

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

Your Directors present their Sixteenth Report together with the audited financial statements of your Company for the year ended 31st March,2023.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

(Rs. in Lakhs)

Particulars	For the year ended 31st March, 2023	For the year ended 31st March, 2022
Total Income	17,697.50	11.47
Profit / (Loss) before Depreciation, Finance Costs and Taxation	17,610.58	(9.87)
Less: Depreciation & Amortization	3.33	3.44
Profit / (Loss) before Finance Costs and Tax	17,607.25	(13.31)
Less: Finance Costs	0.24	0.50
Profit / (Loss) before Exceptional Item	17,607.01	(13.81)
Less / Add: Exceptional Item	--	--
Profit / (Loss) before Tax	17,607.01	(13.81)
Provision for Tax / tax of earlier years	--	2.86
Profit / (Loss) for the year	17,607.01	(16.67)
Other Comprehensive Income, net of tax	--	--
Total Comprehensive income for the period	17,607.01	(16.67)
Balance of profit / (Loss) for earlier years	(102,813.50)	(102,796.83)
Profit or (Loss) for the year	17,607.01	(16.67)
Balance of Profit carried forward	(85,206.49)	(102,813.50)
Net Worth	37,277.04	19,670.03

There are no material changes and commitments affecting the financial position of the Company after the end 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.

AMOUNT 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

Supply chain challenges continued during the year. However, the Company's subsidiary Mahindra Aerostructures Private Limited (MASPL) could overcome these issues and ended the year with 53% higher turnover compared to previous year.

During the year MASPL successfully completed the industrialization of the significant package awarded by US based Aircraft OEM. This milestone clears MASPL to ramp-up on serial deliveries and provides a platform to win more complex work packages. MASPL continues to be a Premier Bidder to the said OEM.

Europe based Aircraft OEM has taken note of MASPL's sustained performance despite challenges which European suppliers are unable to overcome. Consequently, following extensive leadership-level engagements, the said OEM has awarded MASPL a new package to de-risk their existing suppliers; increased the workshare for MASPL on the existing package; recognized MASPL as a "Challenger" among their top suppliers; and as a "Best Performer" in their annual quality awards.

MASPL is now engaged with customers on large opportunities and continues to pursue opportunities with other customers for larger value work. These efforts are expected to yield results in the coming years.

Company's step-down subsidiary GippsAero Pty Ltd (GAPL) continue to function as a Spares & Support Organization (SSO). The Company is looking for opportunities to sell 100% equity ownership and/or sale of all assets or business of/or shares of Mahindra Aerospace Australia Pty Ltd and its Subsidiaries. In case the sale is not successful, the Company will adhere to appropriate guidance from its parent shareholder Mahindra and Mahindra Limited and take actions as advised with respect to GAPL.

SHARE CAPITAL

The Authorised Share Capital of the Company, as at the end of the year under review, was Rs. 1,205 crores divided into 100,00,00,000 Equity Shares of Rs. 10/- each, 1,50,00,000, 5 % Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each and 19,00,00,000 0.1 % Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- each.

The issued and paid-up Share Capital of the Company as at the end of the financial year under review was 91,23,89,607 Equity Shares of Rs.10/- each.

HOLDING COMPANY

Subsequent to the buyout of the remaining 8.41% shareholding in the Company by the Holding Company Mahindra and Mahindra Limited from the Investor Shareholders Viz., i) Kotak Mahindra Trusteeship Services Limited - A/c Kotak India Growth Fund - II, ii) Kotak India Private Equity Fund and iii) Kotak Investment Advisors Limited on 29th March,2023, your Company became a wholly owned subsidiary company of Mahindra and Mahindra Limited with effect from 29th March,2023.

PERFORMANCE AND FINANCIAL POSITION OF THE SUBSIDIARY COMPANIES

As on 31st March,2023, your Company had two direct subsidiaries namely Mahindra Aerostructures Private Limited and Mahindra Aerospace Australia Pty Ltd (MAAPL) and MAAPL had six subsidiaries namely, Gipps Aero Pty Ltd, Airvan Flight Services Pty Ltd, GA8 Airvan Pty Ltd, GA200 Pty Ltd, Nomad TC Pty Ltd and Airvan 10 Pty Ltd.

All the Subsidiaries and their subsidiaries are being held as Wholly Owned Subsidiaries.

A report on the performance and financial position of each of the subsidiaries and their contribution to the overall performance of the Company is provided in Form AOC 1 which is attached to the Financial Statement and forms part of this Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Company has not prepared Consolidated Financial Statements in view of the Company meeting all requirements mentioned in Notification G.S.R 742(E) dated 27th July,2016 issued by The Ministry of Corporate Affairs which exempts a wholly owned subsidiary company, complying with the requirements stated therein, from preparation and presentation of Consolidated Financial Statements.

BOARD OF DIRECTORS

The Composition of the Board of Directors of the Company, as on the date of closure of financial year under review, was as follows: -

Sl. 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. Subramaniam Durgashankar (DIN: 00044713)	Director	Non-Executive	Non-Independent

MAHINDRA AEROSPACE PRIVATE LIMITED

3	Mrs. Seema Bangia (DIN:08742264)	Director	Non-Executive	Non-Independent
4	Mrs. Abanti Sankaranarayanan (DIN: 01788443)	Director	Non-Executive	Non-Independent
5	Mr. Arvind Kumar Mehra (DIN: 01039769)	Whole Time Director Designated as Executive Director and Chief Executive Officer	Executive	Non-Independent

* Mr. Nikhil Sohoni (DIN: 06852639) resigned as Director of the Company with effect from 20th June,2022.

Mrs. Abanti Sankaranarayanan (DIN: 01788443) was appointed as an Additional Director of the Company with effect from 14th July,2022 and a resolution seeking the approval of the Shareholders for her appointment as a Director, liable to retire by rotation, is included in the notice convening forthcoming Annual General Meeting of the Members of the Company to be held later this year.

* Mr. Dhiraj Rajendran (DIN: 06884408) resigned as Director of the Company with effect from 29th March,2023.

Mr. Shriprakash Shukla (DIN: 00007418) and Mrs. Seema Bangia (DIN: 08742264) Directors, retire by rotation and being eligible have offered themselves for reappointment.

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

ANNUAL EVALUATION OF PERFORMANCE OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 the Board carried out an annual evaluation of performance of the Board and its Directors individually. Questionnaires/ Feedback templates for annual evaluation were circulated to each Board Member and duly filled in questionnaires/responses were submitted to the Chairman of the Board for facilitating the formal annual evaluation and the performance evaluation was carried out accordingly.

CODES OF CONDUCT

Your Company has adopted Codes of Conduct for Corporate Governance (“the Codes”) 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 affirming compliance with the Code of Conduct for Directors.

Since there was no employee on the Roll of the Company, during the year under review, the question of receiving any declaration from Senior Management Personnel and Employees affirming compliance with the Code of Conduct for Senior Management and Employees did not arise.

BOARD MEETINGS

Your Board of Directors met 4 (Four) times during the year under review i.e., on 26th April,2022, 14th July,2022, 28th October,2022 and 25th January,2023.

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

Name of Directors	No. of meetings attended
Mr. Shriprakash Shukla	4
Mr. Subramaniam Durgashankar	4
Mrs. Seema Bangia	4
Mrs. Abanti Sankaranarayanan*	3
Mr. Arvind Kumar Mehra	4

* Mrs. Abanti Sankaranarayanan was appointed as an Additional Director with Effect from 14th July,2022.

**Mr. Dhiraj Rajendran resigned as a Director of the Company with effect from 29th March,2023. He had attended all the Meetings.

GENERAL MEETINGS

The 15th Annual General Meeting of the Members was held on 14th July,2022.

