

Independent Auditor's Report on Special Purpose Financial Statements of Milestone Gears Private Limited for the Financial year 2022-2023.

To the Board of Directors of Milestone Gears Private Limited

1. Opinion

We have audited the accompanying special purpose Financial Statements of Milestone Gears Private Limited, which comprise the Special Purpose Balance Sheet as at 31 March 2023, the Special Purpose Statement of Profit and Loss (including Other comprehensive Income), the Special Purpose Statement of Cash Flows and the Special Purpose Statement of Changes in Equity for the year ended 31 March 2023, and notes to Special Purpose Financial Statements including a material accounting policy information and other explanatory notes (together hereinafter referred to as 'Special Purpose Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') including specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2023 and their profit (including other comprehensive income), cash flows and the changes in equity for the year ended on that date.

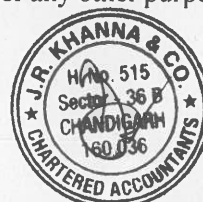
2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Special Purpose 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the Special Purpose Financial Statements under the provisions of the Act and the rules thereunder, and we have fulfilled our 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.

3. Emphasis of Matter:- Basis of Accounting and Restriction on Distribution and Use:

We draw attention to Note 2.1 to the Special Purpose Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Financial Statements have been prepared by the Company for the purpose of preparation of the restated financial information as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended from time to time ("ICDR Regulations") in relation to the proposed initial public offering of the Company. As a result, the Special Purpose Financial Statements may not be suitable for any another purpose. The Special Purpose Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated financial information and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.



4. Other Matters : Key qualifications or adverse remarks in reference to the clauses as per the Companies (Auditor's Report) Order, 2020

- a) Clause 7(a): Delay in deposits of Provident Fund/ Employee State Insurance was observed from 2 to 14 days. The aggregate amount of delay during the year amounts to INR 4.62 millions pertaining to employees share.

Our opinion is not modified in respect of these matters.

5. Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

The accompanying Special Purpose Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for preparation and presentation of these Special Purpose Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the requirements of Ind AS specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. The Board of Directors of the Company are responsible for 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 Special Purpose Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Financial Statements by the Board of Directors of the Company, as aforesaid.

In preparing the Special Purpose Financial Statements, the Board of Directors of the Company are responsible for assessing the ability of the Company 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.

Those Board of Directors are also responsible for overseeing the financial reporting process of the Company.

6. Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose 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 Standards on Auditing 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 Special Purpose Financial Statements.

As part of an audit in accordance with Standards on Auditing specified under Section 143(10) of the Act, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose 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 failure of internal controls;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place adequate internal financial controls with reference to Special Purpose Financial Statements 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 management;
- Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose 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; and
- Evaluate the overall presentation, structure and content of the Special Purpose Financial Statements, including the disclosures, and whether the Special Purpose 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, actions taken to eliminate threats or safeguards applied.

For J.R. Khanna & Co.

Chartered Accountants

Firm registration number : 004315N

Anil Khanna
Proprietor
M.No. 083275



Place: Parwanoo

Date: 20 September 2025

UDIN : 25083275BMGYQA4266

Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Balance Sheet
as at 31 March 2023
(All amounts are in ₹ in millions, unless otherwise stated)

	Notes	As at 31 March 2023
Assets		
Non-current assets		
Property, plant & equipment	3	1,408.59
Right-of-use assets	36	210.72
Capital work-in-progress	4	225.69
Intangible assets	5	3.53
Financial assets		
(i) Investments	6	30.58
(ii) Other financial assets	7	54.00
Deferred tax assets (net)	28	69.98
Non current tax assets (net)	8	7.23
Other non-current assets	9	178.63
Total non-current assets		2,188.95
Current assets		
Inventories	10	1,346.10
Financial assets		
(i) Trade receivables	11	1,618.41
(ii) Cash and cash equivalents	12	8.19
(iii) Other financial assets	7	0.18
Other current assets	9	216.23
Total current assets		3,189.11
Total assets		5,378.06
Equity and liabilities		
Equity		
Equity share capital	13	30.00
Other equity	14	937.44
Total equity		967.44
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	15	1,291.99
(ii) Lease liabilities	36	163.66
Provisions	18	17.35
Total non-current liabilities		1,473.00
Current liabilities		
Financial liabilities		
(i) Borrowings	15	1,876.44
(ii) Lease liabilities	36	46.27
(iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises	16	-
total outstanding dues of creditors other than micro enterprises and small enterprises	16	954.21
(iv) Other financial liabilities		32.90
Other current liabilities	19	17.92
Provisions	18	4.07
Current tax liabilities (net)	20	5.81
Total current liabilities		2,937.62
Total equity and liabilities		5,378.06

The accompanying material accounting policies and other explanatory notes form an integral part of the Financial Information.

As per our attached report of even date

For J.R.Khanna & Co.

Chartered Accountants

Firm registration number : 004315N

Anil Khanna

Proprietor

M No.083275

Place : Parwanoo

Date : 20.09.2025



For and on behalf of the board of directors of
Milestone Gears Private Limited

Ashok Kumar Tandon

Director

DIN : 00968232

Place : Parwanoo

Date : 20.09.2025

Pankaj Budhiraja

Chief Financial Officer

Place : Parwanoo

Date : 20.09.2025

Aman Tandon

Managing Director

DIN: 02159395

Place : Parwanoo

Date : 20.09.2025

Mohinder Singh

Company Secretary

M No.A-21857

Place : Parwanoo

Date : 20.09.2025

UDIN - 25083275BMGYQA4266

Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Statement of Profit and Loss
for the year ended 31 March 2023
(All amounts are in ₹ in millions, unless otherwise stated)

Particulars	Notes	For the year ended 31 March 2023
Income		
Revenue from operations	21	6,129.38
Other income	22	27.04
Total income (I)		6,156.42
Expenses		
Cost of raw material and components consumed	23 (a)	3,199.75
Changes in inventories of finished goods, Work in progress & scrap	23 (b)	(380.82)
Employee benefit expenses	24	551.03
Finance costs	25	228.26
Depreciation & amortization expenses	26	354.84
Other expenses	27	2,018.15
Total expenses (II)		5,971.21
Profit before tax (I-II)		185.21
Tax Expenses		
Current tax	28	64.65
Tax for earlier year	28	(0.26)
Deferred tax	28	(19.83)
Total tax expense		44.56
Profit for the year		140.65
Other comprehensive income		
Items that will not be reclassified subsequently to profit or loss		
Re-measurement gains on defined benefit plans		2.99
Income tax relating to items that will not be reclassified to profit or loss		(1.03)
Net other comprehensive income not to be reclassified to profit or loss		1.96
Items that will be reclassified subsequently to profit or loss		
Net (loss)/gain on investment through Other Comprehensive Income		(2.48)
Income tax relating to items that will be reclassified to profit or loss		0.85
Net other comprehensive income to be reclassified subsequently to profit or loss		(1.63)
Total other comprehensive income, net of tax		0.33
Total comprehensive income for the year		140.98
Earning per equity share (EPS) of par value INR 10 each		
Basic and Diluted	29	1.56

The accompanying material accounting policies and other explanatory notes form an integral part of the Financial Information.

As per our attached report of even date
For J.R.Khanna & Co.
Chartered Accountants
Firm registration number : 004315N

Anil Khanna
Proprietor
M No 083275
Place : Parwanoo
Date : 20.09.2025



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Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Statement Of Cash Flow
for the year ended 31 March 2023
(All amounts are in ₹ in millions, unless otherwise stated)

	For the year ended 31 March 2023
(A) Cash flows from operating activities	
Profit before tax	185.21
Adjustment For :	
Finance costs	224.91
Unrealised Foreign exchange gain	9.45
Interest income on Fixed bank deposits	(1.01)
Loss/(gain) on disposal of property, plant and equipment and capital work-in-progress	(0.49)
Interest Income on security deposits	(1.92)
Balance written off	1.24
Bad debts written off	45.84
Excess provisions / liabilities no longer required written back	(3.32)
Loss allowance for bad and doubtful debts	19.99
Depreciation and amortization expenses	354.84
Operating cash flows before working capital changes	834.74
Working capital adjustments:	
(Increase)/Decrease in inventories	(367.85)
(Increase)/Decrease in trade receivables	(477.90)
(Increase)/Decrease in other assets	(216.23)
Decrease in other financial assets	252.08
Increase/(Decrease) in trade payables	374.17
Increase/(Decrease) in other current liabilities	(59.28)
Increase/(Decrease) in other financial liabilities	15.22
Increase/(Decrease) in provisions	(3.24)
Cash flows generated from operations	351.71
Income taxes paid (net)	(65.81)
Net cash flow from operating activities (A)	285.90
(B) Cash flow from investing activities	
Payment for purchase of property, plant & equipment including capital work-in-progress	(696.68)
Payment for purchase of intangible assets	(2.88)
Proceeds from sale of property, plant and equipment and capital work-in-progress	1.16
Interest income received	1.01
Net cash used in investing activities (B)	(697.39)
(C) Cash flow from financing activities	
Proceeds from borrowings	1,171.98
Repayment of borrowings	(515.85)
Payment of principal portion of lease liability	(32.65)
Payment of interest portion of lease liability	(14.92)
Interest paid	(194.58)
Net cash (used in)/from financing activities (C)	413.98
Net Increase in cash and cash equivalents (A+B+C)	2.49
Cash and cash equivalents at the beginning of the year	5.70
Cash and cash equivalents at the end of the year	8.19
Components of cash and cash equivalents	
Cash on hand	0.66
Balances with banks	
In current accounts	7.53
Cash and cash equivalents at year end (refer note12)	8.19



Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Statement Of Cash Flow
for the year ended 31 March 2023
(All amounts are in ₹ in millions, unless otherwise stated)

Notes :

- 1) The Statement of cash flow has been prepared under the 'Indirect Method' set out in IND AS 7 'Statement of Cash Flow'.
- 2) Changes in liabilities arising from financial activities

	Opening balance as at 1 April, 2022	Cashflows (net)	Other changes	Closing balance as at 31 March 2023
Borrowings	2,511.73	656.13	0.57	3,168.43
Lease liabilities	110.82	(47.57)	146.69	209.93
Total Liabilities from financing activities	2,622.55	608.57	147.26	3,378.36

The accompanying material accounting policies and other explanatory notes form an integral part of the Financial Information.

As per our attached report of even date

For J.R.Khanna & Co.

Chartered Accountants

Firm registration number : 004315N



Anil Khanna

Proprietor

M No.083275

Place : Parwanoo

Date : 20.09.2025

For and on behalf of the Board of Directors of
Milestone Gears Private Limited

Ashok Kumar Tandon

Director

DIN : 00968232

Place : Parwanoo

Date : 20.09.2025

Pankaj Budhiraja

Chief Financial Officer

Place : Parwanoo

Date : 20.09.2025

Aman Tandon

Managing Director

DIN : 02159395

Place : Parwanoo

Date : 20.09.2025

Mahinder Singh

Company Secretary

M No A-21857

Place : Parwanoo

Date : 20.09.2025

Milestone Gears Private Limited
Special Purpose Statements Of Changes In Equity
for the year ended 31 March 2023
(All amounts are in ₹ in millions, unless otherwise stated)

A) Equity Share Capital

Particulars	Numbers	Amount
Balance as at 1 April 2022	30,00,000	30.00
Changes in equity share capital during the year	-	-
Balance as at 31 March 2023	30,00,000	30.00

Particulars	Retained earnings	Equity instruments through Other Comprehensive Income	Total equity
Balance as at 1 April 2022	796.46	-	796.46
Total comprehensive profit for the year			
Profit for the year	140.65	-	140.65
Other comprehensive Income for the year	1.96	(1.63)	0.33
Balance as at 31 March 2023	939.07	(1.63)	937.44

The accompanying material accounting policies and other explanatory notes form an integral part of the Financial Information.

As per our attached report of even date
For J.R.Khanna & Co.
Chartered Accountants
Firm registration number : 004315N

Anil Khanna
Proprietor
M No.083275



Place : Parwanoo
Date : 20.09.2025

For and on behalf of the Board of Directors of
Milestone Gears Private Limited

Ashok Kumar Tandon
Director
DIN : 00968232

Place : Parwanoo
Date : 20.09.2025

Pankaj Budhiraja
Chief Financial Officer

Place : Parwanoo
Date : 20.09.2025

Aman Tandon
Managing Director
DIN: 02159395

Place : Parwanoo
Date : 20.09.2025

Mohinder Singh
Company Secretary
M No.A-21857

Place : Parwanoo
Date : 20.09.2025

Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 31 March 2023****(Amount in INR millions, unless otherwise stated)****1. Corporate information**

Milestone Gears Private Limited ("the Company"), is domiciled in India and was incorporated on 27 April 1984 as a private limited company. The Company has its registered office at Plot No. 58, Sector-1, Parwanoo, Himachal Pradesh- 173220. The Company is primarily engaged in the business of manufacturing and selling transmission components.

The Special Purpose Financial Statements for the period ended 31 March 2023 were approved for issue in accordance with a resolution of the Board of directors on 20th September 2025.

2. Material accounting policies**2.1 Basis of preparation of Financial Statements**

The Special Purpose Financial Statements of the Company comprises of the Balance Sheet as at 31 March 2023; the Statement of Profit and Loss (including other comprehensive income/(loss)), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended 31 March 2023 and the material accounting policies and explanatory notes (collectively, the 'Financial Statements').

These Special Purpose Financial Statements have been prepared by the Management for the purpose of preparation of the Restated Financial Information for filing by the Company with the Securities and Exchange Board of India ("SEBI"), BSE limited and National Stock exchange of India Limited (collectively the stock exchanges) and the registrar of companies in connection with its proposed Initial Public Offering (IPO) of the Company.

Audited Special Purpose Financial Statements as at and for the year ended 31 March 2023 prepared in accordance with the Indian Accounting Standards (referred to as "IND AS") as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and presentation requirements of Division II of Schedule III of Companies Act, 2013, as applicable to these financial statements and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 20 September 2025.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2.2 Summary of material accounting policies**a) Functional and presentation currency**

The Special Purpose Financial Statements are presented in Indian Rupees ("INR") and all values are rounded to the nearest million (INR 000,000), except when otherwise indicated.

b) Basis of measurement

The Special Purpose Financial Statements has been prepared on accrual and going concern basis following the historical cost convention, except for certain financial assets and liabilities measured at fair value. No such matters were identified that could create material uncertainties related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

c) Use of estimates and judgements

In preparing these Special Purpose 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 recognized prospectively.

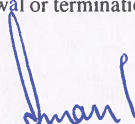
i. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the Special Purpose Financial Statements:

Determining the lease term of the contract with renewal and termination option - Company as a lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term



Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 31 March 2023
(Amount in INR millions, unless otherwise stated)**

if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

Leases - Estimating the incremental borrowing rate:

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease.

ii. Estimates and assumptions

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

Provision for employee benefits

The measurement of obligations and assets related to defined benefit / other long term benefits plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations through actuarial process using Projected Unit credit method.

Impairment of trade receivables

The impairment provisions for trade receivables disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward looking estimates at the end of each reporting period. Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Provision for litigation

The management determines the estimated probability of outcome of any litigation based on its assessment supported by technical advice on the litigation matters, wherever required.

Fair value measurement of financial instrument

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

d) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is treated as current when it is:

- expected to be realized or intended to sold or consumed in normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realized within twelve months after the reporting period; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

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

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Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 31 March 2023
(Amount in INR millions, unless otherwise stated)

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization/settlement in cash and cash equivalents. The Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

e) Property, plant and equipment

Recognition and initial measurement

Property plant and equipment are stated at their cost of acquisition. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Subsequent expenditures related to an item of property, plant and equipment are added to its book value only if it is probable that future economic benefits associated with the item will flow to the entity and cost can be measured reliably. All other repair and maintenance costs are recognized in profit or loss as incurred.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimated cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Subsequent measurement (depreciation and useful lives)

Property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses. Depreciation is being charged on written down value basis over the estimated useful lives.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Asset category	Estimated Useful lives (in years)
Buildings	30
Plant & Machineries	15
Factory Equipment	5
Electrical Installation	10
Furniture & Fixtures	10
Computers	3
Office Equipment	5
Vehicles	8

The assets' residual values and useful lives are reviewed at each reporting date or whenever there are indicators for impairment and adjusted prospectively.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the depreciation period or method, as appropriate, and are treated as changes in accounting estimates. The depreciation expense on tangible assets is recognized in the Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

Capital work in progress (CWIP)

The cost of property, plant and equipment not ready for their intended use is recorded as capital work-in-progress before such date. Cost of construction that relate directly to specific property, plant and equipment and that are attributable to construction activity in general and can be allocated to specific property, plant and equipment are included in capital work-in-progress.

