

MAHINDRA AEROSPACE PRIVATE LIMITED

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

Your Directors present their Nineteenth Report together with the Audited Financial Statements of your Company for the year ended 31st March, 2026.

FINANCIAL HIGHLIGHTS AND STATE OF COMPANY'S AFFAIRS

Particulars	(Rs. in Lakhs)	
	For the year ended 31 st March, 2026	For the year ended 31 st March, 2025
Total Income	1,737.03	11.30
Profit / (Loss) before Depreciation, Finance Costs and Taxation	1,642.93	(32.27)
Less: Depreciation & Amortization	2.04	2.04
Profit / (Loss) before Finance Costs and Tax	1,640.89	(34.31)
Less: Finance Costs	0.51	0.67
Profit / (Loss) before Exceptional Item	1,640.38	(34.98)
Less / Add: Exceptional Item	-	--
Profit / (Loss) before Tax	1,640.38	(34.98)
Provision for Tax / tax of earlier years	-	--
Profit / (Loss) for the year	1,640.38	(34.98)
Other Comprehensive Income, net of tax	-	--
Total Comprehensive income for the period	1,640.38	(34.98)
Balance of profit / (Loss) for earlier years	(85,277.42)	(85,242.44)
Profit or (Loss) for the year	1,640.38	(34.98)
Balance of Profit carried forward	(83,637.04)	(85,277.42)
Net Worth	48,700.30	37,206.11

There have been no material changes or commitments after the end of financial year and up to the date of this report that would affect the Company's financial position.

DIVIDEND

Due to the operating losses (after excluding the distribution proceeds received from subsidiary liquidated during the year) reported for the year, no Dividend has been recommended by the Directors of your Company.

There is also no unpaid Dividend from prior years that was transferred or is due for transfer to the Investor Education and Protection Fund during the year.

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AMOUNT TRANSFERRED TO RESERVES

In view of the losses incurred during earlier years and the year under review (after excluding the distribution proceeds received from subsidiary liquidated during the year), the Board of Directors of your Company has not proposed any transfer to the General Reserve.

OPERATIONS

During the year, the Company's subsidiary, M/s. Mahindra Aerostructures Private Limited ("MASPL"), achieved positive PAT, despite significant headwinds from the global supply chain and one-time provisions for exceptional items. The MASPL also ended the year with 27% higher turnover compared to the previous year.

During the year, the MASPL continued to win major contracts that will accelerate its growth into a significant Aerostructures manufacturer. These include a follow up award from a leading helicopter OEM to produce the fuselage assembly of its highest selling helicopter model, and two large awards for complex parts that together are used to build complete fuselage sections of large aircraft. Together with the awards signed during F25, MASPL now has an order book in excess of \$1 Bn.

MASPL's operations have scaled up further to sustain the growth trajectory and industrialize recent wins alongside those won in earlier years. Further, MASPL has embarked on an aggressive program to further streamline internal processes for industrialization, production planning and supply chain development with the help of expertise from the Mahindra ecosystem.

MASPL continues to maintain the position of "D2P Challenger" and "Premier Bidder" with the two major aircraft OEMs.

During the year, 'Members' Voluntary Liquidation' of the Company's wholly owned subsidiary, M/s. Mahindra Aerospace Australia Pty Limited ("MAAPL") is completed and MAAPL was de-registered by Australia Securities & Investment Commission (ASIC) on 30th October 2025.

SHARE CAPITAL

During the year under review, your Company increased its Authorised Share Capital from Rs. 1205,00,00,000 (Rupees One Thousand Two Hundred and Five Crore Only) divided into 100,00,00,000 (Hundred Crore) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 1,50,00,000 (One Crore Fifty Lakhs), 5% Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each and 19,00,00,000 (Nineteen Crore), 0.10% Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each to Rs. 1600,00,00,000 (Rupees One Thousand Six Hundred Crores Only) divided into 139,50,00,000 (One Hundred Thirty-Nine Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 1,50,00,000 (One Crore

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Fifty Lakhs), 5 % Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each and 19,00,00,000 (Nineteen Crores), 0.10% Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each.

During the year under review, your Company issued and allotted 9,85,38,077 (Nine Crores Eighty-Five Lakhs Thirty-Eight Thousand Seventy-Seven) Equity Shares of Rs. 10/- (Rupees Ten Only) each to the company's holding company Mahindra and Mahindra Limited on rights basis.

The Authorised Share Capital of your Company, as at the end of the year under review, was Rs. 1600,00,00,000 (Rupees One Thousand Six Hundred Crores Only) divided into 139,50,00,000 (One Hundred Thirty-Nine Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each, 1,50,00,000 (One Crore Fifty Lakhs), 5 % Non-Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each and 19,00,00,000 (Nineteen Crores), 0.10% Cumulative Compulsorily Convertible Preference Shares of Rs. 10/- (Rupees Ten Only) each.

The Issued, Subscribed and Paid-up Equity Share Capital of your Company, as at the end of the Financial Year under review, was Rs. 1010,92,76,840 (Rupees One Thousand Ten Crore Ninety-Two Lakhs Seventy-Six Thousand Eight Hundred Forty Only) divided into 101,09,27,684 (One Hundred One Crore Nine Lakh Twenty-Seven Thousand Six Hundred and Eighty-Four) Equity Shares of Rs.10/- (Rupees Ten Only) each.

HOLDING COMPANY

Mahindra and Mahindra Limited (M&M) is the holding company of your Company.

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

As on 31st March 2026, the Company continued to have Mahindra Aerostructures Private Limited ("MASPL") as its Wholly Owned Subsidiary.

During the year under review, your Company's foreign subsidiary, Mahindra Aerospace Australia Pty Ltd (MAAPL), was liquidated pursuant to a Members' Voluntary Liquidation, after completion of all statutory procedures applicable under the relevant laws.

During the year under review, your Company did not have any Joint Venture, or Associate Company.

A report on the performance and financial position of Mahindra Aerostructures Private Limited and its contribution to the overall performance of the Company is provided in Form AOC-1, which is annexed to the Financial Statements and forms an integral part of this Annual Report.

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CONSOLIDATED FINANCIAL STATEMENTS

Your Company meets all the conditions prescribed under Notification G.S.R. 742(E) dated 27th July 2016 issued by the Ministry of Corporate Affairs, which grants exemption to a Wholly Owned Subsidiary company from the requirement of preparing and presenting Consolidated Financial Statements, subject to compliance with the conditions specified therein.

Accordingly, as your Company satisfies all such requirements, Consolidated Financial Statements have not been prepared for the financial year under review.

BOARD OF DIRECTORS

The Composition of the Board of Directors of the Company, as on the date of closure of Financial Year under review i.e. 31st March, 2026, was as follows: -

Sl. No.	Name of the Director	Designation	Executive / Non-Executive	Independent / Non-Independent
1.	Mr. Vinod Kumar Sahay (DIN: 07884268)	Director and Chairman of the Board	Non-Executive	Non-Independent
2.	Mrs. Abanti Sankaranarayanan (DIN: 01788443)	Director	Non-Executive	Non-Independent
3.	Mrs. Divya Gulati (DIN: 10210021)	Director	Non-Executive	Non-Independent
4.	Mr. Sanjay Suresh Gupta (DIN: 11462162)*	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

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*Mr. Sanjay Suresh Gupta (DIN: 11462162) was appointed as an Additional Director of the Company with effect from 20th January 2026. Based on the recommendation of the Board of Directors, a resolution seeking the approval of the Members for his appointment as Director of the Company has been proposed for consideration at the ensuing Annual General Meeting.

**Mr. Arvind Kumar Mehra relinquished his office as Whole-time Director & CEO and resigned as a Director of the Company with effect from 1st April, 2026 following the expiry of his tenure as Whole-time Director & CEO of the Company on 31st March, 2026.

Your Board placed on its record its sincere appreciation for the valuable services provided by Mr. Arvind Kumar Mehra during his association with the Company, since the incorporation of the Company in 2008, as Director and subsequently as Whole-time Director of the Company.