There was no Extra Ordinary General Meeting of the Members of the Company 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 management, 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,2023 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 Whole-time Director designated as Executive Director & CEO.
2. Mr. T Subrahmanya Sarma is the Chief Financial Officer.
3. Mr. V S Ramesh is the Company Secretary.

Subsequent to the closure of the financial year under review, Mr. Arvind Kumar Mehra was reappointed, at the Meeting of the Board of Directors of the Company held on 26th April,2023, as Whole-time Director designated as Executive Director and Chief Executive Officer for the period from 10th May,2023 to 30th April,2024.

COMMITTEES OF THE BOARD:

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprised of Mr. Nikhil Sohoni, Mr. Dhiraj Rajendran and Mr. Arvind Kumar Mehra as its Members. Mr. Nikhil Sohoni was the Chairman of the Committee.

The Corporate Social Responsibility Committee met once during the year under review viz., on 26th April,2022.

MAHINDRA AEROSPACE PRIVATE LIMITED

The attendance at the Meeting of the Corporate Social Responsibility Committee was as follows:

Sr. No.	Name of Director	Designation	No. of Meetings attended
1.	Mr. Nikhil Sohoni	Chairman	1
2.	Mr. Dhiraj Rajendran	Member	1
3.	Mr. Arvind Kumar Mehra	Member	1

With the Company ceasing to attract the three criteria viz., Net Worth of Rs. 500 crores or more or Turn Over of Rs.1000 crores or more or a net profit of Rs. 5 crores or more, in terms of relevant provisions of Section 135 of the Companies Act, 2013, the Corporate Social Responsibility Committee constituted under the said provisions was dissolved with effect from 26th April,2022.

MEETING OF INDEPENDENT DIRECTORS

Your Company was exempted from appointing Independent Directors.

VIGIL MECHANISM

The provisions relating to Vigil Mechanism enumerated under Section 177 of the Companies Act, 2013 were not applicable to your Company.

AUDITORS:

STATUTORY AUDITORS

The Shareholders of the Company had, at their 15th Annual General Meeting held on 14th July,2022, 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 second consecutive term of 5 years from the conclusion of the said Annual General Meeting until the conclusion of 20th 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 2022-2023.

MAHINDRA AEROSPACE PRIVATE LIMITED

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 was not required to maintain Cost Accounts and Records as required under the Section 148 (1) of the Companies Act, 2013 and rules made thereunder.

COST AUDITOR

The Provisions of Companies Act, 2013 relating to appointment of Cost Auditor 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, 2023.

REPORTING ON FRAUDS BY AUDITORS

During the year under review, the Statutory Auditor and Secretarial Auditor had not reported any instances of frauds committed in the Company by its officers or employees to the Board under 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 has 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/Removal 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.

MAHINDRA AEROSPACE PRIVATE LIMITED

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

Both these Policies, as amended, are provided as **Annexures IIA and IIB** 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, 2023. 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 is a holding Company and had no employee on its rolls as at 31st March, 2023.

Your Company acknowledges its commitment to regional development and improving the standard of living of the people in the region.

SAFETY, HEALTH AND ENVIRONMENT

Since your Company is a holding company and does not have any operations, this is not applicable.

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

The particulars relating to the 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** and the same forms part of this Report.

DISCLOSURES 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.

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 was no amount which qualified 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

Particulars of Investments made during the year under review have been disclosed in Note No. 4 of Financial Statements.

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 Related Party Transactions entered during the year under review were in the Ordinary Course of Business and at arm's length basis.

MAHINDRA AEROSPACE PRIVATE LIMITED

Particulars of material contracts or arrangements or transactions with related parties, required to be furnished in terms of Section 134 of Companies Act, 2013 are furnished in form AOC – 2 as **Annexure IV** and the same forms part of this Report.

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 of the Company, prepared in prescribed Form MGT-7, for the year ended 31st March, 2023, has been placed on the website of the Company, which can be accessed at the web-address: <https://www.mahindraaerospace.com/media-kit/>.

The Company is no longer required to attach to its Board's Report the extract of the Annual Return under Form MGT-9.

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

During the year, the Company had no employees on its rolls. Further, it is only a holding company and has no operations. Accordingly, the provisions of POSH Act are not applicable to the Company.

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. Shares having voting rights not exercised directly by the employees and for the purchase of which or subscription to 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. 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.

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, had 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.

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

Shriprakash Shukla
Director
DIN: 00007418

Arvind Kumar Mehra
Executive Director & CEO
DIN: 01039769

Place: Mumbai
Date: 26th April, 2023

ANNEXURE I TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31,2023
[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 Aerospace 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 Aerospace 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 31,2023 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 31,2023 according to the relevant and applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment; and
- (iii) 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/regulations is not applicable.

MAHINDRA AEROSPACE PRIVATE LIMITED

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. (Not applicable during the year as there were no employees);
2. Acts as prescribed under Direct Tax and Indirect Tax;
3. Stamp Acts and Registration Acts;
4. Labour Welfare Act (Not applicable during the year as there were no employees); 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 and Non-Executive Directors. During the year under review, Mr. Nikhil Ramakrishna Sohoni resigned as a Director of the Company w.e.f. June 20,2022, Mrs. Abanti Sankaranarayanan was appointed as a Director of the Company with effect from July 14,2022, the Members at their annual general meeting held on July 14,2022 regularised the appointment of Mr. Subramaniam Durgashankar as a Director of the Company and Mr. Dhiraj Rajendran resigned as an Director of the Company w.e.f. March 29, 2023.

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 other than the following:

MAHINDRA AEROSPACE PRIVATE LIMITED

1. The Company has become a wholly owned subsidiary of Mahindra and Mahindra Limited (Holding Company) w.e.f. March 29,2023 pursuant to the acquisition of remaining 8.41% shareholdings of the Company.

**For Siroya and BA Associates
Company Secretaries**

**Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758
UDIN: A025734E000193407**

**Date: April 26, 2023
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.

To,
The Members,
Mahindra Aerospace 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: A025734E000193407**

**Date: April 26, 2023
Place: Mumbai**

**ANNEXURE II A TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH 2023.**

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 Aerospace 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/her 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 Chairman/Managing Director/Whole time Director 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:

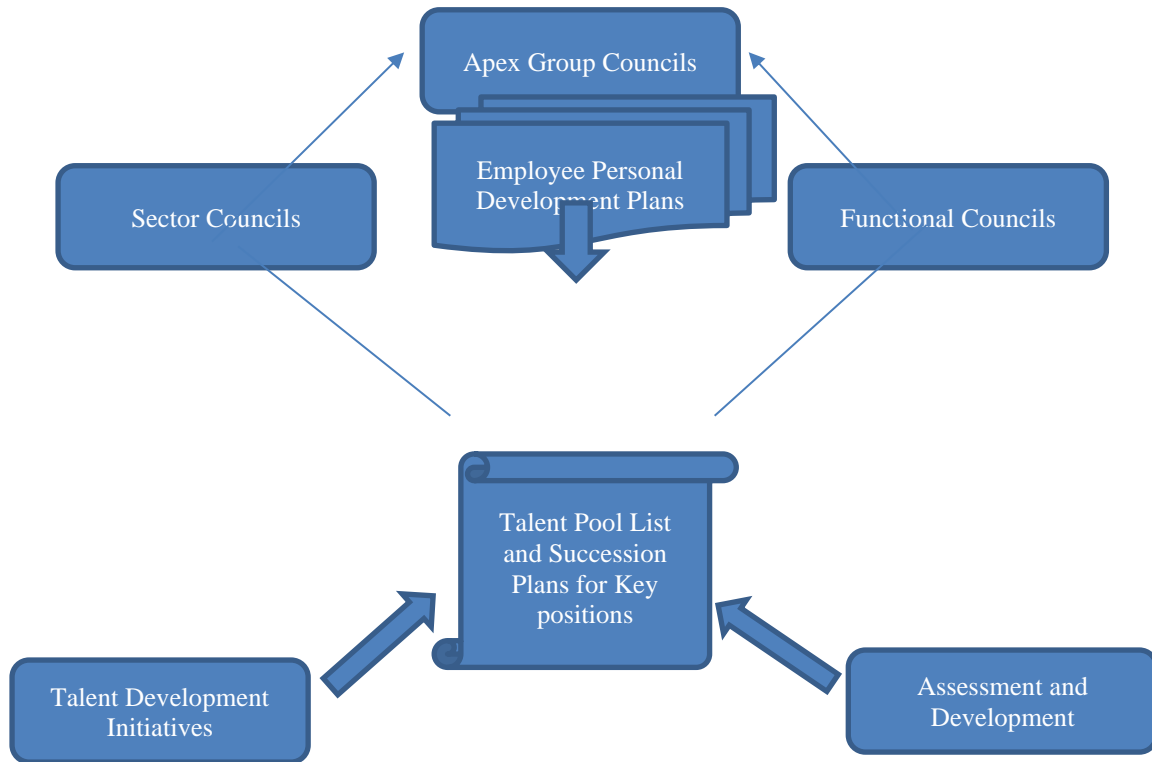
- 1) Given the strategic business plans, do we have the skills and competencies required to implement them? If not, how do we create them - by developing them internally or through lateral induction from outside?
- 2) For critical positions, what is the succession pipeline?
- 3) What are the individual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

Shriprakash Shukla
Director
DIN: 00007418

Arvind Kumar Mehra
Executive Director & CEO
DIN: 01039769

Place: Mumbai
Date: 26th April,2023

ANNEXURE II B TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2023

POLICY FOR REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Purpose

This Policy sets out the approach to compensation of Directors and Key Managerial Personnel in Mahindra Aerospace 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 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 differential approach based on industry benchmarking and statutory requirement, depending upon the level in the organization i.e., for all employees from Technician to Senior Management Band, we benchmark with competition from the same industry.

We have a CTC (Cost to Company) concept. In Managerial and Senior Managerial band starting from Grade M3 and above CTC includes a fixed component (Guaranteed Pay) and a variable component (Performance pay). The percentage of the variable component increases with increasing hierarchy levels, as we believe employees at higher positions have a far greater impact and influence on the overall business result. The 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 the new employees other than KMPs and Senior Management Personnel will be decided by the HR, in consultation with the concerned business unit head at the time of hiring, depending upon the relevant job experience, last compensation and the skill-set of the selected candidate.

MAHINDRA AEROSPACE PRIVATE LIMITED

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

Shriprakash Shukla
Director
DIN: 00007418

Arvind Kumar Mehra
Executive Director & CEO
DIN: 01039769

Place: Mumbai
Date: 26th April,2023

**ANNEXURE III TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

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,2023.

A. CONSERVATION OF ENERGY

(a) **the steps taken or impact on conservation of energy:**

Since your Company is a holding company and does not have any operations, this is not applicable.

(b) **the steps taken by the company for utilizing alternate sources of energy: NIL**

(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) – Not Applicable**

(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, 2023	For the Financial Year Ended 31 st March, 2022
Total Foreign Exchange earned	NIL	NIL
Total Foreign Exchange used	NIL	NIL

For and on behalf of the Board

Shriprakash Shukla

Director

DIN: 00007418

Place: Mumbai

Date: 26th April,2023

Arvind Kumar Mehra

Executive Director & CEO

DIN: 01039769

**ANNEXURE IV TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH,2023**

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.: Nil
2. Details of material contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Name(s) of the related party & nature of relationship		Nature of Transaction	Duration of the transaction	Salient terms of the transaction, including the value if any (Rs. in Lakhs)		Date of approval by the Board	Amount paid as advances, if any
1.	Mahindra and Mahindra Limited	Holding Company	Allocation of corporate cost and personnel cost based on the time spent by respective personnel	1 st April,2022 to 31 st , March,2023	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	60.37	Since these RPTs are in the ordinary course of business and are at arm's length basis, approval of the Board is not required.	NIL
2.	Mahindra Aerostructures Private Limited	Subsidiary Company	Lease rentals paid	For a period of 5 years commencing from 1 st March 2018 and extended for another five year period	- DO-	4.20	- DO-	NIL

Note: For the purpose of materiality, the following criteria have been considered.

- Contracts/transactions/arrangements for sale, purchase, or supply of any goods or materials, directly or through appointment of agent, amounting to 10% or more of turnover of the Company is considered as material for the purpose of disclosure.
- Contracts/transactions/arrangements for selling or otherwise disposing of or buying property of any kind, directly or through the appointment of agent, amounting to 10% or more of net worth of the Company is considered as material for the purpose of disclosure.
- Contracts/transactions/arrangements for leasing of property of any kind amounting to 10% or more of the net worth of the Company or 10 % or more of turnover of the Company is considered as material.
- Contracts/transactions/arrangements for availing or rendering of services amounting to 10% or more of turnover of the Company is considered as material for the purpose of disclosure.

For and on behalf of the Board

Shriprakash Shukla
Director
DIN: 00007418

Arvind Kumar Mehra
Executive Director & CEO
DIN: 01039769

Place: Mumbai
Date: 26th April,2023

B S R & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor, No. 13/2,
Off Intermediate Ring Road,
Bengaluru-560 071 India

Telephone: + 91 80 4682 3000
Fax: + 91 80 4682 3999

Independent Auditors Report

To the Members of Mahindra Aerospace Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mahindra Aerospace Private Limited (the "Company") which comprise the balance sheet as at 31 March 2023, and 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.

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 2023, and its profit and other comprehensive income, 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 auditor's report thereon.

Our opinion on the 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.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA51223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8131) with effect from October 24, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center,
Western Express Highway, Goregaon (East), Mumbai - 400053

Independent Auditor's Report (Continued)

Mahindra Aerospace Private Limited

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.
- 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,

Independent Auditor's Report (Continued)

Mahindra Aerospace Private Limited

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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
 - 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 Auditors) 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 2023 on its financial position in its financial statements - Refer Note 22 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, other than as disclosed in the Note 34 to the financial statements, 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 person(s) or entity(ies), 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 by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

B S R & Co. LLP

Independent Auditor's Report (Continued)

Mahindra Aerospace Private Limited

- (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 35 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Company has neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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 Company has not paid remuneration to any of its directors during the current year. The Ministry of corporate affairs has not prescribed other details under section 197(16) of The Act which are required to be commented by us.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Praveen Kumar Jain

Partner

Place: Bengaluru

Membership No.: 079893

Date: 26 April 2023

ICAI UDIN:23079893BGYQVT9822

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (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 did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(a)(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 did not have any intangible assets. Accordingly, clause 3(i)(a)(B) of the Order is not applicable.
- (i) (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 did not have any Property, Plant and Equipment. Accordingly, clause 3(i)(b) of the Order is not applicable.
- (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 Right of Use assets during the year. Further, the Company did not have any Property, Plant and Equipment and intangible assets.
- (e) According to the 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 Company did not hold any physical inventories during the year. Accordingly, clause 3(ii)(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 been sanctioned any working capital limits in excess of five crore rupees in aggregate from banks and financial institutions on the basis of security of current assets at any point of time of the year. Accordingly, clause 3(ii)(b) of the Order is not applicable to the Company.
- (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 the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 185 of the Act have been complied with.
- (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) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the activities carried out by the company during the year. Accordingly, clause 3(vi) of the Order is not applicable.
- (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

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2023 (Continued)

of undisputed statutory dues including Goods and Service Tax, Income-Tax, or other statutory dues have been regularly deposited by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Employee State Insurance, Duty of Customs or Cess.