Derecognition

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognized. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

f) Intangible assets

Intangible assets represent computer software and product development cost. Intangible assets are stated at their acquisition cost less accumulated amortization and impairment loss, if any. The cost of intangible asset comprises its purchase price, including any import duties and non-refundable taxes or levies and any directly attributable expenditure on making the asset ready for its intended use. Intangible assets are

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Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 31 March 2023****(Amount in INR millions, unless otherwise stated)**

amortized in statement of profit and loss on a straight-line basis in accordance with the estimated useful lives of respective assets. The management's estimates of the useful lives of intangible assets are as follows:

Asset category	Estimated Useful lives (in years)
Software	5
Product development cost	5

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

Intangible assets under development (IAUD)

Expenditure incurred on development activities is recognized as Intangible Assets Under Development when it meets the recognition criteria prescribed under Ind AS 38, i.e., when the project is technically feasible, the Company has the intention and ability to complete and use/sell the asset, future economic benefits are probable, and the costs can be measured reliably. Such expenditure is accumulated and shown under Intangible Assets Under Development until the asset is ready for its intended use, at which point it is reclassified to Intangible Assets and amortized over its estimated useful life.

Intangible assets under development are tested for impairment at each reporting date or whenever indicators of impairment exist.

The Company has commenced capitalization of development costs related to new product lines effective FY 2024–25, pursuant to confirmed commercial orders. The development expenditure includes cost incurred on materials, direct overheads, and other attributable costs which is initially recognized as Intangible Assets Under Development. Upon commencement of commercial supply, the amount under IAUD is transferred to Intangible Assets and amortized over a period of five years, representing the estimated economic life of the developed products.

g) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

The Company determines the amount of borrowing costs eligible for capitalization as the actual borrowing costs incurred on that borrowing during the period, to the extent that an entity borrows funds specifically for obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalization are determined by applying a capitalization rate to the expenditures on that asset.

h) Financial Instruments

Financial assets and financial liabilities are recognized in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial Assets**Initial Recognition and Measurement**

Financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Company becomes a party to the contractual provisions of the instrument. Recognized financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Classification and Subsequent Measurement

Based on the business model, the contractual characteristics of the financial assets and specific elections where appropriate, the Company classifies and measures financial assets in the following categories:

Amortized cost: A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at Fair value through profit or loss (FVTPL):



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- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows ('Asset held 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 ('SPPI') on the principal amount outstanding.

After initial measurement and based on the assessment of the business model as asset held to collect contractual cash flows and SPPI, such financial assets are subsequently measured at amortized cost using effective interest rate ('EIR') method. Interest income and impairment expenses are recognized in profit or loss. Interest income from these financial assets is included in finance income using the EIR method. Any gain and loss on derecognition are also recognized in profit or loss.

The EIR method is a method of calculating the amortized cost of a financial instrument and of allocating interest over the relevant period. The EIR is the rate that exactly discounts estimated future cash flows (including all fees paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is both to collect the contractual cash flows and to sell the assets, ('Contractual cash flows of assets collected through hold and sell model') and contractual cash flows that are SPPI, are subsequently measured at FVOCI. Movements in the carrying amount of such financial assets are recognized in Other Comprehensive Income ('OCI'), except interest/dividend income which is statement of profit and loss. Amounts recorded in OCI are subsequently transferred to the statement of profit and loss in case of debt instruments, however, in case of equity instruments it will be directly transferred to reserves.

Equity instruments at FVOCI are not subject to an impairment assessment.

Fair value through profit or loss (FVTPL): Financial assets, which do not meet the criteria for categorization as at amortized cost or as FVOCI or either designated, are measured at FVTPL. Subsequent changes in fair value are recognized in statement of profit and loss.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the asset to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.
- Financial assets that are debt instruments, and are measured at amortized cost e.g. security deposits, and fixed bank deposits;

For recognition of impairment loss on these financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition.

The Company recognizes loss allowances for ECLs on financial assets measured at amortized costs.

Loss allowances of the Company are measured on either of the following bases:



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- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and other financial assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Financial Liabilities**Initial Recognition and Measurement**

Financial liabilities are classified, at initial recognition as financial liabilities at fair value through profit or loss, financial liabilities at amortized cost (loan and borrowings), as appropriate.

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

The Company's financial liabilities include trade and other payables, loans and borrowings, other financial liabilities.

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities at amortized costs (Loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Derecognition

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

Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The company's senior management determines change in the business model as a result of external or internal changes which are significant to



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the Company's operation. Such changes are evident to external parties. A change in the business model occurs when the Company either or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediate next reporting period following the change in the business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

i) Foreign currencies

The Company's financial statements is presented in Indian Rupees (INR), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which a company operates and is normally the currency in which the company primarily generates and expends cash.

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognized in profit or loss.

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

j) Income taxes

Income tax expense comprises current tax and deferred tax.

Current tax

Current tax assets and liabilities are measured at amounts expected to be paid to or recovered from taxation authorities. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date and includes any adjustment to tax payable in respect of previous years.

Current tax relating to items outside profit or loss is recognized outside profit or loss. Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

Deferred tax

Deferred tax is recognized, using the balance sheet method, on all deductible and taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and on carry forward of unused tax credits and unused tax loss.

Deferred tax liabilities are recognized for all taxable temporary differences, except on the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting nor taxable profit or loss.

Deferred tax assets are recognized only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or equity).

The carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.



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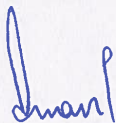
(Amount in INR millions, unless otherwise stated)

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. There is no diluted earnings per share as there are no dilutive potential equity shares as at the reporting date.



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1) Revenue recognition

i. Revenue from contract with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Sale of products

Revenue from sale of products is recognised at the point in time when control of the asset is transferred to the customer, generally on dispatch or delivery of the goods, depending on the terms agreed with the customer. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of gears, axels and shaft, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Revenue from sale of products excludes GST and is net of sales returns, trade discounts.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of products provide customers with a right of return the goods within a specified period.

Rebates and discounts

The Company accounts for cash discounts to customers as a reduction of revenue based on the rateable allocation of the discounts/ incentives to the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably.

Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.

Contract balances

Trade receivables

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

Contract liabilities

Contract liabilities (termed as Advance from customers in the financial statements) represents the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Sale of services

Sale of services represents revenue from Tooling Income/die design. Revenues from Tooling Income/die design and preparation charges are recognized as and when the significant risks and rewards of ownership of dies are transferred to the customers as per the terms of the contract. The normal credit period is 30 to 90 days.

ii. Other operating revenue

Export Incentives

Revenue from export incentives is accounted for on export of goods if the entitlements can be estimated with reasonable assurance and conditions precedent to claim are fulfilled.



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iii. Other income

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefit will flow to the Company and the amount of income can be measured reliably. For all debt instruments measured either at amortized cost or at fair value through other comprehensive income, interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate (EIR) applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

m) Employee Benefits

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized as an expense during the period when the employees render the services. These benefits include performance incentive and compensated absences.

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions to a separate entity. The Company makes specified monthly contributions towards Provident Fund, Labour Welfare Fund and Pension Scheme.

The Company has no obligation, other than the contribution payable to the above fund and scheme. The Company recognizes contribution payable to the fund/ scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

Defined benefit plans

The cost of the defined benefit gratuity plan and other defined benefit plans and the present value of the obligation of defined benefit plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for defined benefit plans, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on the expected future inflation rates.

Company's liability towards gratuity is determined at each year end. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income



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Long-term employee benefits

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in Statement of Profit and Loss.

n) Leases

Company as a lessee

Definition of a lease

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

A lease is a contract that contains right to control the use of an identified asset for a period of time in exchange for consideration. The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has lease contracts for various items of plant and machinery, land and buildings etc.

i) Right-of-use assets

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

Class of asset	Lease period/useful lives (in years)
Land and Buildings	5-99
Plant and machineries	5

The right-of-use assets are also subject to impairment. The Right-of-use assets are presented as separate line item in the balance sheet.

ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives.

Variable lease payments that do not depend on an index or a rate are recognized as expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments.

The lease liabilities are presented as separate line item in the balance sheet under financial liabilities.

iii) Short-term leases

The Company applies the short-term lease recognition exemption to its short-term leases of units and office leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

Lease payments on short-term leases are recognized as expense on a straight-line basis over the lease term.

iv) Company as a lessor

When the company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate the lessor for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their respective nature.

o) Provisions, contingencies and commitments

Provisions

Provisions are recognized 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 reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any 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 recognized as a finance cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent liabilities and contingent assets

A disclosure for contingent liabilities is made where there is-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognized because:
 - it is not probable that an outflow of resources embodying economic benefit will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are neither recognized nor disclosed in the financial informations.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

p) Impairment of non-financial assets

Cash generating units as defined in Ind AS 36 on impairment of assets are identified at the balance sheet date. At the date of Balance Sheet, if there are indications of impairment and the carrying amount of the cash generating unit exceeds its recoverable amount (i.e. the higher of the fair value less costs of disposal and value in use), an impairment loss is recognized. The carrying amount is reduced to the recoverable amount and the reduction is recognized as an impairment loss in the statement of profit and loss. The impairment loss recognized in the prior accounting period is reversed to the extent of increase in the estimate of recoverable amount. Post impairment, depreciation is provided on the revised carrying value of the impaired asset over its remaining useful life.

q) Fair Value Measurement

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

- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

This note summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

r) Inventories

Inventories which comprises of finished goods, raw material, packing material and stores and spares are carried at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials and packing material: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method.
- Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of fixed manufacturing overheads based on the normal operating capacity. Cost of finished goods is determined using weighted average method.
- Stores and spares: Cost includes cost of purchase, conversion cost and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average method.
- Scrap is valued at estimated realizable value.