Mrs. Abanti Sankaranarayanan (DIN: 01788443), Director, who retires by rotation, has expressed her willingness for reappointment. Your Board has considered her reappointment and recommended the same to the Shareholders of the Company for their approval at forthcoming Annual General Meeting.

Mr. Amit Kumar, (DIN: 11666803) was appointed as an Additional Director of the Company with effect from 21st April, 2026. Based on the recommendation of the Board of Directors, a resolution seeking the approval of the Members for his appointment as Director of the Company has been proposed for consideration at the ensuing Annual General Meeting.

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 of Directors of your Company has carried out an annual evaluation of its own performance, and of the Directors individually. The evaluation process included seeking feedback through a structured questionnaire covering various aspects of the Board's functioning. The evaluation was completed on the basis of the responses received from the Directors.

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.

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For the year under review, the Company has received declarations from all Members of the Board confirming their compliance with the Code of Conduct for Directors.

Since there were no employees on the Rolls of the Company during the year under review, the requirement of obtaining declarations from Senior Management Personnel or Employees regarding compliance with the Code of Conduct for Senior Management and Employees does not arise.

BOARD MEETINGS

Directors of your Company met 5 (five) times during the year under review, i.e., on 18th April,2025, 15th July,2025, 8th September,2025, 20th October,2025 and 20th January,2026.

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

Name of Directors	No. of Meetings attended
Mr. Vinod Kumar Sahay	5
Mrs. Abanti Sankaranarayanan	4
Mrs. Divya Gulati	5
Mr. Sanjay Suresh Gupta*	0
Mr. Arvind Kumar Mehra	5

* Mr. Sanjay Suresh Gupta was appointed as an Additional Director with effect from 20th January,2026.

GENERAL MEETINGS

The 18th Annual General Meeting of the Members was held on 15th July,2025.

During the year under review, 1 (One) Extra Ordinary General Meeting of the Members of your Company was held on 25th August,2025.

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:

- in the preparation of the annual accounts, the applicable accounting standards had been followed.
- the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year viz. 31st March,2026 and of the Profit and loss of the Company for that period;

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- (c) Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had devised proper systems 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 Personnels of your Company: -

1. Mr. Arvind Kumar Mehra was Whole-time Director & CEO and Key Managerial Personnel of the Company till 31st March, 2026.
2. Mr. T Subrahmanya Sarma is the Chief Financial Officer.
3. Mr. V S Ramesh is Company Secretary.

COMMITTEES OF THE BOARD:

During the Financial Year under review, no Committee of the Board was constituted, as the applicable provisions of the Companies Act, 2013 regarding constitution of such committees were not applicable to your Company.

INDEPENDENT DIRECTORS

Being a Wholly Owned Subsidiary Company of Mahindra and Mahindra Limited, your Company was exempted from the requirement of appointing Independent Directors.

AUDITORS

I. STATUTORY AUDITOR

The Shareholders of your 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 (Five) 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.

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II. SECRETARIAL AUDITOR

Pursuant to provisions of section 204 of the Companies Act, 2013 read with 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. 3907/2023), as a Secretarial Auditor to conduct the Secretarial Audit of your Company for the Financial Year 2025-2026.

The Secretarial Audit Report given by the Secretarial Auditor of your Company has been annexed to this Board Report as **Annexure I** which forms part of this report.

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 Section 148(1) of the Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014, relating to the maintenance of cost records and the appointment of a Cost Auditor, were not applicable to your Company, as the Company does not fall within the prescribed class of companies required to maintain such records.

INTERNAL AUDITOR

Your Directors had appointed Mr. K. N. Vaidyanathan, a qualified professional with extensive experience, as the Internal Auditor of your Company to conduct internal audit of its functions and activities for the Financial Year ended 31st March, 2026.

REPORTING ON FRAUDS BY AUDITORS

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

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

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

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- (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.

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

Risks associated with the Business Activity of the Company are ascertained periodically and are mitigated by taking suitable measures. During the year ended 31st March 2026, the Company did not have any operations other than holding investments in subsidiary companies.

CORPORATE SOCIAL RESPONSIBILITY POLICY

The provisions of Section 135 of the Companies Act, 2013, relating to Corporate Social Responsibility ("CSR"), were not applicable to your Company during the year under review. Accordingly, the requirement to formulate and implement a CSR Policy or undertake CSR activities did not arise.

INTERNAL FINANCIAL CONTROLS

Your Company has adequate internal financial control with reference to the Financial Statements, commensurate with the size, scale and complexity of its operations.

Your Company conducts periodic reviews to assess the adequacy and effectiveness of its financial and operating controls across its business operations. The Statutory Auditors have audited the Internal Financial Controls over Financial Reporting of your Company as at 31st March 2026, in accordance with the applicable provisions of the Companies Act, 2013.

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Any significant observations or issues, if identified, are placed before the Board for review and appropriate action. Statutory Auditor and Internal Auditor are invited to attend meetings of the Board where their observations and recommendations are discussed.

PEOPLE

Your Company is a holding Company with no operational activities and did not have any employees on its rolls as on 31st March,2026.

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

SAFETY, HEALTH AND ENVIRONMENT

Your Company is a holding company and, accordingly, does not engage in any operational activities. Nevertheless, your Company provides high priority to maintaining a safe, secure, and healthy environment.

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

The particulars relating to Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo, as required under section 134(3)(m) of the Companies Act, 2013 read with Companies Rule 8 (3) of the Companies (Accounts) Rules, 2014 are provided in **Annexure III** which forms an integral 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

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

PUBLIC DEPOSITS

The Company did not accept any Deposits from the public or its employees within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, during the year under review.

Accordingly, there were no amounts outstanding on the date of the Balance Sheet that qualify as Deposits, and the Company has not contravened any of the provisions of Chapter V of the Companies Act, 2013.

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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.

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

Further, your Company had not made any loans/advances which were 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

During the Financial Year 2025-2026, all contracts / transactions entered by your Company with Related Parties under Section 188(1) of the Companies Act, 2013 were in the ordinary course of business and on an arm's length basis.

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 e-Form AOC - 2 in **Annexure IV** and the same forms part of this Report.

Attention of members is drawn to the disclosure of transactions with related parties set out in Note No. 20 of the Financial Statements, forming part of the Board's 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 your Company, prepared in prescribed Form MGT-7, for the year ended 31st March, 2026, has been placed on the website of the Company, which can be accessed at the web-address: <https://www.mahindraaerospace.com/media-kit/>.

Your 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.

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VIGIL MECHANISM

The provisions relating to the establishment of a Vigil Mechanism, as stipulated under Section 177 of the Companies Act, 2013, were not applicable to your Company during the year under review. Accordingly, the requirement to formulate or operate a Vigil Mechanism did not arise.

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

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

During the year under review, the particulars of complaints received, and their status are as follows:

Number of complaints of sexual harassment received during the year	NIL
Number of such complaints disposed of during the year	NA
Number of complaints pending for more than 90 days	NA

DECLARATION ON COMPLIANCE WITH THE PROVISIONS OF THE MATERNITY BENEFIT ACT, 1961

The provisions of the Maternity Benefit Act, 1961 were not applicable to your Company, as the Company did not have any employees during the year under review.

GENERAL

The Directors state that no disclosure or reporting is required in respect of the following matters, as there were no transactions or events relating to these items 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 under any scheme.
3. Significant or material orders passed by any Regulators, Courts or Tribunals which may impact the going concern status of the Company and its future operations.

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4. Shares held by employees not exercising voting rights directly, where loans were provided by the Company for purchase or subscription of such shares, as envisaged under Section 67(3)(c) of the Companies Act, 2013, as there is no scheme in existence under which such beneficial holding is permitted.
5. Change in the nature of business of the Company.
6. Applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016.
7. One-time settlement of loans taken from Banks or Financial Institutions; accordingly, disclosure of the difference between the valuation at the time of settlement and the valuation at the time of sanction of loan, along with reasons thereof, is not applicable.
8. Revision of the financial statements or the Board's Report of the Company.