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 Service Tax, Income-Tax, or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no 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 with the appropriate authorities on account of any dispute.
- (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 did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
 - (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) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture during the year.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year.
- (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

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2023 (Continued)

Company during the year.

- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is 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.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (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 a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. However, the Company is exempted from registration as CIC and continues to meet the criteria for such exemption.
(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 4 CICs as part of the Group
- (xvii) The Company has incurred cash losses of Rs 72.18 Lakhs in the current financial year and Rs 15.13 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.

B S R & Co. LLP

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2023 (Continued)

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

Place: Bengaluru

Membership No.: 079893

Date: 26 April 2023

ICAI UDIN:23079893BGYQVT9822

B S R & Co. LLP

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Aerospace Private Limited for the year ended 31 March 2023

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 Act

(Referred to in paragraph 2(A)(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 Aerospace Private Limited ("the Company") as of 31 March 2023 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 2023, 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 and Board of Directors' Responsibilities 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 Act.

Auditor's 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 if 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 internal financial controls with reference to financial statements, 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.

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

B S R & Co. LLP

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Aerospace Private Limited for the year ended 31 March 2023 (Continued)

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 No.:101248W/W-100022

Praveen Kumar Jain

Partner

Place: Bengaluru

Membership No.: 079893

Date: 26 April 2023

ICAI UDIN:23079893BGYQVT9822

Mahindra Aerospace 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, 2023	As at March 31, 2022
Assets			
Non-current assets			
Right of use asset	3	10.03	3.16
Financial assets			
Investments	4	37,200.00	19,514.00
Income tax assets (net)	6	1.17	4.12
Other non-current assets	7	-	0.87
Total non-current assets		37,211.20	19,522.15
Current assets			
Financial assets			
Cash and cash equivalents	8	9.98	11.29
Bank balances other than cash and cash equivalents	8A	218.00	285.00
Other financial assets	5	2.30	3.60
Other current assets	9	8.70	8.75
Total current assets		238.98	308.64
Total assets		37,450.18	19,830.79
Equity and liabilities			
Equity			
Equity share capital	10	91,238.96	91,238.96
Other equity	11	(53,808.45)	(71,415.46)
Total equity		37,430.51	19,823.50
Non-current liabilities			
Financial liabilities			
Lease liabilities		8.59	-
Total non-current liabilities		8.59	-
Current liabilities:			
Financial liabilities			
Lease liabilities		1.50	3.85
Trade payable	12	7.46	3.00
Other current liabilities	13	2.12	0.44
Total current liabilities		11.08	7.29
Total equity and liabilities		37,450.18	19,830.79
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 Chartered Accountants (Firm's registration No. 101248W/W-100022)		<i>For and on behalf of the Board of Directors of</i> Mahindra Aerospace Private Limited CIN No. U63033MH2008PTC179520	
Praveen Kumar Jain Partner Membership No. 079893		Mr. Arvind Mehra Wholetime Director DIN No.01039769	Mr. S.P.Shukla Director & Chairman DIN No. 00007418
		Mr. T. Subrahmanya Sarma Chief Financial Officer Membership No. 202598 Place: Mumbai Date: April 26, 2023	Mr. V.S. Ramesh Company Secretary Membership No. ACS5769
Place: Bangalore Date: April 26, 2023			

Mahindra Aerospace Private Limited			
Regd. Office: Mahindra Towers, P.K.Kurme Chowk, Worli, Mumbai - 400 018			
Statement of Profit and Loss			Rs in Lakhs
Particulars	Note	For the year ended March 31, 2023	For the year ended March 31, 2022
Other income	14	17,697.50	11.47
Total income		17,697.50	11.47
Expenses			
Employee benefits expense	15	-	-
Finance costs	16	0.24	0.50
Depreciation	17	3.33	3.44
Other expenses	18	86.92	21.34
Total expenses		90.49	25.28
Profit/(Loss) before tax		17,607.01	(13.81)
Tax expense:			
Current tax		-	-
Tax charge/ (credit) of earlier years		-	2.86
Deferred tax		-	-
Income tax expense		-	2.86
Profit/(Loss) for the year		17,607.01	(16.67)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement (loss)/gain on defined benefit plans		-	-
Income tax effect		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		17,607.01	(16.67)
Earnings per equity share:	23		
(Nominal value of Rs. 10 per share)			
Basic		1.93	(0.00)
Diluted		1.93	(0.00)
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 Aerospace Private Limited	
(Firm's registration No. 101248W/W-100022)		CIN No. U63033MH2008PTC179520	
Praveen Kumar Jain		Mr. Arvind Mehra	Mr. S.P.Shukla
Partner		Wholetime Director	Director & Chairman
Membership No. 079893		DIN No.01039769	DIN No. 00007418
		Mr. T.Subrahmanya Sarma	Mr. V.S. Ramesh
		Chief Financial Officer	Company Secretary
		Membership No. 202598	Membership No. ACS5769
Place: Bangalore		Place: Mumbai	
Date: April 26, 2023		Date: April 26, 2023	

Mahindra Aerospace Private Limited

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

Statement of Cashflows**Rs in Lakhs**

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
A. Cash flow from operating activities :				
Loss before tax		17,607.01		(13.81)
<i>Adjustments for:</i>				
Depreciation	3.33		3.44	
Finance costs	0.24		0.50	
Reversal of Provision for diminution of long term Investments	(17,686.00)		-	
Provision for doubtful Goods service tax credit receivable	3.48		-	
Interest income	(11.46)		(9.46)	
Provision no longer required	-		(1.90)	
		(17,690.41)		(7.42)
Operating gain / (loss) before working capital changes		(83.40)		(21.23)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Current financial and other current assets	(2.13)		1.88	
Non-current financial and other non-current assets	0.87		4.26	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	4.46		(0.92)	
Other current liabilities	1.68		0.01	
		4.88		5.23
Cash generated from/ (used in) operations		(78.52)		(16.00)
Net income tax Refund / (paid)		2.95		(9.23)
Net Cash generated from / (used in) operating activities (A)		(75.57)		(25.23)
B. Cash flow from investing activities :				
Bank deposits (net)	67.00		8.00	
Interest income received	11.46		18.44	
Net cash generated from / (used in) investing activities (B)		78.46		26.44
C. Cash flow from financing activities				
Repayment of lease liabilities	(3.96)		(3.69)	
Finance costs	(0.24)		(0.50)	
Net cash generated from / (used in) financing activities (C)		(4.20)		(4.19)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		(1.31)		(2.98)
Cash and cash equivalents at the beginning of the year		11.29		14.27
Cash and cash equivalents at the end of the year		9.98		11.29
Components of cash and cash equivalents (Refer note 8)				
Balance with banks				
– On Current Accounts		9.98		11.29
Cash on Hand		-		-

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 Aerospace Private Limited
CIN No.U63033MH2008PTC179520

Praveen Kumar Jain
Partner
Membership No. 079893

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P.Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Bangalore
Date: April 26, 2023

Place: Mumbai
Date: April 26, 2023

Mahindra Aerospace 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
At April 1, 2021	91,238.96
Add: Issued during the year	-
At March 31, 2022	91,238.96
Add: Issued during the year	-
At March 31, 2023	91,238.96

b. Other equity

Rs in Lakhs

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2021	153.47	31,243.98	(1,02,796.83)	0.59	(71,398.79)
Loss for the period	-	-	(16.67)	-	(16.67)
Re-measurement (loss)/gain on defined benefit plans	-	-	-	-	-
Total comprehensive income	-	-	(16.67)	-	(16.67)
At March 31, 2022	153.47	31,243.98	(1,02,813.50)	0.59	(71,415.46)