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

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on item by item basis.

s) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, bank balances and short-term deposits, as they are considered an integral part of the Company's cash management.

t) Cash flow statements

The Cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard 7, "Statement of Cash Flows" whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows.

u) Segment Reporting

As per the compliance of Ind AS 108 operating segments are identified based on reports reviewed by CODM (chief operating decision-maker). Operating segments can either be based on products/services or on geographical basis. It is reported in a manner which is consistent with the internal reporting provided to the judgment of CODM.

v) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

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Milestone Gears Private Limited

Notes to the special purpose financial statements for the period ended 31 March 2023
(Amount in INR millions, unless otherwise stated)

w) 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. 01 April 2025. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any impact in its balance sheet.

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Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

3 Property, plant and equipment

	Freehold Land	Land Leasehold	Building	Office equipment	Factory Equipment	Plant and machinery	Vehicle	Furniture and fixtures	Electric Installation	Computers	Total
Deemed cost as at 1 April 2022	173.78	0.20	73.13	2.30	40.20	913.90	12.85	5.16	34.93	4.40	1,260.85
Additions	-	-	18.77	2.30	12.00	374.85	7.14	4.47	3.13	3.50	426.16
Transferred from CWIP	-	-	-	-	-	34.20	-	-	-	-	34.20
Disposals	-	-	-	-	-	(1.10)	-	-	(0.08)	(0.10)	(1.28)
As at 31 March 2023	173.78	0.20	91.90	4.60	52.20	1,321.85	19.99	9.63	37.98	7.80	1,719.93
Accumulated depreciation											
Depreciation charge for the year	-	-	6.95	1.50	21.60	262.55	4.62	1.80	9.53	3.40	311.95
Disposals	-	-	-	-	-	(0.50)	-	-	(0.01)	(0.10)	(0.61)
As at 31 March 2023	-	-	6.95	1.50	21.60	262.05	4.62	1.80	9.52	3.30	311.34
Net carrying amount											
As at 1 April 2022 (deemed cost)	173.78	0.20	73.13	2.30	40.20	913.90	12.85	5.16	34.93	4.40	1,260.85
As at 31 March 2023	173.78	0.20	84.95	3.10	30.60	1,059.80	15.37	7.83	28.46	4.50	1,408.59

Notes:

(i) On transition to Ind AS (i.e. 1 April 2022), the Company has elected to continue with the carrying value of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

(ii) Property plant and equipment are subject to charge, to secure the Company's borrowings as disclosed in Note 15.

(iii) Refer note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iv) There are no impairment losses recognised during the reporting period.

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Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

4 Capital work-in-progress

	As at 31 March 2023
Balance at the beginning of the year	126.90
Addition	132.99
Transferred to property, plant & equipment	(34.20)
Balance at the end of the year	225.69

Capital work in progress (CWIP) Ageing Schedule

As at 31 March 2023

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Projects in progress	131.20	21.80	-	-	153.00
Projects temporarily suspended *	-	-	-	72.69	72.69

- (i) There are no project whose completion is overdue or has exceeded its cost compared to its original plan during the financial year 2022-23.
- (ii) Borrowing costs:- The amount of borrowing costs added in capital work-in-progress during the year ended 31 March 2023: ₹ 2.76 millions

5 Intangible assets

	Softwares	Total
Deemed cost as at 1 April 2022	4.00	4.00
Additions	1.68	1.68
As at 31 March 2023	5.68	5.68
Accumulated amortization		
Amortization charge for the year	2.15	2.15
As at 31 March 2023	2.15	2.15
Net carrying amount		
As at 1 April 2022 (deemed cost)	4.00	4.00
As at 31 March 2023	3.53	3.53

Notes:

- (i) On transition to Ind AS (i.e. 1 April 2022), the Company has elected to continue with the carrying value of its intangible assets measured as per the previous GAAP and use that carrying value as the deemed cost of other intangible assets.
- ii.) No Intangible assets are pledged as security by the Company.
- iii.) The Company has not revalued its Intangible Assets as on each reporting year and therefore Schedule III disclosure requirements with respect to fair value details is not applicable.

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6 Investments

	As at 31 March 2023
Non current investments	
Investments carried at fair value through Other Comprehensive Income (FVTOCI)	
Investments in preference shares- Unquoted	
6.850 (31 March 2022: 6.850) 0.0001% compulsory convertible preference shares of Polycycl Private Limited (Face value of ₹ 10 each) (refer note i)	30.49
Other Investments-Unquoted	
Investment in Kotak Alternate Opportunity (India) Fund	0.09
Total	30.58

Notes -

(i) The company had invested in 6.850 0.0001% compulsory convertible preference shares of Polycycl Private Limited. The charge during the year ended 31 March 2023 represents fair value change. These investments are designated as FVTOCI as they are not held for trading purpose.

7 Other financial assets

Other financial assets	As at	
	31 March 2023	
	Non current	Current
At amortized cost		
(Unsecured, considered good)		
Receivables from related party	-	0.18
Security deposits	54.00	-
Total	54.00	0.18

(i) There are no deposits due from directors or other officers of the Company either severally or jointly with any other person. Nor any deposits are due from firm or any private companies respectively in which any director is a partner, a director or a member other than stated above.
(ii) Refer note 15 for charge created on current assets as security against borrowings.

8 Non-current tax assets (net)

Non-current tax assets (net)	As at 31 March 2023	
	Non Current	Current
Income tax refund receivable*	7.23	-
Total	7.23	-

* Income Tax refund receivable includes TDS deducted or advance income tax paid for the AY 2016-17 till AY 2023-24 for which refund is pending from income tax department on account of rectification after the favorable appellate effects.

9 Other assets

	As at	
	31 March 2023	
	Non Current	Current
Balance with government authorities	-	140.0
Export incentives	-	11.9
Advance given to employees	-	1.1
Prepaid expenses	-	3.8
Capital advances	178.63	-
Advances to suppliers	-	59.3
Total	178.63	216.2

(i) Refer note 15 for charge created on current assets as security against borrowings.

10 Inventories (at the lower of cost and net realisable value)

	As at 31 March 2023
	Current
Raw materials	300.78
Work-in-progress	540.02
Finished goods	319.08
Packing material	4.01
Stores and spares	174.02
Scraps	8.19
Total	1,346.10

(i) Refer note 15 for charge created on current assets as security against borrowings.
(ii) During the year ended 31 March 2023, ₹ Nil was recognised as an expense for inventories carried at net realisable value.

11 Trade receivables

	As at 31 March 2023
Carried at amortised cost	
Trade receivables (unsecured, considered good)	1,643.08
Less: Impairment allowance (allowance for bad and doubtful debts) (Unsecured, considered good)	(24.67)
Total	1,618.41

Trade receivables ageing as at 31 March 2023

	Outstanding for following periods from due date of payment						
Particulars	Current but not due	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Undisputed – considered good	1,059.85	560.25	18.42	3.69	0.87		1,643.08
Total	1,059.85	560.25	18.42	3.69	0.87		1,643.08

(i) No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.
(ii) Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.
(iii) Refer note 15 for charge created on current assets as security against borrowings.
(iv) The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in Note 35(B).
(v) There are no unbilled receivables, hence the same is not disclosed in ageing schedule.
(vi) As at 31 March 2023, trade receivables include ₹ 6.14 millions due from related parties.

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12 Cash and cash equivalents

	As at 31 March 2023
Cash on hand	0.66
Balances with banks	
- in current accounts	7.53
Total	8.19

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	As at 31 March 2023
Cash on hand	0.66
Balances with banks	
- on current accounts	7.53
	8.19

13 Equity share capital

	As at 31 March 2023
Authorised share capital	
3,000,000 (1 April 2022: 3,000,000) equity shares of ₹ 10 each	30.00
Issued, subscribed and fully paid up share capital	
3,000,000 (1 April 2022: 3,000,000) equity shares of ₹ 10 each fully paid up	30.00
	30.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at 31 March 2023	
	Number of shares	Amount
At the beginning of the year	3,000,000	30
Issue of equity share capital	-	-
At the end of the year	3,000,000	30.00

(b) Terms/ rights attached to shares

Equity shares

The company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. There is no restriction on distribution of dividend. The dividend proposed by the board of directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shareholders holding more than 5% shares in the company

	As at 31 March 2023	
Name of the shareholder	Number of shares	% holding
Equity shares of ₹ each fully paid up		
Ashok Kumar Tandon	1,749,900	58.33%
Aradhna Tandon	250,250	8.34%
Aman Tandon	499,780	16.66%
Amul Tandon	249,770	8.33%
Gagandeep Kaur Chawla	250,100	8.34%
	2,999,800.00	99.99%

As per records of the company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

No bonus shares, fresh equity shares issued for consideration other than cash and buy backs have been made by the Company in the previous five years immediately preceding the reporting year.

