstanding during the year	46,45,00,000	45,69,39,726
(c)	Basic Earnings per share (Rs.)	(0.11)	(0.50)
(d)	Dilutive Earnings per share (Rs.)	(0.11)	(0.50)

Weighted average no of shares (basic & diluted)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Opening Balance	46,45,00,000	42,88,60,000
(b)	Effect of fresh issue of shares	-	2,80,79,726
(c)	Weighted average no. of shares	46,45,00,000	45,69,39,726

The weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings/(loss) per share as follows:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Weighted average number of equity shares used in the calculation of Basic EPS	46,45,00,000	45,69,39,726
Add: Effect of potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	46,45,00,000	45,69,39,726

33. During the previous year ended March 31, 2021, management has carried out technical evaluation of certain Plant and machinery which are specialized equipments used for specific purposes. Based on such evaluation, management noted that these assets are not likely to be used due to capability limitations and are not expected to generate any future economic benefits to the Company. Management has performed a cost benefit analysis and identified that the refurbishing cost to bring these assets into use is significantly higher as compared to replacement cost of new assets. Accordingly, management has decided to charge accelerated depreciation of Rs. 570.30 Lakhs, resulting in the closing written down value of such asset to be Nil.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

34. Segment Reporting:

The Company primarily operates in the aerospace segment. The Activities of the Company includes "Sale of aircraft components and sub assemblies".

The Managing Director & CEO of the Company, who has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit.

Therefore, based on the guiding principles given in Ind AS 108 on 'Operating Segments', the Company's business activity fall within a single operating segment, namely aerospace segment . Accordingly, the disclosure requirements of Ind AS 108 are not applicable.

Entity wide disclosure details as per Ind AS 108 on Operating segments are given below:

Revenue from Operations

		Overseas	T
2021-22	121.91	9,700.02	9,821.93
2020-21	172.00	6,481.57	6,653.57

a) Domestic & Overseas segments include Component sales, job work services and product development income to customers located in India & Out side India

b) There are no assets located outside India.

c) Customers contributing 10% or more of Company's revenue (Five customers amounting to Rs 8,547.04 Lakhs in 2021-22 and Four customers amounting to Rs 4,903.82 Lakhs in 2020-21)

35. Impact of COVID-19

While the Company believes strongly that it has a rich portfolio of capabilities to partner with customers, the impact on future revenue streams could come from

- Reduction in customer requirement arising from overall reduction from Aerospace sector

The Company has assessed that customers in Manufacturing verticals are more prone to immediate impact due to disruption in supply chain and drop in demand. The Company has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

The Company has taken steps to assess the cost budgets required to complete its performance obligations in respect of contracts and have noted that there is no significant impact of likely delays / increased cost in meetings its obligations as at March 31, 2022. The Company has also assessed the impact of any delays and inability to meet contractual commitments and has taken actions such as engaging with the customers to agree on revised SLAs in light of current crisis, invoking of force-majeure clause etc., to ensure that revenue recognition in such cases reflect realisable values.

36. The Company has incurred losses in current and earlier years. The Company expects growth in its operations in coming years and is taking measures to improve its operational efficiency. Basis the continued financial support provided by the shareholders, undrawn borrowing facilities from the banks and cash flow projections, the use of going concern assumption has been considered appropriate in preparation of financial statements of the company. The Company's current assets exceed its current liabilities as at March 31, 2022.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 37- Income taxes

The Company has carried out its deferred tax computation in accordance with Ind AS 12 'Income Taxes' notified under the Companies (Indian Accounting Standards) Rules, 2015.

(a) Significant components & classification of deferred tax assets and liabilities are as follows:

Particulars	Rs. In lakhs	
	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Related to depreciation of fixed assets	624.40	626.29
Total deferred tax liability (a)	624.40	626.29
Deferred tax assets		
Provision for gratuity	7.00	3.65
Provision for leave encashment	32.95	26.16
Provision for inventory	37.47	49.95
Provision for service tax credit	323.52	327.29
Unabsorbed Depreciation	3,205.37	3,080.59
Carry forward losses	3,742.92	3,935.92
Others	7.62	6.08
Total deferred tax assets (b)	7,356.85	7,429.65
Net deferred tax assets (b-a)	6,732.45	6,803.36

Having regard to the accumulated losses, the Company has not recognised the net deferred tax assets in the absence of reasonable certainty at this stage that there will be sufficient future taxable income available to realize such assets.