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income	Total
		Securities premium	Retained earnings		
At April 1, 2022	153.47	31,243.98	(1,02,813.50)	0.59	(71,415.46)
Profit for the period	-	-	17,607.01	-	17,607.01
Re-measurement (loss)/gain on defined benefit plans	-	-	-	-	-
Total comprehensive income	-	-	17,607.01	-	17,607.01
At March 31, 2023	153.47	31,243.98	(85,206.49)	0.59	(53,808.45)

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 Aerospace Private Limited

CIN No.U63033MH2008PTC179520

Praveen Kumar Jain
Partner
Membership No. 079893

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P.Shukla
Director & Chairman
DIN No. 00007418

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Place: Bangalore
Date: April 26, 2023

Place: Mumbai
Date: April 26, 2023

Mahindra Aerospace Private Limited
Notes to the financial statements for the year March 31, 2023

1. Corporate Information

Mahindra Aerospace Private Limited (the 'Company') is a company domiciled in India, with its registered office situated at Mahindra Towers, P.K Kurne Chowk, Worli, Mumbai - 400018. The Company was incorporated on February 28, 2008, under the provisions of the Indian Companies Act, 1956. Presently the Company is holding investments in subsidiaries engaged in the business of manufacturing aircrafts and Aerostructures and design and development of 5 seat aircraft.

2. Basis of preparation and Significant accounting policies:

2.1 Basis of preparation

A. Statement of compliance

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, as amended and notified under section 133 of the Companies Act, 2013 (The 'Act') and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 26 Apr 2023.

Details of the Company's accounting policies are included in Note 2.2

B. Functional and presentation currency

These financial statements are presented in Indian Rupees (Rs.), which is also the Company's functional currency. All amounts have been rounded-off to two decimal places to the nearest lakhs, unless otherwise indicated.

C. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 3 leases: whether an arrangement contains a lease and lease classification.

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2023

Assumptions and estimation uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2023 is included in the following notes:

Note 22 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 29 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Notes 4 and 5 - impairment of financial assets.

E. Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in 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 asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Note 21 - financial instruments.

2.2 Significant accounting policies

a) Impairment of assets

i. Financial Assets

The company accounts for its investment in subsidiaries at cost less accumulated impairment, if any. Investment in subsidiaries is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

b) Other Income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Statement of Profit and Loss.

c) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2023

on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

d) Financial Instruments

A. Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

B. Classification and subsequent measurement

i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2023

iv. Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Investment in subsidiaries, joint venture and associates

Investment in subsidiaries, joint venture and associates Investment in subsidiaries, joint venture and associates is carried at cost in the financial statements.

C. De-recognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

D. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

e) Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current tax:

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2023

current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

ii. Deferred tax:

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.

- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

f) Foreign currencies:

Transactions in foreign currencies are initially recorded by the Company at their functional currency spot rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rates are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rates at the date of transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

g) Business combination

Mahindra Aerospace Private Limited**Notes to the financial statements for the year ended March 31, 2023**

Business combinations arising from transfers of interest in entities that are under the control of the shareholder that controls the Company are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are revised. The assets and liabilities acquired are recognised at their carrying amounts. The identity of the reserves is preserved and they appear in the financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the value of net assets and the consequent reduction in value of investment held by the Company is transferred to the capital reserve or to the accumulated balance of profit and loss.

h) Provisions and contingent liabilities

i. General:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ii. Contingent liabilities:

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

(iii) Onerous contracts:

Provision for onerous contracts. i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

i) Segment reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Managing Director.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

j) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

k) Earnings per share

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2023

Basic Earnings Per Share ('EPS') is computed by dividing the net profit / (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit / (loss) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented in case of share splits.

l) Cash flow statement

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

m) Recent accounting pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1 April, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general-purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

Note 3: Right of use assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	3.16	6.60
Leasehold improvements - Additions during year ended	10.20	-
Depreciation on right-of-use asset	3.33	3.44
Net carrying amount	10.03	3.16

Interest on lease liabilities is Rs. 0.24 lakhs (2022: Rs.0.50 lakhs)

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2023

Note 4: Investments

	Rs in Lakhs	
Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
At cost less provision for other than temporary impairment		
Unquoted equity shares		
Investment in wholly owned subsidiaries		
Mahindra Aerospace Australia PTY Ltd [102,238,500 (2022: 102,238,500) Equity Shares of AU \$ 1 each, 18,100,000 (2022: 18,100,000) Equity Shares of AU \$ 0.58 each & 15,116,000 (2022: 15,116,000) Equity Shares of AU \$ 0.43 each & 15,266,000,000 (2022: 15,266,000,000) Equity Shares of AU \$ 0.0015 each]	71,924.28	71,924.28
Less: Provision for diminution in value of investment	(71,924.28)	(71,924.28)
	-	-
Mahindra Aerostructures Pvt Ltd [464,500,000 (2022: 464,500,000) Equity Shares of Rs.10 each] Less: Provision for diminution in value of investment	46,450.00 (9,250.00)	46,450.00 (26,936.00)
	37,200.00	19,514.00
	37,200.00	19,514.00
Total unquoted non-current investments	1,18,374.28	1,18,374.28
Aggregate provision for impairment in value of investments	(81,174.28)	(98,860.28)

Note 5: Other financial assets

	Rs in Lakhs	
Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Current		
Security deposits to related party (Refer note 20)	2.30	3.60
	2.30	3.60

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2023

Note 6: Income tax assets (net)

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
TDS receivable	1.17	4.12
	1.17	4.12

Note 7: Other non-current assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST Credit Receivable	156.55	141.82
Less: Provision	(156.55)	(141.82)
	-	-
Other deposits	-	0.87
	-	0.87
	-	0.87

Note 8: Cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Balance with banks		
In current accounts	9.98	11.29
Cash on hand	-	-
	9.98	11.29

Note 8A: Bank balance other than cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits	218.00	285.00
	218.00	285.00

Note 9: Other current assets

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good unless otherwise stated		
Balances with government authorities:		
GST credit receivable	-	25.16
Less: Provision	-	(25.16)
	-	-
Others	8.70	8.75
	8.70	8.75
	8.70	8.75

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2023

Note 10 - Share Capital

Rs in Lakhs

	Particulars	As at March 31, 2023		As at March 31, 2022	
		No of shares	Amount	No of shares	Amount
1	Authorised :				
	Equity shares of Rs.10 each	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
	5% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10 each	1,50,00,000	1,500.00	1,50,00,000	1,500.00
	0.10% Cumulative Compulsorily Convertible Preference shares of Rs.10 each	19,00,00,000	19,000.00	19,00,00,000	19,000.00
	Total	1,20,50,00,000	1,20,500.00	1,20,50,00,000	1,20,500.00
2	Issued :				
	Equity shares of Rs 10 each :				
	Opening balance	91,23,89,607	91,238.96	91,23,89,607	91,238.96
	Add: Issued during the year	-	-	-	-
	Closing balance	91,23,89,607	91,238.96	91,23,89,607	91,238.96
3	Subscribed and fully paid up :				
	Equity shares of Rs 10 each :				
	Opening balance	91,23,89,607	91,238.96	91,23,89,607	91,238.96
	Add: Issued during the year	-	-	-	-
	Closing balance	91,23,89,607	91,238.96	91,23,89,607	91,238.96

Notes:

- Out of the total equity shares, 91,23,89,607 (2022: 83,56,30,306) equity shares are held by Mahindra & Mahindra Limited, the holding company, including shares held jointly with nominees.
- Details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No of shares	%	No of shares	%
Mahindra & Mahindra Limited and its nominees*	91,23,89,607	100.00%	83,56,30,306	91.59%
Kotak Mahindra Trustee Limited (Trustee of Kotak India Growth Fund II)	-	-	5,54,78,722	6.08%

* Includes 8 shares (2022: 8 shares) held by nominees jointly with Mahindra & Mahindra Limited

3) Shareholding of Promoters

As at 31 March 2023

Promoter Name	No of shares at the beginning of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra & Mahindra Limited and its nominees*	83,56,30,306	7,67,59,301	91,23,89,607	100.00%	8.41%

* Includes 8 shares held by nominees jointly with Mahindra & Mahindra Limited

As at 31 March 2022

Promoter Name	No of shares at the beginning of the year	Change during the year	No of Shares at the end of year	% of total shares	% of change during the year
Mahindra & Mahindra Limited and its nominees*	83,56,30,306	NIL	83,56,30,306	91.59%	NIL

* Includes 8 shares held by nominees jointly with Mahindra & Mahindra Limited

4) Rights, preferences and restrictions attached to 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.