(c) Details of shares held by the promoters:

Shares held by promoters as at 31 March 2023

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% Change during the year
Ashok Kumar Tandon	1,749,900	-	1,749,900	58.33%	-
Aman Tandon	499,780	-	499,780	16.66%	-
Total	2,249,680	-	2,249,680	74.99%	-

14 Other equity

	As at 31 March 2023
Retained earnings	939.07
Other comprehensive income	
Other reserve	(1.63)
Total Other equity	937.44

Movement of reserves:

	As at 31 March 2023
(A) Retained earnings	
Opening balance	796.46
Profit for the year	140.65
Transferred from other comprehensive income/ (loss) (net of taxes)	1.96
Closing balance	939.07

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(B) Other comprehensive income	
Remeasurement of post employment benefit obligation	-
Opening balance	-
Remeasurement (loss)/gain of post employment benefit plan	1.96
Transferred to retained earnings	(1.96)
Closing balance	-
(C) Other reserves	
Equity instruments through Other Comprehensive Income	
Opening balance	-
Changes during the year (net of taxes)	(1.63)
Closing balance	(1.63)
Total other equity (A+B+C)	937.44

Nature and purpose

(A) Retained earnings

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

b) Other reserves

Other reserves primarily comprise the cumulative net change in fair value of investments in mutual funds and preference shares that are designated at fair value through Other Comprehensive Income (FVOCI). These amounts will be reclassified to retained earnings upon disposal/realization of the respective investments.

15 Borrowings

	As at	
	31 March 2023	
	Non current	Current
Secured		
Term Loan		
Term Loan from banks and financial institutions	1,291.99	-
Cash credit	-	1,426.33
Letter of credit/bill discounting	-	98.34
Current maturity of long-term loans from banks	-	351.77
	1,291.99	1,876.44
Unsecured		
Borrowings from related party	-	-
	-	-
Total	1,291.99	1,876.44

Note:

- (i) The above amounts are net of unamortized borrowing cost.
(ii) Term loans were applied for the purpose for which the loans were obtained.

Nature of security and terms of repayment for secured borrowings :

Nature of security	Terms of repayment
Rupee term loan from banks includes: (i) HDFC Bank Term Loan - ₹200 millions - Outstanding Loan of ₹ 150.79 millions as on 31st March 2023 - Hypothecation/Mortgage of the all movable including plant, machinery and equipment/immovable property acquired/to be acquired (except movable assets of unit-8 and specifically charged to SBI / ICICI Bank for their TL and MFA acquired out of TL-2 of HDFC Bank) -836 under the project scheme. - Extension of First Charge by way of hypothecation in favour of HDFC Bank of all the borrower leasehold rights over the immovable properties of the borrower situated at industrial area, Barotiwala, Distt Solan (HP) bearing Plot No.8 admeasuring 2210 sq metres including factory building and structure thereon (Unit-III) - Extension of First Charge by way of mortgage in favour of HDFC Bank of all immovable properties of the borrower both present and future situated at Barotiwala Dist. Solan Himachal Pradesh bearing Khata no 97/13 Khasra no 417/6 (mun 1-14), 418/6 (mun 1-13) admeasuring 3 bighas 7 biswa including factory shed building and structure thereon (Unit-IV) - Extension of First Charge by way of equitable mortgage of immovable property situated at Barotiwala Distt. Solan (H.P.) bearing Khasra No. 463/391/3, admeasuring 1 Bigha 17 Biswas including factory shed, building and structure thereon (Unit -VII) - Guarantee: Irrevocable and unconditional personal guarantee of Shri Ashok Kumar Tandon & Mr. Aman Tandon. The guarantee shall be joint and several.	Rate of Interest : 3M MCLR+1.75% p.a. Repayable in 7 years including 1 year of moratorium period.
(ii) HDFC Bank Term Loan - ₹220 millions - Outstanding Loan of ₹ 209.01 millions as on 31st March 2023 - First Pari passu charge: Land and Building at Plot no 8, Industrial Area, Barotiwala Measuring 2210 sq mtrs in the name of the company & Property of Unit VII at khasra no 463/391/3, Barotiwala, measuring 1 bigha-17 biswa - All immovable fixed assets of the company (both present & future), situated at Barotiwala, dist. Solan bearing Khata no 97/13 Khasa No. 417/6 .418/6 admeasuring 3 Bigha 7 Biswa including Factory Shed, building & Structure thereon (Unit 4) - Second Pari Passu Charge for the above securities in favour of all WC Lenders under consortium including us and only ICICI Bank as a Term Lender - Personal guarantee of Shri Ashok Kumar Tandon & Mr. Aman - All Movable Fixed Assets (except Movable Assets of Unit 8 and Specifically Charged to SBI/ICICI Bank for their TL and MFA acquired out of TL-2 of HDFC Bank) - Second Pari passu charge on entire current asset for the company. - Negative Lien on Commercial Property situated at Sec-5 Panchkula, Haryana.	Rate of Interest : 3M MCLR+1.75% p.a. Repayable in 6 years including 1 year of moratorium period.
(iii) HDFC Bank Term Loan - ₹ 290 millions - Outstanding Loan of ₹ 226.14 millions as on 31st March 2023 - First Pari Passu Charge on Factory Land & Building situated in Ludhiana - Exclusive charge by way of equitable mortgage on the Industrial Freehold property in Industrial Area Panchkula - Movable Fixed assets - Exclusive Charge on Machines / Machinery Unit 9 being funded by Term Loan - Unit 9 & Others and Second Pari-Passu charge on the entire movable fixed assets (except movable assets of unit-8 and specifically charged to SBI / ICICI Bank for their TL and MFA of Unit - 9 specifically charged to SBI and MFA acquired out DITL-2 of HDFC Bank) - Subservient Charge on all Current Assets and Movable Fixed Assets of the borrower (Both Present & Future) - Negative lien on Commercial property situated at Sec- 5 Panchkula, Haryana - Personal Guarantee of the promoters Mr. Ashok Kumar Tandon and Mr. Aman Tandon	Rate of Interest : 8.59% Repayable in 7 years including 1 year of moratorium period.