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

The applicable Secretarial Standards, namely SS-1 on Meetings of the Board of Directors and SS-2 on General Meetings, issued by the Institute of Company Secretaries of India, have been duly complied with by your Company.

SUSTAINABILITY

The Company continues its journey towards sustainable development, with conscious and sustained efforts to minimise the environmental impact of operations of its subsidiary. Simultaneously, the Company remains committed to taking responsibility for enabling communities to rise, while maintaining a balanced focus on long-term economic performance.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation for the co-operation and support extended by the Company's bankers, customers, vendors and all other stakeholders, which has contributed significantly to your Company's performance during the year under review.

For and on behalf of the Board

Vinod Kumar Sahay
Director
DIN: 07884268
Place: Mumbai
Date: 21st April, 2026

Divya Gulati
Director
DIN: 10210021

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ANNEXURE I TO THE BOARD'S REPORT
FOR THE YEAR ENDED 31ST MARCH, 2026

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2026

*[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, 2026 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, 2026 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, Overseas Direct Investment and External Commercial Borrowings, wherever applicable; 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:

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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.

During the year 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 and Woman Director. During the year under review, Mr. Arvind Kumar Mehra was re-appointed as Whole Time Director designated as Executive Director and Chief Executive Officer w.e.f. April 01, 2025 and Mr. Sanjay Suresh Gupta was appointed as an Additional Director of the Company w.e.f. January 20, 2026.

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 in certain cases where meetings were held through shorter notice after due compliance of the applicable provisions, 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 and an extra-ordinary general meeting was held on August 25, 2025, through shorter notice after due compliance of the applicable provisions.

During the year 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.

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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:

- (i) The members at their Extra-Ordinary General meeting held on August 25, 2025, inter-alia, granted their approval for the amendment of Capital Clause of Memorandum of Association of the Company by increasing the authorised equity share capital from Rs. 1205 crores to Rs. 1600 crores.
- (ii) The Board of Directors at their Meeting held on September 08, 2025, approved the issuance of 9,85,38,077 Equity Shares of Rs.10 each on Rights basis.
- (iii) The Board of Directors vide their resolution dated September 23, 2025 passed by circulation approved allotment of 9,85,38,077 Equity Shares of Rs. 10 each for cash at par to Mahindra & Mahindra Limited.

**For Siroya and BA Associates
Company Secretaries**

**Bhavyata Raval
Partner
ACS No.: 25734
CP No.: 21758
UDIN: A025734H000159186
PR. NO: 3907/2023
Firm Registration No.: P2019MH074300**

**Date: April 21, 2026
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.

MAHINDRA AEROSPACE PRIVATE LIMITED

'Annexure A'

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: A025734H000159186
PR. NO: 3907/2023
Firm Registration No.: P2019MH074300**

**Date: April 21, 2026
Place: Mumbai**

MAHINDRA AEROSPACE PRIVATE LIMITED

ANNEXURE II A TO THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2026

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.

MAHINDRA AEROSPACE PRIVATE LIMITED

- 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.

MAHINDRA AEROSPACE PRIVATE LIMITED

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?

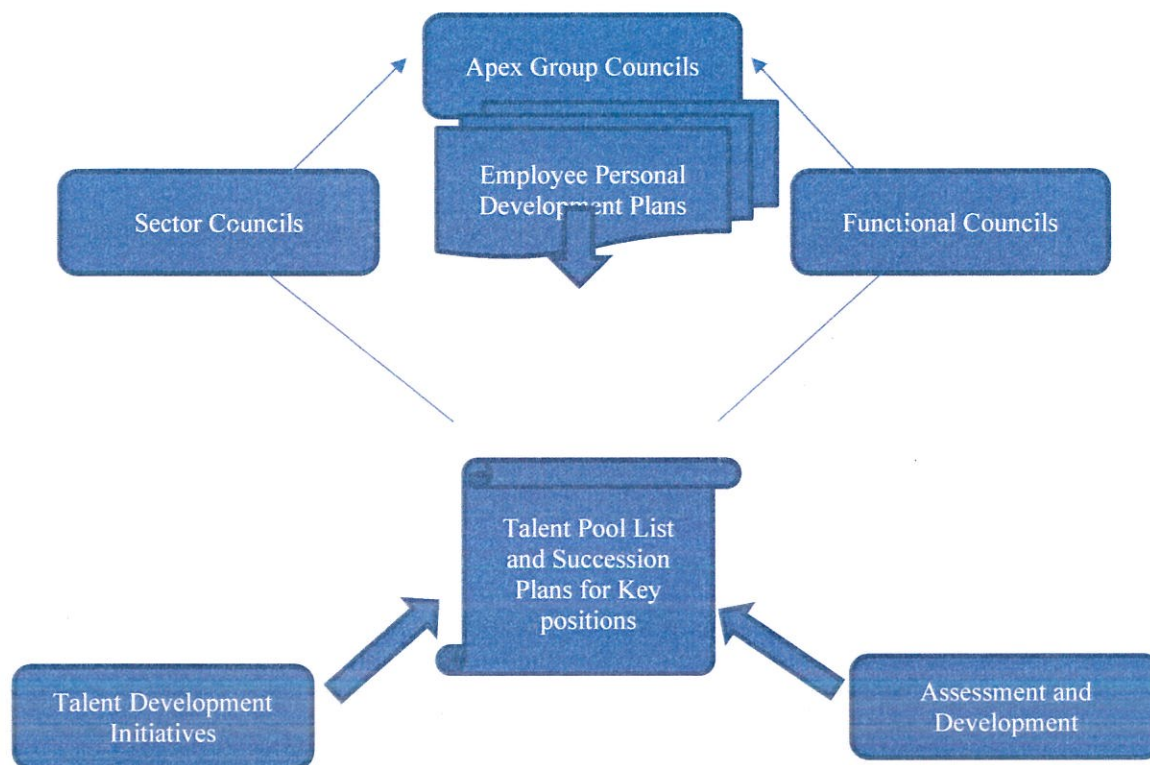
The framework lays down an architecture and processes to address these questions using the 3E approach:

- 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.

MAHINDRA AEROSPACE PRIVATE LIMITED

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

Vinod Kumar Sahay
Director
DIN: 07884268

Divya Gulati
Director
DIN: 10210021

Place: Mumbai

Date: 21st April, 2026

MAHINDRA AEROSPACE PRIVATE LIMITED

ANNEXURE II B TO THE BOARD'S REPORT **FOR THE YEAR ENDED 31ST MARCH,2026**

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.

MAHINDRA AEROSPACE PRIVATE LIMITED

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

Vinod Kumar Sahay
Director
DIN: 07884268

Divya Gulati
Director
DIN: 10210021

Place: Mumbai

Date: 21st April, 2026

MAHINDRA AEROSPACE PRIVATE LIMITED

ANNEXURE III TO THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2026

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, 2026.

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 equipment: 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:

Particulars	(Rupees in Lakhs)	
	For the Financial Year Ended 31 st March, 2026	For the Financial Year Ended 31 st March, 2025
Total Foreign Exchange earned	1711.77	NIL
Total Foreign Exchange used	46.15	NIL

For and on behalf of the Board

Vinod Kumar Sahay	Divya Gulati
Director	Director
DIN: 07884268	DIN: 10210021

Place: Mumbai
Date: 21st April, 2026

MAHINDRA AEROSPACE PRIVATE LIMITED

ANNEXURE IV TO THE BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH,2026

FORM 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 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, CIN/PAN & 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 (CIN: L65990M H1945PL C004558)	Holding Company	Services received & Allocation of corporate cost and personnel cost based on the time spent by respective personnel	1 st April,2025 to 31 st ,March, 2026	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arm's length basis.	4.80	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 (CIN: U35122 MH2011 PTC2127 44)	Subsidiary Company	Lease rentals paid	For a period of 5 years commencing from 1 st March 2023 and extended for another five year period	- DO-	2.54	- DO-	NIL

MAHINDRA AEROSPACE PRIVATE LIMITED

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 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

Vinod Kumar Sahay
Director
DIN: 07884268

Divya Gulati
Director
DIN: 10210021

Place: Mumbai

Date: 21st April, 2026

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 Auditor's 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 2026, 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 material 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 2026, 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 we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Management's and Board of Directors'/Board of Trustees' 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.