- 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.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2023
Note 11: Other equity

A) Securities premium		Rs in Lakhs
	Particulars	Amount
	At April 1, 2021	31,243.98
	Additions during the year	-
	At March 31, 2022	31,243.98
	Additions during the year	-
	At March 31, 2023	31,243.98

B) Retained earnings		Rs in Lakhs
	Particulars	Amount
	At April 1, 2021	(1,02,796.83)
	Additions during the year	(16.67)
	At March 31, 2022	(1,02,813.50)
	Additions during the year	17,607.01
	At March 31, 2023	(85,206.49)

C) Other comprehensive income		Rs in Lakhs
	Particulars	Amount
	At April 1, 2021	0.59
	Additions during the year	-
	At March 31, 2022	0.59
	Additions during the year	-
	At March 31, 2023	0.59

D) Equity components of 5% Non-Cumulative Compulsorily Convertible Preference shares		Rs in Lakhs
	Particulars	Amount
	At April 1, 2021	153.47
	Additions during the year	-
	At March 31, 2022	153.47
	Additions during the year	-
	At March 31, 2023	153.47

Total other equity		Rs in Lakhs
	At March 31, 2022	(71,415.46)
	At March 31, 2023	(53,808.45)

Securities premium reserve :

Securities premium reserve is used to record the premium received on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

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.

Equity component of 5% Non-Cumulative Compulsorily Convertible Preference shares :

This represents fair valuation of equity portion of the NCCCPS which is routed through other comprehensive income.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2023

Note 12: Trade payable

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Current, undisputed		
Due to micro and small enterprises (Refer note 24)	-	-
Dues to related parties	-	-
Due to others	7.46	3.00
	7.46	3.00

Note: there are no disputed trade payables

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

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Due to micro and small enterprises		
Less than 1 year (including not due)	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	-	-
Due to others		
Less than 1 year (including not due)	7.46	3.00
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
	7.46	3.00

Note 13: Other current liabilities

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	1.91	0.23
Others	0.21	0.21
	2.12	0.44

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

Note 14: Other income

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	11.46	9.46
Income tax refund	0.04	0.11
Provision no longer required written back	-	1.90
Reversal of Provision for diminution of Investments (Refer note 26)	17,686.00	-
	17,697.50	11.47

Note 15: Employee benefits expense

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus*	-	-
Contribution to provident and other funds	-	-
	-	-

*Net of reimbursement received from subsidiary company amounting to Rs. NIL (2022: Rs. 31.62 Lakhs).

Note 16: Finance costs

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense on lease liabilities	0.24	0.50
	0.24	0.50

Note 17: Depreciation

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on right-of-use asset (Refer note 3)	3.33	3.44
	3.33	3.44

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

Note 18: Other expenses

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Rates and taxes	1.00	1.91
Insurance	0.12	0.12
Legal and other professional charges**	73.24	13.73
Auditors' remuneration (refer note below)	5.52	4.79
Provision for doubtful Goods service tax credit receivable	3.48	-
Bank charges	0.06	0.20
Other miscellaneous expenses	3.50	0.59
	86.92	21.34

** Includes transactions with Related parties Rs. 60.37 Lakhs (2022 : Rs. 5.78 Lakhs)

Note:

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Auditors' remuneration (excluding GST) includes:		
Statutory audit	3.60	3.00
Other services and certifications	1.50	1.50
Reimbursement of expenses	0.42	0.29
	5.52	4.79

Note 19: Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and others aggregating Rs. NIL (2022: Rs. NIL) 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 payable is calculated 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. However, during the year, the company did not had any eligible employees to whom the gratuity was payable and accordingly, no actuarial valuation was carried out. The receivable from the Gratuity trust of the Company has been recognised in these financial statements under Note 9, as the Company has right to recover the surplus available in the trust.

Particulars	Rs in Lakhs	
	Funded Plan	
	Gratuity	
	31-Mar-23	31-Mar-22
I. Expense recognised in the Statement of Profit and Loss for the year		
Current service cost	-	-
Net Interest cost	-	-
	-	-
II. Recognised in comprehensive income for the year		
Return on plan assets	-	-
Actuarial (Gain)/Loss on account of :		
- Demographic Assumptions	-	-
- Financial Assumptions	-	-
- Experience Adjustments	-	-
	-	-
III. Change in the obligation during the year ended		
1. Present value of defined benefit obligation at the beginning of the year	-	-
2. Acquisitions/Divestures/Transfer (transfer of employees to MASPL)	-	-
3. Current Service Cost	-	-
4. Interest cost	-	-
5. Recognised in Other Comprehensive Income		
- Actuarial Gain (Loss)	-	-
6. Benefit paid	-	-
Present value of defined benefit obligation at the end of the year	-	-
IV. Change in fair value of assets during the year ended		
1. Fair value of plan assets at the beginning of the year	7.13	7.13
2. Interest income	-	-
3. Recognised in Other Comprehensive Income		
- Return on plan assets	-	-
4. Contributions by employer	-	-
5. Benefit paid	-	-
Fair value of plan assets at the end of the year	7.13	7.13
V. Net (Asset)/Liability recognised in the Balance Sheet		
- Present value of defined benefit obligation	-	-
- Fair value of plan assets	7.13	7.13
Net (Asset)/ liability	(7.13)	(7.13)
Current portion of the above	(7.13)	(7.13)
Non current portion of the above	-	-

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:

Since the company has NIL employees on rolls (2022: NIL) sensitivity analysis and other related disclosures are not provided.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

Note 20: Related Party Information

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

Name of the party	Nature of Relationship
Mahindra & Mahindra Limited	Holding Company
Mahindra Aerostructures Private Limited	Subsidiary
Mahindra Aerospace Australia Pty Ltd	Subsidiary
Mahindra Aerospace Private Limited Employees Group Gratuity Assurance Scheme	Employee Gratuity Trust

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

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

Key management personnel

Mr. S. P. Shukla	Director & Chairman
Mr. Arvind Kumar Mehra	Executive Director & CEO
Ms. Seema Bangia	Director
Mr. S Durgashankar	Director (w.e.f January 25, 2022)
Ms. Abanti Sankaranarayanan	Director (w.e.f July 14,2022)
Mr. Nikhil Sohoni	Director (until June 20, 2022)
Mr. K. V. Ramakrishna	Director (until January 18, 2022)
Mr. Dhiraj Rajendran	Director (until March 29,2023)
Mr. T. Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary

iii) Details of the transactions with the related parties

Rs in Lakhs

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<u>I. Transactions with Group entities</u>		
Services received (included under legal and other professional charges in note 18)		
Mahindra & Mahindra Limited	60.37	5.78
	60.37	5.78
Rent expenses		
Mahindra Aerostructures Private Limited	4.20	4.18
	4.20	4.18
Reimbursement of expenses received		
Mahindra Aerostructures Private Limited (Refer note 15)	-	31.62
	-	31.62
<u>II. Transactions with key managerial personnel</u>		
Salary and perquisites		
Mr. S. P. Shukla	-	31.62
Mr. Arvind Kumar Mehra	-	-
Mr. T. Subrahmanya Sarma	-	-