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(iv) HDFC Bank Term Loan - ₹71.4 millions - Outstanding Loan of ₹28.78 millions as on 31st March 2023 - Primary Security - Subservient charge on all the Current and Movable Fixed Assets of the borrower (both present and future) - Exclusive Charge on Machines being funded by TL-2 - Secondary Collateral - Exclusive Charge by way of E/M on the industrial freehold property in Indl Area Panchkula, Haryana - Guarantee: Irrevocable and unconditional personal guarantee of Shri Ashok Kumar Tandon & Shri Aman Tandon. The guarantee shall be joint and several.	Rate of Interest : 3M MCLR+1.75% p.a. Repayable in 6 years including 1 year of moratorium period.
(v) HDFC Bank Term Loan (Guarantee Emergency Credit Line) - ₹139.2 millions - Outstanding Loan of ₹140.06 millions as on 31st March 2023 - Term Loan under ECGLS, extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.	Rate of Interest : 1Y MCLR(9.25%) Repayable in 6 years including 2 year of moratorium period.
(vi) HDFC Bank Term Loan (Guarantee Emergency Credit Line) - ₹156 millions - Outstanding Loan of ₹117.33 millions as on 31st March 2023 - Term Loan under ECGLS, extension of second ranking charge over existing primary and collateral securities including mortgages created in favour of the Bank.	Rate of Interest : 1Y MCLR + "Spread" p.a. Repayable in 5 years including 1 year of moratorium period.
(vii) SBI Bank Term Loan - ₹80 millions - Outstanding Loan of ₹46.74 millions as on 31st March 2023 - The company has been sanctioned as Open Term Loan of Rs 80 Mn for purchase of plant and machinery (estimated cost of Project is 1100 cr) for which Hypothecation of fixed assets (plant and machinery) purchased out of OTL of Rs 80 millions is made. - Hypothecation & First Pari Passu Charge with ICICI Bank on Plant and machinery and Other Fixed Assets situated at Unit VIII Barotiwala - Equitable mortgage and 1st pari passu with ICICI Bank on Factory land and building measuring 07 bigha 16 biswas situated at K/K no 107/147, KH no 457/338/7/1.458/338/7/2 & 339/7 Village Barotiwala, Baddi (new shed unit IV) - Equitable mortgage and 2nd charge on Factory land and building measuring 03 bigha situated unit IV (old shed) Village Barotiwala, Baddi : Factory land and building measuring 2210.00 mtr situated at Plot 8 Village Barotiwala, Baddi : Factory land and building measuring 01 Bigha 07 Biswa situated at Village Barotiwala, Baddi. - Hypothecation and 2nd charge on all movable assets including Plant and machinery and MFA (except in unit VIII) with HDFC Bank, ICICI Bank with 1st charge with Yes Bank. - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of interest - 3M MCRL + 1% Repayable in 5 years including 10 months moratorium period
(viii) SBI Bank Term Loan ₹100 millions - Outstanding Loan of ₹49.76 millions as on 31st March 2023 - Hypothecation of proposed Fixed Assets (P&M) purchased out of Bank Finance of ₹100 millions Hypothecation & pari passu 1st charge on Plant & Machinery & other Fixed assets situated at unit 8, Barotiwala, with ICICI Bank - Equitable mortgage and 1st charge on Factory land and building measuring 07 bighas 16 biswas situated at K/K no 107/147, KH no 457/338/7/1.458/338/7/2 & 339/7 Village Barotiwala, Baddi (new shed unit IV) - Equitable mortgage and 2nd charge Factory land and Building measuring 3 Bigha 7 Biswa situated at Unit 4, Barotiwala : E/m & 2nd charge on Factory land and Building measuring 2210 Sq. Meters Biswa situated at Plot No. 8, Barotiwala Baddi : E/m and 2nd charge on Factory land and Building measuring 1 Bigha 17 Biswa, situated at Barotiwala : Hypothecation & 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank and ICICI Bank with 1st charge with Yes Bank : - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of Interest : 1Y MCLR+1% p.a. Repayable in 8 year including 1 year of moratorium period.
(ix) SBI Bank Term Loan ₹100 millions - Outstanding Loan of ₹90.87 millions as on 31st March 2023 - Hypothecation of plant and machine. All parts of plant and machinery purchased from New Term Loan of ₹100 millions to be installed at Unit No. 4 & Unit No. 8 - Hypothecation & pari passu 1st charge with Plant & Machinery 1st pari-passu charge with ICICI Bank on plant & machine & fixed assets situated at unit 8, Barotiwala valuing ₹72.8 millions : Factory land and Building measuring ₹488.04 millions bearing survey no (Plot No. 58, situated at plot no 58, Sector 1, Parwanoo : Factory land and building measuring 07 Bigha 16 Biswas situated at K/K no. 107/147, KH no. 457/338/7/1.458/338/7/2 & 339/7 Village Barotiwala Baddi. - Equitable mortgage and 2nd charge Factory land and Building measuring 3 Bigha 7 Biswa situated at Unit 4, Barotiwala : Hypothecation & 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank and ICICI Bank, 1st charge is with SIDBI, E/m & 2nd charge on Factory land and Building measuring 2210 Sq. Meters Biswa situated at Plot No. 8, Barotiwala : E/m and 2nd charge on Factory land and Building measuring 1 Bigha 17 Biswa, situated at Barotiwala. - Personal Guarantee of Sh. Ashok Kumar Tandon and Sh. Aman Tandon.	Rate of Interest : 6M MCLR+1% p.a. Repayable in 7 years including 1 year of moratorium period.
(x) SBI Bank Term Loan ₹160 millions - Outstanding Loan of ₹17.76 millions as on 31st March 2023 - First charge on Plant & Machinery & MFA of the Company - 2nd Charge on all the Movable Assets including P&M and MFA (except in Unit VIII) with SIDBI; Pari Passu 1st charge with Canara Bank/HDFC Bank on the immovable property i.e. Plot No. 58 having total area measuring 488.84 sq. iirs at Industrial Area Parwanoo Distt Solan HP (Pari Passu 1st charge with Canara Bank/HDFC Bank (For CC & TL) - 2nd charge on the Plot No. 8 having total area measuring 2210 sq mtr at Industrial Area Barotiwala Dist Solan HP : land measuring 3 Bighas & 7 Biswas (Unit IV of Milestone Gears Pvt. Ltd.) at village Barotiwala, Khasra No.- 97/13.417/6.418/6, District Solan, H.R (2nd charge) : 2nd charge on the land measuring 01 Bighas & 17 Biswas (Unit - VII of Milestone Gears Pvt Ltd.) at village Barotiwala, Khasra No.-463/391/3, District Solan H.P. (2nd charge) 1st charge is with SIDBI Pari Passu charge is with Canara Bank/ HDFC Bank (For CC and TL) - Equitable Mortgage of Immoveable Property measuring 07 Bighas 16 Biswas at village Barotiwala, Khata No. 107/147, Khasra no. 458/338/7/2/3-15.339/7/4-0 and khata no. 128/168, khasra no.457/338/7/1/0-2, Dist. Solan, Himachal Pradesh. (For TL) : Charge on Plant & Machinery & Fixed Assets situated at Unit-8, Barotiwala, Hypothecation of Fixed Assets (For TL) - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of Interest : CRA Rating, i.e. 4.70% above the base rate Repayable in 6 years
(xi) SBI Bank Term Loan ₹270 millions - Outstanding Loan of ₹262.38 millions as on 31st March 2023 - Hypothecation of Fixed Assets (Plant & Machinery) purchased out of Bank Finance of ₹270 millions for the machinery installed at Unit VIII E/m and First pari passu with ICICI Bank on Factory land and building measuring 07 bigha 16 biswas situated at K/K no 107/147, KH no 457/338/7/1.458/338/7/2 & 339/7 Village Barotiwala, Baddi (new shed unit IV) - Hypothecation & 1st Pari Passu with ICICI Bank on Plant and machinery 1st pari passu charge with ICICI Bank on plant and machinery & other fixed assets situated at unit VIII Barotiwala. - Additional Collateral Security Sharing 1st Pari Passu charge with HDFC Bank over additional collateral security i.e. Unit VI Factory Land & Building situated at Ludhiana brought in to cover the fresh TL Exposure - Equitable Mortgage and 2nd charge over Factory Land & Building measuring 3bighas situated at Barotiwala Baddi : Factory Land & Building measuring 2210 sq. mtrs situated Plot No. 8 Village Barotiwala Baddi : Factory Land & Building measuring 01 Bighas 7 biswas situated Village Barotiwala Baddi. - Hypothecation and 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank, ICICI Bank with 1st charge with Yes Bank. - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon	Rate of Interest : 3M MCLR+1% p.a. Repayable in 7 years after moratorium of 9 months
(xii) SBI Bank (Guarantee Emergency Credit Line) - ₹58 millions - Outstanding Loan of ₹42.61 millions as on 31st March 2023 - GECL facility is secured by NCGTC cover and along with that GECL facility has second charge on all existing First Charge Primary and Collateral Securities - Equitable mortgage and 2nd charge Factory land and building measuring 03 bigha situated unit IV (old shed) Village Barotiwala, Baddi : Factory land and building measuring 2210.00 mtr situated at Plot 8 Village Barotiwala, Baddi : Factory land and building measuring 01 Bigha 07 Biswa situated at Village Barotiwala, Baddi. - Hypothecation and 2nd charge on all movable assets including Plant and machinery and MFA (except in unit VIII) with HDFC Bank, ICICI Bank with 1st charge with YES Bank. - Personal Guarantees of Ashok Kumar Tandon and Aman Tandon	Rate of Interest : 6M MCLR+1% p.a. Repayable in 5 years including 1 year of moratorium period.