Registered Office:

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Independent Auditor's Report (Continued)

Mahindra Aerospace Private Limited

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, 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.

Independent Auditor's Report (Continued)

Mahindra Aerospace Private Limited

- 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 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 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 does not have any pending litigations which would impact its financial position.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were 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, as disclosed in the Note 32 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.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 33 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 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. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

B S R & Co. LLP

Independent Auditor's Report (*Continued*)

Mahindra Aerospace Private Limited

- C. 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

Date: 21 April 2026

Membership No.: 079893

ICAI UDIN:26079893RIVBSF6677

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2026

(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 immovable properties where the Company is the lessee and the leases 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 did not have Property, Plant and Equipment or intangible assets or both during the year. The company has not revalued its Rights of Use assets during the year.
- (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 provided guarantee or security, granted loans and advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership and other parties during the year. The Company has made investment in a company and other parties (mutual funds), in respect of which the requisite information is as below. The Company has not made any investments in firms or limited liability partnership. Accordingly, provisions of clauses 3(iii)(a), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made are not prejudicial to the interest of the Company. The Company has not provided guarantees or given security or granted loans and advances in the nature of loans during the year.
- (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 186 of the Act are not applicable as the Company is an investment company.
- (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.

Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2026 (Continued)

- (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. 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, the 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 2026 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) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. 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 financial statements 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 subsidiary as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) 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 (as defined under the Act). 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.

**Annexure A to the Independent Auditor's Report on the Financial Statements of Mahindra Aerospace Private Limited for the year ended 31 March 2026
(Continued)**

- (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) During the course of our 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 year.
 - (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, 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 defined in the regulations made by the Reserve Bank of India) has more than one CIC as part of the Group. The Group has 5 CICs as part of the Group.
- (xvi) The Company did not incur any cash losses in the current financial year. However, cash losses of Rs. 30.12 lakhs were incurred 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, 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

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 2026
(Continued)**

us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) The requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Praveen Kumar Jain

Partner

Place: Bengaluru

Date: 21 April 2026

Membership No.: 079893

ICAI UDIN:26079893RIVBSF6677

Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Aerospace Private Limited for the year ended 31 March 2026

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 2026 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 2026, 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 reasonable assurance regarding the reliability of financial reporting and the preparation of financial

**Annexure B to the Independent Auditor's Report on the financial statements of Mahindra Aerospace Private Limited for the year ended 31 March 2026
(Continued)**

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

Date: 21 April 2026

Membership No.: 079893

ICAI UDIN:26079893RIVBSF6677

Mahindra Aerospace Private Limited

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

Balance Sheet**Rs in Lakhs**

Particulars	Note	As at March 31, 2026	As at March 31, 2025
ASSETS			
Financial assets			
(a) Cash and cash equivalents	3	3.21	8.03
(b) Bank balances other than (a) above	3	322.59	153.00
(c) Investments	4	48,533.80	37,200.00
(d) Other financial assets	5	10.91	12.45
Total financial assets		48,870.51	37,373.48
Non-Financial assets			
(a) Income tax assets (net)	6	1.41	1.13
(b) Right of use asset	7	3.91	5.95
(c) Other non-financial assets	8	-	-
Total non-financial assets		5.32	7.08
TOTAL ASSETS		48,875.83	37,380.56
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
(a) Lease liabilities	9	4.80	6.84
(a) Trade payables	10		
(i) Total outstanding dues of micro enterprises and small enterprises		-	0.12
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		17.02	13.72
Total financial liabilities		21.82	20.68
Non-Financial Liabilities			
(a) Other non-financial liabilities	11	0.24	0.30
Total non-financial liabilities		0.24	0.30
EQUITY			
(a) Equity share capital	12	1,01,092.77	91,238.96
(b) Other equity	13	(52,239.00)	(53,879.38)
Total equity		48,853.77	37,359.58
TOTAL LIABILITIES AND EQUITY		48,875.83	37,380.56

Material accounting policies**2**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors of

Mahindra Aerospace Private Limited

CIN U63033MH2008PTC179520

Praveen Kumar Jain

Partner

Membership No. 079893

Ms. Divya Gulati

Director

DIN 10210021

Mr. Vinod Kumar Sahay

Director

DIN 07884268

Mr. T Subrahmanya Sarma

Chief Financial Officer

PAN: AAWPT5805A

Place: Mumbai

Date: April 21, 2026

Mr V S Ramesh

Company Secretary

Membership No. A 5769

Place: Bangalore

Date: April 21, 2026

Mahindra Aerospace Private Limited Regd. Office: Mahindra Towers, P.K.Kurke Chowk, Worli, Mumbai - 400 018 Statement of Profit and Loss				Rs in Lakhs
Particulars	Note	For the year ended March 31, 2026	For the year ended March 31, 2025	
Revenue from Operations	14	25.26	11.30	
Income from investments related to subsidiaries	15	1,711.77	-	
Total income		1,737.03	11.30	
Expenses				
Finance costs	16	0.51	0.67	
Depreciation	17	2.04	2.04	
Other expenses	18	94.10	43.57	
Total expenses		96.65	46.28	
Profit /(Loss) before tax		1,640.38	(34.98)	
Tax expense:				
Current tax		-	-	
Deferred tax		-	-	
Income tax expense		-	-	
Profit / (Loss) for the year		1,640.38	(34.98)	
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 / (loss) for the year		1,640.38	(34.98)	
Earnings per equity share:	23			
(Nominal value of Rs. 10 per share)				
Basic		0.17	(0.00)	
Diluted		0.17	(0.00)	
Material accounting policies	2			
The accompanying notes form an integral part of the financial statements				
As per our report of even date attached				
for B S R & Co. LLP Chartered Accountants (Firm's registration No. 101248W/W-100022)		For and on behalf of the Board of Directors of Mahindra Aerospace Private Limited CIN U63033MH2008PTC179520		
Praveen Kumar Jain Partner Membership No. 079893		Ms. Divya Gulati Director DIN 10210021		Mr. Vinod Kumar Sahay Director DIN 07884268
		Mr. T.Subrahmanya Sarma Chief Financial Officer PAN: AAWPT5805A Place: Mumbai Date: April 21, 2026		Mr. V.S. Ramesh Company Secretary Membership No. A 5769
Place: Bangalore Date: April 21, 2026				