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

Rs in Lakhs

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits (Asset)		
Mahindra Aerostructures Private Limited	2.30	3.60
	2.30	3.60

Terms and conditions of transactions with related parties:

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

Mahindra Aerospace Private Limited

Notes to Financial Statements for the year ended March 31, 2023

Note 21: Financial instruments - fair values and risk management

A Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2023, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount				Total carrying amount	Rs in Lakhs Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	4			37,200.00		37,200.00				
Cash and cash equivalents	8	-	-	9.98	-	9.98	-	-	-	-
Security deposits	5	-	-	2.30	-	2.30	-	-	-	-
Fixed Deposits	8A			218.00		218.00				
		-	-	37,430.28	-	37,430.28	-	-	-	-
Financial liabilities not measured at fair value										
Trade payables	12	-	-	-	7.46	7.46	-	-	-	-
		-	-	-	7.46	7.46	-	-	-	-

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2022, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount				Total carrying amount	Rs in Lakhs Fair value			
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value										
Investments	4			19,514.00		19,514.00				
Cash and cash equivalents	8	-	-	11.29	-	11.29	-	-	-	-
Security deposits	5	-	-	3.60	-	3.60	-	-	-	-
Fixed Deposits	8A			285.00		285.00				
		-	-	19,813.89	-	19,813.89	-	-	-	-
Financial liabilities not measured at fair value										
Trade payables	12	-	-	-	3.00	3.00	-	-	-	-
		-	-	-	3.00	3.00	-	-	-	-

The fair value of cash and cash equivalents, 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.

Investment in equity shares of subsidiaries are not appearing as financial asset in the table above being investment in subsidiaries accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109.

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

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

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 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 investments, other receivables, deposits 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

(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, 2023 and March 31, 2022. 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, 2023 and March 31, 2022.

a. Interest rate risk

The company doesn't have borrowings. Hence interest rate risk is not applicable.

b. 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 does not have any exposure to the risk of changes in foreign exchange rates as there are no operations being carried out (revenue or expense is denominated in a foreign currency) by the company.

c. Foreign currency sensitivity

The company doesn't have any foreign currency exposure outstanding as at balance sheet date. Hence foreign currency sensitivity risk is not applicable.

(ii) Credit risk

Company does not have any operations and hence credit risk is not applicable.

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's operation department in accordance with the Company's policy. Investments of surplus funds are made only with approved Banks within the limits assigned. These limits are reviewed by the Company's Board of Directors as and when required. The limits are set to minimise the concentration of risks and therefore mitigate financial loss and potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31st March 2023 and 2022 is the carrying amounts.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

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 March 31, 2023							
	Trade payables	-	7.46	-	-	-	7.46
		-	7.46	-	-	-	7.46
Year ended March 31, 2022							
	Trade payables	-	3.00	-	-	-	3.00
		-	3.00	-	-	-	3.00

D Capital management:

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern.
- to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity and profit and loss account as presented on the face of the statement of financial position.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The Company is not subject to externally enforced capital regulation. The Company's capital requirements are substantially met through the issue of equity to the holding companies.

There is no change in the overall capital risk management strategy of the Company compared to last year.

22. Contingent liabilities:

- (a) 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. 0.30 Lakhs has been considered by the Company as contingent liability.
- (b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil (2022: Rs. Nil)

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

23. 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.

Rs in Lakhs			
Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Earnings attributable to equity shareholders	17,607.01	(16.67)
(b)	Weighted average number of equity shares outstanding during the year	91,23,89,607	91,23,89,607
(C)	Basic Earnings per share (Rs.)	1.93	(0.00)
(D)	Diluted Earnings per share (Rs.)	1.93	(0.00)

Weighted average no of shares (basic & diluted)

Sr. No.	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
(a)	Opening Balance	91,23,89,607	91,23,89,607
(b)	Effect of fresh issue of shares	-	-
(c)	Weighted average no of shares	91,23,89,607	91,23,89,607

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, 2023	For the year ended March 31, 2022
Weighted average number of equity shares used in the calculation of Basic EPS	91,23,89,607	91,23,89,607
Add: Effect of potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	91,23,89,607	91,23,89,607

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

24. Dues to micro and small enterprises

There are no micro and small enterprises to which the Company owes dues, which are outstanding for more than 45 days as at March 31, 2023. This 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.

25. NMS Project

During November 2008, erstwhile M/S. Plexion Technologies India Pvt. Ltd., which was later on merged with Mahindra Engineering Services Limited (MESL), had entered into a Collaboration Agreement with Council of Scientific Industrial Research (CSIR), represented by National Aerospace Laboratories (NAL) for Joint Development, Commercial Production and Marketing of a 4-Seater Aircraft (NM 5 Project). By virtue of a Deed of Assignment dated 28th May, 2008, signed between MESL, the Company and Council of Scientific Industrial Research (CSIR), the rights, obligations and benefits of MESL under the said Collaboration Agreement was assigned to the Company by MESL and duly affirmed by CSIR. As per the Collaboration Agreement, the Company jointly owns the Intellectual Property Rights arising from joint development of the aircraft. Such Intellectual Property Rights arising from joint development of the aircraft will be a jointly held intangible asset. The Company has built a prototype of the aircraft which has carried out a successful test flight.

The Company had so far incurred an expenditure of Rs. 274.63 Lakhs (2022 : Rs. 274.63 Lakhs) on tools and jigs and Rs. 2,098.63 Lakhs (2022 : Rs. 2,098.63 Lakhs) towards the design & development and building one prototype aircraft and these were included under 'Capital work in progress' and 'Intangible assets under development' respectively.

The Management had evaluated the carrying value of above mentioned assets based on the projections of the project and recognized a cumulative impairment of Rs. 2,373.26 Lakhs (2022: Rs. 2,373.26 Lakhs)

26. The Company has long-term investments in subsidiaries which are measured at cost less impairment or at fair value through profit or loss. The management assesses the performance of these entities including the future projections and relevant economic and market conditions in which they operate to identify if there is any indicator of impairment / reversal impairment, in the carrying value of the investments.

In case indicators of impairment exist, the impairment loss is measured by estimating the recoverable amounts based on the higher of (i) 'fair value less cost of disposal' determined using market price information, where available, and (ii) 'value-in-use' estimates determined using discounted cash flow projections, where available.

The fair value less costs of disposal is determined using the market approach. The future cash flow projections are specific to the entity based on its business plan and may not be the same as those of market participants. The future cash flows consider key assumptions such as volume projections, margins, terminal growth rates, etc. with due consideration for the potential risks given the current economic environment in which the entity operates. The discount rates used are pre-tax rates based on weighted average cost of capital and reflects market's assessment of the risks specific to the asset as well as time value of money.

The recoverable amount estimates are based on judgments, estimates, assumptions and market data as on reporting date and ignore subsequent changes in the economic and market conditions.