(b) Reconciliation of effective tax rate:

Particulars	Rs. In lakhs	
	As at March 31, 2022	As at March 31, 2021
Profit / (loss) before tax	(521.44)	(2,296.77)
Income tax expense calculated at domestic tax rates applicable to profits	26.00% (135.57)	26.00% (597.16)
Tax effects of:		
Permanent differences	-1.02% 5.32	-0.11% 2.59
Timing differences	-2.68% 13.97	-3.95% 90.74
Deferred tax asset not recognised in statement of profit and loss	(116.28)	(503.83)
Income tax expense	-	-
Effective tax rate	0.00%	0.00%

(c) Tax losses

Particulars	As at March 31, 2022	Expiry date	As at March 31, 2021	Expiry date
Loss from business	14,395.85	March 31, 2022 to March 31, 2031	15,138.17	March 31, 2021 to March 31, 2030
Unabsorbed depreciation	12,328.33	Carried forward indefinitely	11,848.43	Carried forward indefinitely
Total	26,724.18		26,986.60	
Potential tax benefit	6,948.29		7,016.52	

38. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income-tax Act. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company has updated the documentation for the international as well as specified domestic transactions entered into with the associated enterprise during the previous year ended March 31, 2021. The Management is of the opinion that its international as well as specified domestic transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

Note 39- Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	9,260.40	3,718.26	2.49	3.40	-27%	Due to Increase in operations and higher turnover
Debt-Equity ratio	1,672.31	17,383.89	0.10	0.07	34%	Increase in working capital borrowings in line with increase in operations
Debt Service Coverage ratio	845.87	43.60	19.40	(19.62)	-199%	Due to improved profitability on account of increase in turnover
Return on Equity ratio	(521.44)	17,648.11	-3.0%	-13.3%	-78%	
Inventory Turnover ratio	9,821.93	2,936.06	3.35	2.87	17%	
Trade Receivables Turnover ratio	9,821.93	2,297.88	4.27	3.55	20%	
Trade Payables Turnover ratio	4,449.11	1,070.88	4.15	3.28	27%	Due to Increase in operations and higher turnover
Net capital turnover ratio	9,821.93	5,542.14	1.77	1.14	55%	Due to higher turnover in current year
Net profit ratio	(521.44)	9,821.93	-0.05	(0.35)	-85%	
Return on capital employed	(477.84)	19,056.20	-2.5%	(0.12)	-79%	Due to improved profitability on account of increase in turnover
Return on investment	Not Applicable					

Ratio	Formula
Current ratio	Current Assets/Current Liabilities
Debt-Equity ratio	Total debt/ Share holders equity
Debt Service Coverage ratio	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.)/Interest+payables
Return on Equity ratio	(Net Profits after taxes – Preference Dividend)/Average share holder's equity
Inventory Turnover ratio	Sales/Average inventory
Trade Receivables Turnover ratio	Net Credit Sales / Avg receivables
Trade Payables Turnover ratio	Net Credit purchases / Avg trade payables
Net capital turnover ratio	Net Sales / working capital
Net profit ratio	Net Profit / Net Sales
Return on capital employed	Net profit after taxes+finance cost/(Tangible Net Worth + Total Debt + Deferred Tax liability)

Mahindra Aerostructures Private Limited
Notes to Financial Statements for the year ended March 31, 2022

40. As the Company has losses in the earlier years provision of corporate social responsibility as per Companies Act, 2013 was not applicable.

41. The Company did not have any transactions with any struck-off companies during the year (2021: NIL).

42. During the year ended March 31, 2022, no material foreseeable loss (2021: Nil) was incurred for any long-term contract including derivative contracts.

As per our report of even date attached

for B S R & Co. LLP
Chartered Accountants
(Firm's registration No. 101248W/W-100022)

For and on behalf of the Board of Directors of
Mahindra Aerostructures Private Limited
CIN No. U35122MH2011PTC212744

Praveen Kumar Jain
Partner
Membership No. 079893

Dr. Karthik Krishnamurthy
Wholetime Director
DIN No.07130799

Mr. Arvind Mehra
Managing Director
DIN No.01039769

Place: Bangalore
Date: April 26, 2022

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Place: Mumbai
Date: April 26, 2022

Mr. V.S. Ramesh
Company Secretary