Mahindra Aerospace Private Limited Regd. Office: Mahindra Towers, P.K.Kurde Chowk, Worli, Mumbai - 400 018 . Statement of Cashflows				
			Rs in Lakhs	
Particulars	For the year ended March 31, 2026		For the year ended March 31, 2025	
A. Cash flow from operating activities :				
Profit / (Loss) before tax		1,640.38		(34.98)
<u>Adjustments for:</u>				
Depreciation	2.04		2.04	
Finance costs	0.51		0.67	
Provision for diminution of long term Investments	-		0.27	
Distribution proceeds received from subsidiary (Refer note 26)	(1,711.77)		-	
Provision for doubtful Goods service tax credit receivable	11.51		2.55	
Profit on sale of mutual funds	(12.62)		-	
Interest income	(12.58)		(11.14)	
		(1,722.91)		(5.61)
Operating loss before working capital changes		(82.53)		(40.59)
<u>Changes in working capital:</u>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Financial assets	1.10		4.26	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	3.18		9.84	
Other non-financial liabilities	(11.57)		(1.64)	
		(7.29)		12.46
Cash used in operations		(89.82)		(28.13)
Net income tax (paid) / refund		(0.28)		1.35
Net Cash used in operating activities (A)		(90.10)		(26.78)
B. Cash flow from investing activities :				
Investment in bank deposits	(450.00)		-	
Proceeds from maturity of bank deposits	281.00		20.00	
Interest income received	12.43		10.70	
Investment in mutual funds	(1,700.00)		-	
Proceeds from redemption of mutual funds	1,712.62		-	
Distribution proceeds received from subsidiary	1,711.77		-	
Investment in subsidiary	(11,333.80)		(0.27)	
Net cash (used in) / generated from investing activities (B)		(9,765.98)		30.43
C. Cash flow from financing activities				
Proceeds from issue of equity shares	9,853.81		-	
Repayment of lease liabilities	(2.55)		(2.42)	
Finance costs	-		-	
Net cash generate/ (used in) financing activities (C)		9,851.26		(2.42)
Net (decrease) / increase in cash and cash equivalents (A+B+C)		(4.82)		1.23
Cash and cash equivalents at the beginning of the year		8.03		6.80
Cash and cash equivalents at the end of the year		3.21		8.03
Components of cash and cash equivalents (Refer Note 3)				
Balance with banks				
– On Current Accounts		3.21		8.03
Material accounting policies (Refer Note 2)				
The accompanying notes form an integral part of the financial statements				
As per our report of even date attached				
for B S R & Co. LLP		<i>For and on behalf of the Board of Directors of</i>		
Chartered Accountants		Mahindra Aerospace Private Limited		
(Firm's registration No. 101248W/W-100022)		CIN U63033MH2008PTC179520		
Praveen Kumar Jain		Ms. Divya Gulati		Mr. Vinod Kumar Sahay
Partner		Director		Director
Membership No. 079893		DIN 10210021		DIN 07884268
		Mr. T. Subrahmanya Sarma		Mr. V.S. Ramesh
		Chief Financial Officer		Company Secretary
		PAN: AAWPT5805A		Membership No. A 5 /69
Place: Bangalore		Place: Mumbai		
Date: April 21, 2026		Date: April 21, 2026		

Mahindra Aerospace Private Limited

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

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

At April 1, 2024	91,238.96
Add: Issued during the year	-
At March 31, 2025	91,238.96
Add: Issued during the year	9,853.81
At March 31, 2026	1,01,092.77

b. Other equity

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income
		Securities premium	Retained earnings	
At April 1, 2024	153.47	31,243.98	(85,242.44)	0.59
Loss for the year	-	-	(34.98)	-
Re-measurement (loss)/gain on defined benefit plans	-	-	-	-
Total comprehensive income	-	-	(34.98)	-
At March 31, 2025	153.47	31,243.98	(85,277.42)	0.59

Particulars	Equity component of financial instruments	Reserves and surplus		Other comprehensive income
		Securities premium	Retained earnings	
At April 1, 2025	153.47	31,243.98	(85,277.42)	0.59
Profit for the year	-	-	1,640.38	-
Re-measurement (loss)/gain on defined benefit plans	-	-	-	-
Total comprehensive income	-	-	1,640.38	-
At March 31, 2026	153.47	31,243.98	(83,637.04)	0.59

Material 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

Ms. Divya Gulati

Director

DIN 10210021

Mr. Vinod Kumar

Director

DIN No. 07884268

Mr. T. Subrahmanya Sarma

Chief Financial Officer

PAN: AAWPT5805A

Place: Mumbai

Date: April 21, 2026

Mr. V.S. Ramesh

Company Secretary

Membership No. /

Place: Bangalore

Date: April 21, 2026

Mahindra Aerospace Private Limited
Notes to the financial statements for the year March 31, 2026

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 Material 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 specified under section 133 of the Companies Act, 2013 (The 'Act') read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time), presentation requirement of Division III of Schedule III to the Act, as applicable to the financial statements and other relevant provisions of the Act.

The financial statements were authorised for issue by the Company's Board of Directors on 21 April 2026.

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 9 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, 2026

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, 2026 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 28 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Notes 3, 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 Material 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) Revenue recognition :

i) Dividend income is accounted for when the right to receive payment is established.

ii) Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

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 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.

Mahindra Aerospace Private Limited**Notes to the financial statements for the year ended March 31, 2026**

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, 2026

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.

v. Investment in subsidiaries, joint venture and associates

The Company accounts for its investments in subsidiaries at cost less accumulated impairment, if any.

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.

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2026

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 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.

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2026

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

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.

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2026

i) Segment reporting

The Company is primarily engaged in the business of acquisition of shares and other securities in group companies. The Company's business activity falls within a single segment and accordingly there is no separate reportable segment as per Ind AS 108.

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

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) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU.

Mahindra Aerospace Private Limited

Notes to the financial statements for the year ended March 31, 2026

An impairment loss in respect of other assets for which impairment loss has been recognized in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

n) Recent accounting pronouncement

Recent pronouncements Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.
2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.
3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2026

Note 3: Cash and cash equivalents

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Balance with banks :		
In current accounts	3.21	8.03
Other bank balance :		
Deposits with banks with the original maturity of more than 3 months but less than 12 months	322.59	153.00
(Includes interest accrued but not due Rs. 0.59 lakhs (2025: Nil))	325.80	161.03

Note 4: Investments

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Non-current		
At cost less provision for other than temporary impairment		
Unquoted equity shares		
Investment in wholly owned subsidiaries		
Mahindra Aerospace Australia PTY Ltd (Refer note 28)	-	71,924.55
[NIL (2025: 102,238,500) Equity Shares of AU \$ 1 each,		
NIL (2025: 18,100,000) Equity Shares of AU \$ 0.58 each &		
NIL (2025: 15,116,000) Equity Shares of AU \$ 0.43 each &		
NIL (2025: 15,266,000,000) Equity Shares of AU \$ 0.0015 each]		
Less: Provision for diminution in value of investment	-	(71,924.55)
	-	-
Mahindra Aerostructures Pvt Ltd	57,783.80	46,450.00
[577,837,998 (2025: 464,500,000) Equity Shares of Rs.10 each]		
Less: Provision for diminution in value of investment	(9,250.00)	(9,250.00)
	48,533.80	37,200.00
	48,533.80	37,200.00
Total unquoted non-current investments	57,783.80	1,18,374.55
Aggregate provision for impairment in value of investments	(9,250.00)	(81,174.55)

Note 5: Other financial assets

Rs in Lakhs

Particulars	As at	As at
Unsecured, considered good unless otherwise stated		
Current		
Security deposits to related party (Refer note 20)	2.30	2.30
Interest income accrued but not due	-	0.44
Amounts recoverable from related parties (Refer note 20)	-	1.10
Others	8.61	8.61
	10.91	12.45

Note 6: Income tax assets (net)

Rs in Lakhs

Particulars	As at	As at
TDS receivable	1.41	1.13
(net of provision for taxation Rs. Nil (2025: Rs. Nil))	1.41	1.13

Mahindra Aerospace Private Limited
Notes to Financial Statements for the year ended March 31, 2026

Note 7: Right of use assets

Rs. in lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Right-of-use-assets	3.91	5.95
	3.91	5.95

Interest on lease liabilities for the year ended on March 31, 2026 is Rs. 0.51 lakhs (2025: Rs. 0.67 lakhs)

Gross carrying amounts of lease assets and recognised and the movements during the year:

Particulars	As at March 31, 2026	As at March 31, 2025
Gross Carrying Value	10.20	10.20
Additions	-	-
Derecognition during the year	-	-
Gross carrying amount	10.20	10.20

Accumulated depreciation

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	4.25	2.21
Charge for the year	2.04	2.04
Derecognition during the year	-	-
Accumulated depreciation amount	6.29	4.25

Net carrying value

Particulars	As at March 31, 2026	As at March 31, 2025
Net carrying value	3.91	5.95