Accordingly, during the year ended March 31, 2023, the Company determined the recoverable amounts of the investment made in its subsidiary, M/s. Mahindra Aerostructures Private Limited and reversed impairment provision of Rs. 17,686 Lakhs (2022: Rs. NIL). The value-in-use calculation use growth rate of 14.3% (2022: 24%), discount rate of 18.9% (2022: 18%) and the terminal growth rates of 5% (2022: 5%)

During the previous year ended March 31, 2021, the Board of Directors of Company's subsidiary Mahindra Aerospace Pty Ltd approved appointment of Advisors for sale of entire 100% equity ownership and/or sale of all assets or business of/or shares of Mahindra Aerospace Australia Pty Ltd and its Subsidiaries namely - GippsAero Pty Ltd., Airvan10 Pty Ltd., GA8 Airvan Pty Ltd., GA200 Pty Ltd., Airvan Flight Services Pty Ltd and Nomad TC Pty Ltd

27. Segment Reporting:

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. Accordingly, segment information has been presented for industry classes.

The operating segment of the Company is identified to be "design, development and manufacturing of aircrafts and Aerostructures" as the CODM reviews business performance at an overall Company level as one segment.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

Note 28- Key Ratios

Ratio	Numerator	Denominator	Current period	Previous period	% Variance	Reason for Variance
Current ratio	238.98	11.08	21.57	42.34	-49%	Reduction in current assets during the current year
Debt-Equity ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company does not have borrowings
Debt Service Coverage ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company does not have borrowings
Return on Equity ratio	17,607.01	28,627.01	61.5%	-0.1%	-73271%	Increased due to Reversal of Provision for diminution of Investments
Inventory Turnover ratio						
Trade Receivables Turnover ratio						
Trade Payables Turnover ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Company is an investment company and does not have operations
Net capital turnover ratio						
Net profit ratio						
Return on capital employed	17,607.25	37,430.51	47.0%	-0.1%	-57768%	Increased due to Reversal of Provision for diminution of Investments
Return on investment	-	37,200.00	0%	0%	0%	

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 +
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 Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

Note 29 - 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, 2023	As at March 31, 2022
Deferred tax liabilities		
Related to depreciation of fixed assets	-	-
Total deferred tax liability (a)	-	-
Deferred tax assets		
Provision for diminution of Investments	21,105.31	25,703.67
Provision for GST credit	40.70	43.41
Carry forward losses	5.97	4.72
Others	0.28	0.23
Total deferred tax assets (b)	21,152.26	25,752.03
Net deferred tax assets/ (liabilities) (b-a)	21,152.26	25,752.03

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) Amount recognised in statement of profit and loss

Particulars	Rs. In lakhs	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	-	-
Tax charge/ (credit) of earlier years	-	2.86
Deferred tax	-	-

(c) Reconciliation of effective tax rate

Particulars	Rs. In lakhs			
	As at March 31, 2023		As at March 31, 2022	
Profit / (loss) before tax		17,607.01		(13.81)
Income tax expense calculated at domestic tax rates applicable to profits	26.00%	4,577.82	26.00%	(3.59)
Tax effects of:				
Permanent difference	-0.10%	18.37	1.59%	0.22
Timing differences	26.12%	(4,598.54)	-1.38%	(0.19)
Deferred tax asset not recognised in statement of profit and loss	-0.01%	2.35	25.78%	3.56
	26.00%	(4,577.82)	26.00%	3.59
Income tax expense		-		-
Tax charge/ (credit) of earlier years		-		2.86
Effective tax rate		26.00%		26.00%

(d) Tax losses

Particulars	As at March 31, 2023		As at March 31, 2022	
	Expiry date	Expiry date	Expiry date	Expiry date
Loss from business	-	March 31, 2023	4.47	March 31, 2023
	13.93	March 31, 2030	13.68	March 31, 2030
	9.03	March 31, 2031	-	
Total	22.96		18.15	
Potential tax benefit	5.97		4.72	

30. In view of pandemic relating to COVID-19, the company has considered internal and external information and has performed sensitivity analysis based on current estimates in assessing the recoverability of receivables and other assets. The company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial reporting controls etc. and is of the view that based on its present assessment, this situation does not materially impact the financial result as on March 31, 2023. However, the actual impact of COVID-19 on the company's financial statements, in future may differ from that estimated and the company will continue to closely monitor any material changes to future economic conditions.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2023

31. In the view of the losses for the three immediately preceding financial years, the Company is not required to spend any amount on CSR activities during the current financial year.

32. The Company does not have transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956.

33. During the year ended March 31, 2023, no material foreseeable loss (2022: Nil) was incurred for any long-term contract including derivative contracts.

34. The Company has not advanced or loaned or invested funds to any persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

35. The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

36. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

37. The Company has not traded or invested in Crypto currency or virtual currency during the current year.

38. The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

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 Aerospace Private Limited
CIN No. U63033MH2008PTC179520

Praveen Kumar Jain
Partner
Membership No. 079893

Mr. Arvind Mehra
Wholetime Director
DIN No.01039769

Mr. S.P.Shukla
Director & Chairman
DIN No. 00007418

Place: Bangalore
Date: April 26, 2023

Mr. T. Subrahmanya Sarma
Chief Financial Officer
Membership No. 202598
Place: Mumbai
Date: April 26, 2023

Mr. V.S. Ramesh
Company Secretary
Membership No. ACS5769

Mahindra Aerospace Pvt Ltd

Form AOC 1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Rs.In Lakhs

PART A - SUBSIDIARIES

Name of the subsidiary	Mahindra Aerostructures Pvt Ltd	Mahindra Aerospace Australia Pty Ltd	Gipps Aero Pty Ltd	Airvan Flight Services Pty Ltd	GA8 Airvan Pty Ltd	GA200 Pty Ltd	Nomad TC Pty Ltd	Airvan 10 Pty Ltd
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar '23	31st Mar '23	31st Mar '23	31st Mar '23	31st Mar '23	31st Mar '23	31st Mar '23	31st Mar '23
Reporting currency	Rupees	AUD	AUD	AUD	AUD	AUD	AUD	AUD
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1	AUD=Rs.55.225	AUD=Rs.55.225	AUD=Rs.55.225	AUD=Rs.55.225	AUD=Rs.55.225	AUD=Rs.55.225	AUD=Rs.55.225
Share capital	46,450.00	78,494.26	67,152.16	5.80	5.80	5.80	12.95	5.80
Reserves & Surplus	(29,726.38)	(75,313.81)	(67,133.25)	(5.67)	(5.65)	(5.65)	(12.83)	(5.67)
Total assets	24,415.08	3,193.36	934.93	0.13	0.15	0.15	0.12	0.13
Total Liabilities	7,691.46	12.91	916.02	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Turnover	15,824.89	22.03	771.23	-	-	-	-	-
Profit before taxation	(644.86)	(106.93)	(644.11)	(0.37)	(0.36)	(0.36)	(0.37)	(0.37)
Provision for taxation	-	-	-	-	-	-	-	-
Profit after taxation	(644.86)	(106.93)	(644.11)	(0.37)	(0.36)	(0.36)	(0.37)	(0.37)
Other comprehensive income	(15.41)	-	-	-	-	-	-	-
Total comprehensive income for the year	(660.27)	(106.93)	(644.11)	(0.37)	(0.36)	(0.36)	(0.37)	(0.37)
Proposed Dividend	-	-	-	-	-	-	-	-
% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%

Additional Information:

- 1) Names of subsidiaries which are yet to commence operations: Nil
- 2) Names of subsidiaries which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors
For Mahindra Aerospace Private Ltd.

PART B - ASSOCIATES and JOINT VENTURES :

None

- 1) Names of associates or joint ventures which are yet to commence operations : Nil
- 2) Names of associates or joint ventures which have been liquidated or sold during the year: Nil

Mr. Arvind Mehra
Wholtime Director
DIN No.01039769

Mr. S .P. Shukla
Director & Chairman
DIN No. 00007418

Mr. T.Subrahmanya Sarma
CFO
Membership No. 202598
Mumbai, April 26, 2023

Mr. V.S.Ramesh
Company Secretary
Membership No. ACS5769