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Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

(xiii) SBI Bank (Guarantee Emergency Credit Line) - ₹ 104.5 millions - Outstanding Loan of ₹ 105.30 millions as on 31st March 2023 - GECL facility is secured by NCGTC cover and along with that GECL facility has second charge on all existing First Charge Primary and Collateral Securities - Equitable mortgage and 2nd charge Factory land and building measuring 03 bigha situated unit IV (old shed) Village Barotiwala, Baddi ; Factory land and building measuring 2210 00 mtr situated at Plot 8 Village Barotiwala, Baddi ; Factory land and building measuring 01 Bigha 07 Biswa situated at Village Barotiwala, Baddi. - Hypothecation and 2nd charge on all movable assets including Plant and machinery and MFA (except in unit VIII) with HDFC Bank, ICICI Bank with 1st charge with YES Bank - Personal Guarantees of Ashok Kumar Tandon and Aman Tandon	Rate of Interest : 6M MCLR+1% p.a. Repayable in 6 years including 2 year of moratorium period
(xiv) YES Bank (Guarantee Emergency Credit Line) - ₹ 50 millions - Outstanding Loan of ₹ 37.80 millions as on 31st March 2023 - Term Loan under ECGLS, Second Charge on existing Charge on All Current Asset (Both present & future) - Second Charge on existing charge on Specific Movable Fixed Asset (Other MFA)* (*Other Movable Fixed Asset includes all the Movable Fixed Assets except in unit 8 and specifically charged to Term Lenders for their Term Loan) ; Immoveable property plot no 58 industrial area Sector I parvanoo (Unit 1) Solan Himanchal Pradesh ; Immoveable property situated at plot no 8 industrial area Barotiwala (Unit 3) ; Immoveable property Khasra no 97/13, 417/6, 418/6 Village Barotiwala Baddi District Solan HP (Unit 4 -Old Shed) ; Immoveable property Khasra no 463/391/3 Village Barotiwala (Unit 7) ; Immoveable property (Land and Building) situated at Rajgarh,Ludhiana (Unit 6) of the borrower - Guarantor: 100% Guarantee coverage by National Credit Guarantee Trustee Company (NCGTC) - Second Charge on Current Assets financed through the additional WCTL.	Rate of Interest : 3M MCLR+0.4% p.a. Max. of 9.25% Repayable in 5 years including 1 year of moratorium period
(xv) YES Bank (Guarantee Emergency Credit Line) - ₹ 19 millions - Outstanding Loan of ₹ 14.36 millions as on 31st March 2023 - Term Loan under ECGLS, Second Charge on existing Charge on All Current Asset (Both Present & Future) - Second charge on existing charge on Specific Movable Fixed Asset including Plant & Machinery & other MFA (Except in unit 8 and specifically charged to SBI/ICICI Bank for their Term Loan & Movable Fixed Assets acquired out of TL of INR 71.41 Mn from HDFC Bank) ; Way of Mortgage on the leasehold rights of Immoveable property situated at Plot no 58 industrial area Sector I parvanoo (Unit 1) ; Immoveable property plot no 8 industrial area Barotiwala (Unit 3) ; Immoveable property Khasra no 97/13, 417/6, 418/6 Village Barotiwala (Unit 4 -Old Shed) ; Immoveable property Khasra no 463/391/3 Village Barotiwala (Unit 7) ; Immoveable property Land and Building situated at Rajgarh,Ludhiana (Unit 6) of the borrower - Guarantor: 100% Guarantee coverage by National Credit Guarantee Trustee Company (NCGTC) - Second Charge on Current Assets financed through the additional WCTL.	Rate of Interest : 3M MCLR+0.6% p.a. Repayable in 5 years including 1 year of moratorium period
(xvi) YES Bank (Guarantee Emergency Credit Line) - ₹ 46.1 millions - Outstanding Loan of ₹ 46.55 millions as on 31st March 2023 - Term Loan under ECGLS, Second Charge on existing Charge on All Current Asset (Both present & future) - Second Charge on existing charge on Specific Movable Fixed Asset (Other MFA)* (*Other Movable Fixed Asset includes all the Movable Fixed Assets except in unit 8 and specifically charged to Term Lenders for their Term Loan) ; Immoveable property plot no 58 industrial area Sector I parvanoo (Unit 1) Solan Himanchal Pradesh ; Immoveable property situated at plot no 8 industrial area Barotiwala (Unit 3) ; Immoveable property Khasra no 97/13, 417/6, 418/6 Village Barotiwala Baddi District Solan HP (Unit 4 -Old Shed) ; Immoveable property Khasra no 463/391/3 Village Barotiwala (Unit 7) ; Immoveable property (Land and Building) situated at Rajgarh,Ludhiana (Unit 6) of the borrower - Guarantor: 100% Guarantee coverage by National Credit Guarantee Trustee Company (NCGTC) - Second Charge on Current Assets financed through the additional WCTL.	Rate of Interest : 3M MCLR+0.3% p.a. Repayable in 6 years including 2 year of moratorium period
(xvii) ICICI Bank Term Loan ₹100 millions - Outstanding Loan of ₹ 48.39 millions as on 31st March 2023 - Primary Security for Rupee Term Loan 3- Movable FA created out of disbursement of Term Loan (RTL-3). - Collateral for Rupee Term Loan 3-Industrial Property Unit 4- Unit IV Address- 7Bighas 16 Biswas at Barotiwala (HP) Khata No. 107/147, Khasra No. 458/338/7/2/3-15.339/7/4-0 and Khata No. 128/168, Khasra No. 457/338/7/1/0-2 ; Plant & Machinery And Fixed Assets at Unit 8 Barotiwala - Collateral for Rupee Term Loan 3- Charge on Land & Building at Plot No. 8, Industrial Area Barotiwala Distt Solan (Unit No. 3). All Movable Assets including P&M and MFA (Except in Unit-8). Land measuring 01 Bighas & 17 Biswas (Unit- VII of Milestone Gears Pvt. Ltd.) at Village Barotiwala ; Land measuring 3 Bighas & 7 Biswas (Unit 4 Old Shed) at Village Barotiwala - Unconditional & Irrevocable Personal/Corporate Guarantee of- Aman Tandon and Ashok Kumar Tandon	Rate of Interest : 1Y MCLR+ "Spread" p.a. Repayable in 7 years
(xviii) ICICI Bank Term Loan ₹160 millions - Outstanding Loan of ₹ 18.45 millions as on 31st March 2023 - Primary Security (for Term Facilities)- Movable Fixed Asset (Charge on the Fixed Assets created out of disbursement of Term Loan from ICICI Bank) ; Hypothecation of the movable fixed assets including P&M & MFA (Except in UNIT VIII). - Collateral (for Term Loan)- Second Pari Passu (First Charge is with SIDBI & second charge to be shared with SBI) -E/M of the leasehold rights of the properties situated at Plot No. 8 Industrial Area Barotiwala Dis. Solan HP measuring 2210 Sq Mtrs. ; E/M of the Immoveable Property at Khasra No. 463/391/3 Barotiwala measuring 1 Bighah 17 Biswas ; E/M of the Immoveable Property measuring 3 bighas 7 biswas at khata no. 97/13, Khasra no. 417/6 418/6 at Barotiwala,Solan ; 07 Bighas 16 Biswas at village Barotiwala Khata No. 107/147, Khasra No. 458/338/7/2/3-15.339/7/4-0 and khata no. 128/168 Khasra No 457/338/7/1/0-2. - Distt. Solan HP* - Movable First Pari Passu Fixed. Charge Asset - First Pari Passu charge with SBI on Plant & Machinery funded by the Bank at Unit No. 8 Barotiwala by the way of Hypothecation. - Personal Guarantee of Ashok Kumar Tandon and Aman Tandon.	Rate of Interest : 1Y MCLR+ "Spread" p.a. Repayable in 7 years including 2 year of moratorium period
(xix) Vehicle loans - Outstanding Loan of ₹ 8.89 millions as on 31st March 2023 - Vehicle loans is secured by hypothecation of respective vehicles.	Rate of Interest : 7.90%-9.10% Repayable in equated monthly installments over 5- 7 year
(xxi) HDFC Bank Cash Credit ₹ 800 millions - Outstanding Loan of ₹ 623.53 millions as on 31st March 2023 - First Pari Passu by way of E/m leasehold right of factory land & building situated at Plot no. 58 having total area measuring 488.84 Sq. mtrs at Industrial area Parvanoo Distt. Solan (H.P.) in the name of Company - Second Pari Passu Charge on Land & Building at Plot no. 8 having total area measuring 2210 Sq. mtrs at Industrial Area Barotiwala District Solan(H.P.) ; Immoveable property situated at Unit-VII at vill. Barotiwala Khasara no. 463/391/3, admeasuring 1 Bighas and 17 Biswas ; on immoveable Fixed Assets (both present & future) of the company situated at Barotiwala Dist. Solan (H.P) bearing Khata No. 97/13, Khasa No. 417/6, (min 1-14), 418/6 (min 1-13) admeasuring 3 bighas 7 biswa including factory shed building and structure thereon (Unit-IV) ; - Second Pari Passu Charge on entire MFA (Except Movable Assets of Unit VIII) - First Pari Passu charge by way of Hypothecation of Entire Current Assets of the company including the Stock, Work in Progress, Finished Goods, Stores & Spares, Packing Material, Receivables of the company arising out of the bonafide trade transactions. - Personal Guarantee of the promoter Ashok Kumar Tandon and Aman Tandon	Rate of Interest : 8.60%
(xxii) SBI Bank Cash Credit ₹ 415 millions - Outstanding Loan of ₹ 346.14 millions as on 31st March 2023 - Pari Passu hypothecation of entire current assets of the firm, present & future, including all types of stock stores in the factory & godown at various places & receivables arising out of all bonafide transactions. - Pari passu first charge with HDFC, ICICI, YES and SBI Bank for aggregate FBWC Limits of ₹1750 millions. - E/m & 1st Pari Passu charge on leasehold right of factory land & building situated at Plot no. 58 having total area measuring 488.84 Sq. mtrs at Industrial area Parvanoo Distt. Solan (H.P.) in the name of Company. - Equitable Mortgage & 2nd charge over Factory Land & Building measuring 3bighas situated at Barotiwala Baddi ; Factory Land & Building measuring 2210 sq mtrs situated Plot No. 8 Village Barotiwala Baddi ; Factory Land & Building measuring 01 Bighas 7 biswas situated Village Barotiwala Baddi - Hypothecation & 2nd charge on all movable assets including Plant & Machinery & MFA (except in Unit VIII) with HDFC Bank, ICICI Bank with 1st charge with Yes Bank - Personal Guarantee of Sh. Ashok Kumar Tandon & Sh. Aman Tandon.	Rate of Interest : 8.50%-8.90%