Note 8: Other non-financial assets

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Unsecured, considered good unless otherwise stated		
Balances with government authorities		
GST Credit receivable	178.90	167.39
Less: Provision	(178.90)	(167.39)
	-	-

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

Note 9 - Lease liabilities

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Lease Liabilities	4.80	6.84
	4.80	6.84

Carrying amounts of lease liabilities recognised and the movements during the year:

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Opening balance	6.84	8.59
Additions	-	-
Interest on lease liability	0.51	0.67
Payments	(2.55)	(2.42)
Closing balance	4.80	6.84

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
The Following are the amounts recognised in Profit or Loss		
Depreciation expense of right-of-use assets	2.04	2.04
Interest expense on lease liabilities	0.51	0.67
Total amount recognised in statement of Profit and loss	2.55	2.71

Particulars	As at March 31, 2026	As at March 31, 2025
The amounts recognised in statement of cash flows		
Payment of principal portion of lease liabilities	2.04	1.75
Payment of interest portion of lease liabilities	0.51	0.67
Total	2.55	2.42

Contractual maturities of lease liabilities on an undiscounted basis:

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Not later than one year	2.67	2.55
Later than one year and not later than five years	2.56	5.23
More than five years	-	-
Total	5.23	7.78

Mahindra Aerospace Private Limited

Notes to Financial Statements for the period ended March 31, 2026

Note 10: Trade payable

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Undisputed		
Total outstanding dues of micro enterprises and small enterprises (Refer note 24)	-	0.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	17.02	13.72
	17.02	13.84

Note: there are no disputed Trade payables

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

As at March 31, 2026

-

Rs in Lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	-	-	-	-	-	-
Others	-	-	-	-	-	-
Accrued expenses						-
MSME						-
Others						17.02
						17.02

As at March 31, 2025

-

Rs in Lakhs

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
MSME	0.12	-	-	-	-	0.12
Others	-	-	-	-	-	-
Accrued expenses						0.12
MSME						-
Others						13.72
						13.84

Note 11: Other non-financial liabilities

Rs in Lakhs

Particulars	As at March 31, 2026	As at March 31, 2025
Statutory dues	0.03	0.09
Others	0.21	0.21
	0.24	0.30

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

Note 12 - Share Capital

Rs in Lakhs

	Particulars	As at March 31, 2026		As at March 31, 2025	
		No. of shares	Amount	No of shares	Amount
1	Authorised:				
	Equity shares of Rs.10 each	1,39,50,00,000	1,39,500.00	1,00,00,00,000	1,00,000.00
	5% Non-Cumulative Compulsorily Convertible Preference shares of Rs.10	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	1,60,00,00,000	1,60,000.00	1,20,50,00,000	1,20,500.00
2	Issued, 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 (Refer note 5 below)	9,85,38,077	9,853.81	-	-
	Closing balance	1,01,09,27,684	1,01,092.77	91,23,89,607	91,238.96

Notes:

- 1) Out of the total equity shares, 101,09,27,684 (2025: 91,23,89,607) equity shares are held by Mahindra & Mahindra Limited, the holding company, Including shares held jointly with nominees.
- 2) Details of shareholders holding more than 5% equity shares in the Company:

Name of the Shareholder	As at March 31, 2026		As at March 31, 2025	
	No of shares	%	No of shares	%
Mahindra & Mahindra Limited and its nominees*	1,01,09,27,684	100.00%	91,23,89,607	100.00%

*Includes 8 shares (2025: 8 shares) held by nominees jointly with Mahindra & Mahindra Limited

3) Shareholding of Promoters

As at March 31, 2026

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*	91,23,89,607	9,85,38,077	1,01,09,27,684	100.00%	0.00%

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

As at March 31, 2025

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*	91,23,89,607	-	91,23,89,607	100.00%	0.00%

*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.

- 5) During current year the company has made a rights issue offer of 9,85,38,077 equity shares of Rs. 10 each for cash at par. The offer period was from September 13, 2025 to September 29, 2025 (both days inclusive). Upon subscription of the said offer, the Board of Directors through circular resolution dated September 23, 2025, approved for allotment of 9,85,38,077 equity shares of Rs. 10 each for cash at par.
- 6) 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, 2026
Note 13: Other equity

A) Securities premium		Rs in Lakhs
Particulars	Amount	
At April 1, 2024	31,243.98	
Additions during the year	-	
At March 31, 2025	31,243.98	
Additions during the year	-	
At March 31, 2026	31,243.98	

B) Retained earnings		Rs in Lakhs
Particulars	Amount	
At April 1, 2024	(85,242.44)	
Additions during the year	(34.98)	
At March 31, 2025	(85,277.42)	
Additions during the year	1,640.38	
At March 31, 2026	(83,637.04)	

C) Other comprehensive income		Rs in Lakhs
Particulars	Amount	
At April 1, 2024	0.59	
Additions during the year	-	
At March 31, 2025	0.59	
Additions during the year	-	
At March 31, 2026	0.59	

D) Equity components of 5% Non-Cumulative Compulsorily Convertible Preference shares (NCCPS)

		Rs in Lakhs
Particulars	Amount	
At April 1, 2024	153.47	
Additions during the year	-	
At March 31, 2025	153.47	
Additions during the year	-	
At March 31, 2026	153.47	

Total other equity

At March 31, 2025	(53,879.38)
At March 31, 2026	(52,239.00)

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 (NCCPS):

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

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

Note 14: Revenue from operations

Rs in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest income on		
Bank deposits	12.58	11.14
Income tax refund	0.06	0.16
Profit on sale of Mutual Funds	12.62	-
	25.26	11.30

Note 15: Income from investments related to subsidiaries

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Distribution proceeds received from subsidiary (Refer Note 26)	1,711.77	-
	1,711.77	-

Note 16: Finance costs

Rs in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Interest expense on lease liabilities	0.51	0.67
	0.51	0.67

Note 17: Depreciation

Rs in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Depreciation on right-of-use asset (Refer Note 7)	2.04	2.04
	2.04	2.04

Note 18: Other expenses

Rs in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Rates and taxes	2.08	1.87
Insurance	-	7.91
Legal and other professional charges*	68.43	14.39
Auditors' remuneration (refer note below)	4.66	13.75
Provision for doubtful Goods and service tax credit receivable	11.51	2.55
Provision for impairment of investments	-	0.27
Bank charges	0.60	0.18
Exchange loss	0.26	-
Other miscellaneous expenses	6.56	2.65
	94.10	43.57

*Includes transactions with Related parties 4.80 Lakhs (2025 : Rs. 4.39 Lakhs) (Refer Note 20)

Note:

Rs in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Auditors' remuneration (excluding GST) includes:		
Statutory audit	4.00	4.00
Other services and certifications	-	8.00
Reimbursement of expenses	0.66	1.75
	4.66	13.75

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

Note 19: Employee benefits

(a) Defined Contribution Plan:

The Company's contribution to Provident Fund and others aggregating Rs. NIL (2025: 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-26	31-Mar-25
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 (2025: NIL) sensitivity analysis and other related disclosures are not provided.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

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 (until October 30, 2025)
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. Vinod Kumar Sahay	Director
Ms. Abanti Sankaranarayanan	Director
Ms. Divya Gulati	Director (w.e.f. June 20, 2024)
Mr. Sanjay Suresh Gupta	Director (w.e.f. January 20, 2026)
Mr. Arvind Kumar Mehra	Wholetime Director & CEO (until March 31, 2026)
Mr. S. P. Shukla	Director (until October 22, 2024)
Mr. S Durgashankar	Director (until July 16, 2024)
Mr. T. Subrahmanya Sarma	Chief Financial Officer
Mr. V.S. Ramesh	Company Secretary (until May 22, 2024) & Company Secretary (w.e.f. July 16, 2024)

iii) Details of the transactions with the related parties

Rs in Lakhs

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
<u>I. Transactions with Group entities</u>		
Services received (included under legal and other professional charges in note 18)		
Mahindra & Mahindra Limited	4.80	4.39
	4.80	4.39
Rent paid		
Mahindra Aerostructures Private Limited	2.54	2.42
	2.54	2.42
Investment in equity (Refer note 4)		
Mahindra Aerostructures Private Limited	11,333.80	-
Shares issued (Refer note 12)		
Mahindra & Mahindra Limited	9,853.81	-
Distribution proceeds received (Refer note 26)		
Mahindra Aerospace Australia Pty Ltd	1,711.77	-
<u>II. Transactions with key managerial personnel</u>		
Salary and perquisites		
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	For the year ended March 31, 2026	For the year ended March 31, 2025
Security deposits to related party		
Mahindra Aerostructures Private Limited	2.30	2.30
	2.30	2.30
Amounts recoverable from related parties		
Mahindra & Mahindra Limited	-	1.10
	-	1.10

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 period ended March 31, 2026

Note 21: Financial instruments - fair values and risk management
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, 2026, including their levels in the fair value hierarchy.

Particulars		Carrying amount				Fair value					
		Note	FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value											
Investments	4		48,533.80	-	-	-	48,533.80	-	48,533.80	-	48,533.80
			48,533.80	-	-	-	48,533.80	-	48,533.80	-	48,533.80
Financial assets not measured at fair value											
Cash and cash equivalents	3		-	-	3.21	-	-	-	-	-	-
Bank balances other than above	3		-	-	322.59	-	-	-	-	-	-
Other financial assets	5		-	-	10.91	-	-	-	-	-	-
			-	-	336.71	-	-	-	-	-	-
Financial liabilities not measured at fair value											
Trade payables	10		-	-	-	17.02	17.02	-	-	-	-
			-	-	-	17.02	17.02	-	-	-	-

Rs in Lakhs

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2025, including their levels in the fair value hierarchy.

Particulars	Note	Carrying amount				Fair value				
		FVTPL	FVOCI	Other financial assets - amortised cost	Other financial liabilities	Total carrying amount	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value										
Investments	4	37,200.00	-	-	-	37,200.00	-	37,200.00	-	37,200.00
		37,200.00	-	-	-	37,200.00	-	37,200.00	-	37,200.00
Financial assets not measured at fair value										
Cash and cash equivalents	3	-	-	8.03	-	8.03	-	-	-	-
Bank balances other than above	3	-	-	153.00	-	153.00	-	-	-	-
Other financial assets	5	-	-	12.45	-	12.45	-	-	-	-
		-	-	173.48	-	173.48	-	-	-	-
Financial liabilities not measured at fair value										
Trade payables	10	-	-	-	13.84	13.84	-	-	-	-
		-	-	-	13.84	13.84	-	-	-	-

Fair value hierarchy

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

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

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

The fair value of cash and cash equivalents, 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 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

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

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, 2026 and March 31, 2025. 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, 2026 and March 31, 2025.

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 March 31, 2026 and March 31, 2025 is the carrying amounts.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

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 and include contractual interest payments.

Rs. In lakhs						
	On demand	Less than 1 year	1 to 2 Year	2 to 5 year	More than 5 Years	Total
Year ended 31 March 2026						
Trade payables	-	17.02	-	-	-	17.02
Lease liabilities	-	2.67	2.56	-	-	5.23
	-	19.69	2.56	-	-	22.25
Year ended 31 March 2025						
Trade payables	-	13.84	-	-	-	13.84
Lease liabilities	-	2.55	2.68	2.56	-	7.79
	-	16.39	2.68	2.56	-	21.63

iv Maturity analysis of assets and liabilities

The below Table shows the maturity analysis of assets and liabilities according to when they are expected to be recovered or settled:

Particulars	As at March 31, 2026		As at March 31, 2025	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Assets				
Cash and cash equivalents	3.21	-	8.03	-
Bank balances other than cash and cash equivalents	322.59	-	153.00	-
Investments	-	48,533.80	-	37,200.00
Income tax assets (net)	1.41	-	1.13	-
Other financial assets	8.61	2.30	1.54	10.91
Total Assets	335.82	48,536.10	163.70	37,210.91
Liabilities				
Lease liabilities *	2.67	2.56	2.55	5.24
Trade payable : Total outstanding dues of micro enterprises and small enterprises	-	-	0.12	-
Trade payable : Total outstanding dues of creditors other than micro enterprises and small enterprises	17.02	-	13.72	-
Other non financial liabilities	0.03	0.21	0.09	0.21
Total Liabilities	19.72	2.77	16.48	5.45

* Maturity profile is based on contractual undiscounted payments and include contractual interest payments.

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.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

22. Contingent liabilities:

- (a) There are no claims against the company not acknowledged as debt during the year (2025: Rs. Nil)
- (b) The estimated amount of contracts remaining to be executed on Capital account and not provided for Rs.Nil (2025: Rs. Nil)

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.

Sr. No.	Particulars	Rs in Lakhs	
		For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	Earnings attributable to equity shareholders	1,640.38	(34.98)
(b)	Weighted average number of equity shares outstanding during the year	96,36,83,401	91,23,89,607
(C)	Basic Earnings per share (Rs.)	0.17	(0.00)
(D)	Diluted Earnings per share (Rs.)	0.17	(0.00)

Weighted average no of shares (basic & diluted)

Sr. No.	Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(a)	Opening Balance	91,23,89,607	91,23,89,607
(b)	Effect of fresh issue of shares	5,12,93,794	-
(c)	Weighted average no of shares	96,36,83,401	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, 2026	For the year ended March 31, 2025
Weighted average number of equity shares used in the calculation of Basic EPS	96,36,83,401	91,23,89,607
Add: Effect of potential equity shares	-	-
Weighted average number of equity shares used in the calculation of Diluted EPS	96,36,83,401	91,23,89,607

Mahindra Aerospace Private Limited**Notes to Financial Statements for the period ended March 31, 2026****24. Dues to micro and small enterprises**

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

Sr. No.	Particulars	Rs in Lakhs	
		As at March 31, 2026	As at March 31, 2025
A	The principal amount remaining unpaid to supplier as at the end of the year	-	0.12
B	The interest due thereon remaining unpaid to supplier as at the end of the year	-	-
C	Interest paid in terms of Section 16 of the Act along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
	- Principal paid beyond the appointed date	-	-
	- Interest paid in terms of the Section 16 of the Act	-	-
D	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
E	Further interest due and payable even in the succeeding year, until such date when the interest due as above are actually paid to the small enterprises	-	-
F	The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-

25. NM5 Project

During November 2006, 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 (2025 : Rs. 274.63 Lakhs) on tools and jigs and Rs. 2,098.63 Lakhs (2025 : 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. 2,375.26 lakhs during the previous years. Such impairment has been adjusted with the carrying value of the assets in the current year.

26. Company's subsidiary, Mahindra Aerospace Australia Pty Ltd (MAAPL), has applied for 'Voluntary Liquidation' in July 2024 and the same is concluded in July 2025 and the Liquidator paid Rs. 1,711.77 lakhs towards 'Return of Capital'. Subsequently the MAAPL was de-registered by the Australian Securities & Invest Commission (ASIC) on October 30, 2025

27. Segment Reporting:

The Company is primarily engaged in the business of acquisition of shares and other securities in group companies. The Company's business activity falls within a single segment and accordingly there is no separate reportable segment as per Ind AS 108.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

Note 28 - 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, 2026	As at March 31, 2025
Deferred tax liabilities		
Related to depreciation of fixed assets	-	-
Total deferred tax liability (a)	-	-
Deferred tax assets		
Provision for diminution of Investments	2,328.04	20,430.01
Provision for GST credit	45.03	42.13
Carry forward losses	17,678.96	8.32
Others	0.30	0.76
Total deferred tax assets (b)	20,052.33	20,481.22
Net deferred tax assets/ (liabilities) (b-a)	20,052.33	20,481.22

The Company has carry forward losses under tax laws and accordingly, net deferred tax assets would be recognized only on achieving continued / sustained profitability, when such future taxable income will be available against which such deferred tax assets which can be realized. Since the Company has not yet achieved sustained profitability, as at March 31, 2026 and March 31, 2025, deferred tax assets have not been recognised

(b) Amount recognised in statement of profit and loss

Particulars	Rs. In Lakhs	
	As at March 31, 2026	As at March 31, 2025
Current Tax	-	-
Deferred tax	-	-

(c) Reconciliation of effective tax rate

Particulars	As at March 31, 2026		As at March 31, 2025	
Profit / (loss) before tax		1,640.38		(34.98)
Income tax expense calculated at domestic tax rates applicable to profits	25.17%	412.85	25.17%	(8.80)
Tax effects of:				
Permanent difference		20.36		6.23
Timing differences		(0.00)		1.07
Carry forward losses		(433.21)		1.50
Change in tax rate		-		(677.00)
Deferred tax asset not recognised in statement of profit and loss		412.85		668.20
		-		-
Income tax expense		-		-
Effective tax rate		0.00%		0.00%

(d) Tax losses

Particulars	As at March 31, 2026	Expiry date	As at March 31, 2025	Expiry date
Loss from business	43.63	March 31, 2030 to March 31, 2034	33.07	March 31, 2030 to March 31, 2033
Capital Loss	70,200.16	March 31, 2034	-	
Total	70,243.79		33.07	
Potential tax benefit	17,678.96		8.32	

Note 29- Impairment

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. For this purpose, business operations of each subsidiary is treated as a Cash Generating Unit (CGU).

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 Company has performed impairment analysis on Investment in Subsidiaries as at the year end. The recoverable amount of the CGU was estimated based on the present value of the future cash flows expected to be derived by the CGU itself (value in use), using a post-tax discount rate of 15.04% and a high growth rate of 10.20% from FY 2036 – FY 2040 and terminal value growth rate of 5% thereafter. The recoverable amount of the CGU was estimated to be higher than its carrying amount and no impairment was required. Further, no impairment loss recognised in the earlier periods was considered for reversal given that, sensitivities on the key assumptions could have resulted in situation where, no reversal was warranted during the current year. (2025: Impairment reversal of Nil)

The estimate of value in use was determined using a post-tax discount rate of 15.04% (Pre-tax discount rate 2025: 20.09%)(2025: Post-tax discount rate 14.62%, Pre-tax discount rate: 19.54%) and a terminal value growth rate of 10.20% from FY 2036 – FY 2040 (2025: 14.70% from FY 2035-FY 2039)

Rs. In lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Provision / (reversal) for diminution in value of investment	-	-
(Reversal of)/Impairment loss	-	-

Recoverable amount as follows:

Rs. In lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Investment in subsidiaries	48,533.80	37,200.00

During the year, the Company reassessed its estimates and no impairment loss or reversal of impairment recognized (2025: Rs. Nil)

The recoverable amount of this CGU was based on fair value less costs of disposal, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources.

Rs. In lakhs		
Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	15.04%	14.62%
High Growth rate	10.20%	14.70%
Terminal value growth rate	5.00%	5.00%
Budgeted Average EBITDA growth rate	20.74%	22.26%

Mahindra Aerospace Private Limited**Notes to Financial Statements for the period ended March 31, 2026**

The discount rate was a post-tax measure based on the rate of 10-year government bonds issued by the government in the relevant market and in the same currency as the cash flows, with possible debt leveraging of 12% at a market interest rate of 7.25%

The cash flow projections included specific estimates for nine years and a terminal growth rate thereafter. The terminal growth rate was determined based on management's estimate of the long term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make Budgeted EBITDA was estimated taking into account past experience, adjusted as follows

Revenue growth was projected taking into account the average growth levels experienced over the past nine years and the estimated sales volume and price growth for the next nine years. It was assumed that the sales price and sales volume would increase in line with forecast inflation over the next nine years.

The estimated recoverable amount of the CGU exceeded its carrying amount by Rs. 9,415.00 Lakhs (2025: Rs. 33,365.00 Lakhs). Management has identified that a reasonably possible change in three key assumptions could cause the carrying amount to exceed the recoverable amount and therefore, in the current year, impairment loss recorded in the earlier periods was not reversed. The following table shows the amount by which these three assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

Particulars	Rs. In lakhs	
	For the year ended March 31, 2026	For the year ended March 31, 2025
Discount rate	0.82%	5.75%
High Growth rate	-7.28%	-
Budgeted Average EBITDA growth rate	-0.94%	-3.84%

Mahindra Aerospace Private Limited

Notes to Financial Statements for the period ended March 31, 2026

- 30 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.
- 31 During the year ended March 31, 2026, no material foreseeable loss (2025: Nil) was incurred for any long-term contract including derivative contracts.
- 32 The Company has not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) 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.
- 33 The Company has not received any funds 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.
- 34 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property
- 35 The Company has not traded or invested in Crypto currency or virtual currency during the current year.
- 36 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).
- 37 There are no immovable properties (other than properties where the Company is a lessee) whose title deeds are not in the name of the Company.
- 38 The Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets).
- 39 The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- 40 The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- 41 The Company has no borrowings from banks and financial institutions.
- 42 Information with regard to other matters specified in part II of Schedule III to the Act is either nil or not applicable to the company.

Mahindra Aerospace Private Limited
Notes to Financial Statements for the period ended March 31, 2026

43 Subsequent events :

There are no subsequent events that have occurred after the reporting period till the date of approval of the financial statements.

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 U63033MH2008PTC179520

Praveen Kumar Jain
Partner
Membership No. 079893

Ms. Divya Gulati
Director
DIN 10210021

Mr. Vinod Kumar Sahay
Director
DIN 07884268

Place: Bangalore
Date: April 21, 2026

Mr. T. Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Place: Mumbai
Date: April 21, 2026

Mr. V.S. Ramesh
Company Secretary
Membership No. A 5769

Mahindra Aerospace Private Limited

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

PART A - SUBSIDIARIES

Rs.In Lakhs

Name of the subsidiary	Mahindra Aerostructures Private Limited
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31st Mar '26
Reporting currency	Rupees
Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	1
Share capital	57,783.80
Reserves & Surplus	(30,303.03)
Total assets	47,098.23
Total Liabilities	19,617.46
Investments	104.97
Turnover	32,847.97
Profit /(loss) before taxation	159.39
Provision for taxation	-
Profit after taxation	159.39
Other comprehensive income	-
Total comprehensive income for the year	159.39
Proposed Dividend	-
% of shareholding	100%

Additional Information:

- 1) Names of subsidiaries which are yet to commence operations: Nil
- 2) Names of subsidiaries which have been liquidated during the year: Mahindra Aerospace Australia Pty Ltd

PART B - ASSOCIATES & JOINT VENTURES :

- 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

For and on behalf of the Board of Directors
For Mahindra Aerospace Private Limited

Ms. Divya Gulati
Director
DIN 10210021

Mr. Vinod Kumar Sahay
Director
DIN 07884268

Mr. T.Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Mumbai, April 21, 2026

Mr. V.S.Ramesh
Company Secretary
Membership No. A 5769

Mahindra Aerospace Private Limited

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

PART A - SUBSIDIARIES

Rs.In Lakhs

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Additional Information:

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- 2) Names of subsidiaries which have been liquidated during the year: Mahindra Aerospace Australia Pty Ltd

PART B - ASSOCIATES & JOINT VENTURES :

- 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

For and on behalf of the Board of Directors

For Mahindra Aerospace Private Limited

Ms. Divya Gulati
Director
DIN 10210021

Mr. Vinod Kumar Sahay
Director
DIN 07884268

Mr. T.Subrahmanya Sarma
Chief Financial Officer
PAN: AAWPT5805A
Mumbai, April 21, 2026

Mr. V.S.Ramesh
Company Secretary
Membership No. A 5769