Aman



(xxiii) Yes Bank Cash Credit ₹ 525 millions - Outstanding Loan of ₹ 456.67 millions as on 31st March 2023 - First Pari Passu charge on all the Current Assets of the borrower (Both present & future) - First Pari Passu Charge by way of mortgage of immovable property situated on: Plot no 58, Industrial Area Phase I, Parwanoo (Unit -1) Solan Himachal Pradesh - Second Pari Passu Charge by way of mortgage on: specific Movable Fixed Assets and other MFA *Other MFA includes all movable fixed assets except in Unit-8 and specifically charged to Term Loan lenders for their term loan. Immoveable Property Situated at Plot No. 8 Industrial Area Barotiwala (Unit-3). Immoveable Property situated at Khasra No. 97/13, 417/6, 418/6, Village Barotiwala, Baddi Distt Solan Unit 4 old Shed: immovable property situated at Khasra No. 463/491/3, Village Barotiwala, Baddi Distt Solan Unit 7 - Unconditional and Irrevocable Personal Guarantees of Ashok Kumar Tandon and Aman Tandon to remain valid during the tenure of the credit facilities.	Rate of Interest : 8.75%-9.75%
(xxiv) HDFC Bill discounting ₹ 100 millions - Outstanding Loan of ₹ 98.34 millions as on 31st March 2023 - Subservient charge on all current and movable fixed assets of borrower both present and future - Exclusive charge by way of equitable mortgage on the industrial Freehold property of the company in the industrial area panchkula with proposed value of ₹ 100.00 millions - Personal guarantee of Mr Aman tandon and Mr Ashok Kumar Tandon. Tenor 120 days	Linked with T Bill + 3 months

16 Trade payables

Trade payable

Total outstanding dues of micro enterprises and small enterprises
Total outstanding dues of creditors other than micro enterprises and small enterprises
Total

As at 31 March 2023
-
954.21
954.21
951.58
2.63

Trade payables

Trade payables to related parties

Trade payables ageing as at 31 March 2023

	Outstanding for following periods from due date of payment						Total
	Unbilled	Current but not due	Less than 1 year	1-2 year	2-3 years	More than 3 years	
Total outstanding dues of micro and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	13.27	726.05	169.84	40.50	2.06	2.49	954.21
Disputed dues of micro and small enterprises	-	-	-	-	-	-	-
Disputed dues of other than micro and small enterprise	-	-	-	-	-	-	-
Total	13.27	726.05	169.84	40.50	2.06	2.49	954.21

Notes:-

- (i) Trade payables are non-interest bearing and are normally settled on 90 days terms
(ii) For explanations on the Company's credit risk management processes, refer to Note 35

17 Other financial liabilities

Carried at amortised cost

Interest accrued but not due on borrowings
Other payables
Capital creditors
Total

As at 31 March 2023
Current
17.60
15.22
0.08
32.90

18 Provisions

Provision for gratuity (refer note 37)
Provision for compensated absences
Total

As at 31 March 2023	
Non current	Current
6.80	-
10.55	4.07
17.35	4.07

19 Other current liabilities

Advances from customers
Payable to employees
Statutory dues
Other payables
Total

As at 31 March 2023
Current
11.04
-
6.88
15.22
17.92

20 Current tax liabilities(Net)

Current tax liabilities (net of advance tax and TDS)
Total

As at 31 March 2023
5.81
5.81

Chand



21 Revenue from operations

Revenue from operations

Revenue from contract with customers

Sale of product

5,627.29

Sale of services

7.38

Total revenue from contracts with customers

5,634.67

Other operating revenue

Duty Drawback and Export Benefit (refer note i)

24.89

Sale of scrap

469.82

Total other operating revenue

494.71

Total revenue from operations

6129.38

(i) The Company is eligible for benefits under the Remission of Duties and Taxes on Exported Products (RoDTEP) scheme introduced by the Government of India. The scheme aims to reimburse exporters for various embedded taxes and duties (such as electricity duty, fuel taxes, and other non-GST levies) that are not refunded through other mechanisms. The benefit is provided in the form of electronic duty credit scrips, which are freely transferable and can be used to pay basic customs duty on future imports or sold to third parties. The income is recognized when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received. The scrips are measured at fair value at the time of recognition, typically based on their expected realizable value. During the year, the Company has recognized income of ₹ 11.33 million from RoDTEP under other operating revenue, upon fulfillment of the conditions of the scheme and reasonable assurance of receipt.

a) Disaggregation of revenue

India

4,780.47

Outside India

854.20

Total revenue from contracts with customers

5,634.67

Performance obligations

Information about the Company's performance obligations are summarized below:

b) Timing of revenue recognition

Goods transferred at a point in time

5,627.29

Services transferred at a point in time

7.38

Total revenue from contracts with customers

5,634.67

Sale of goods and services

The performance obligation is satisfied upon delivery of the goods and completion of services.

C) Reconciling the amount of revenue recognized in the statement of profit and loss with the contracted price:

Revenue as per contract

5,655.04

Adjustments for variable consideration:

Discounts and rebates

20.37

Total revenue from contracts with customers

5,634.67

d) Contract balances

As at

31 March 2023

Trade receivables*

1,618.41

Advances from customers**

11.04

*Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

**Advance from customers relates to payments received in advance of performance under the contract. Advances from customers are recognized as revenue as (or when) the Company performs under the contract.

22 Other income

Interest income on financial assets measured at amortised cost

- on fixed deposits

1.01

- Security deposits

1.92

Liabilities written back

3.32

Gain on Foreign Exchange variation (net)

10.34

Gain on sale of property, plant & equipment

0.49

Rental income

1.26

Business support services

8.70

Total

27.04

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Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

23 (a) Cost of raw material and components consumed

Cost of raw materials and components consumed

Inventory at the beginning of the year

Add: Purchases (net)

Less: inventory at the end of the year

Cost of raw material and components consumed

**For the year ended
31 March 2023**

431.67

3,068.86

3,500.53

300.78

3,199.75

23 (b) Changes in inventories of finished goods, work-in-progress and scrap & waste

Opening Stock

Finished goods

Work-in-progress

Scrap & waste

Total opening balance

Closing Stock

Finished Goods

Work-in-progress

Scrap & Waste

Total closing balance

(Increase)/Decrease in inventory

Finished Goods

Work-in-progress

Scrap & Waste

(Increase)/Decrease in inventory

**For the year ended
31 March 2023**

33.95

435.53

16.99

486.47

319.08

540.02

8.19

867.29

(285.13)

(104.49)

8.80

(380.82)

24 Employee benefit expenses

Salaries, wages and bonus

Contribution to provident and other funds

Gratuity (refer note-37)

Compensated absences

Staff welfare expenses

Total

**For the year ended
31 March 2023**

483.67

25.53

9.73

10.59

21.51

551.03

25 Finance cost

Interest on

- Borrowings

- Lease liabilities

- Others

Bank charges

Total

**For the year ended
31 March 2023**

209.42

14.92

0.63

3.29

228.26

26 Depreciation & amortisation expense

Depreciation on property, plant & equipment (refer note 3)

Amortization of intangible assets(refer note 5)

Amortization of right-of-use assets (refer note 36)

Total

**For the year ended
31 March 2023**

311.95

2.15

40.74

354.84

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Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Notes to special purpose financial statements for the year ended 31 March 2023
(All amounts are in ₹ in millions, unless otherwise stated)
27 Other expenses

	For the year ended 31 March 2023
Consumption of loose tools	585.76
Consumption of stores and spares	7.31
Packing materials	100.11
Labour/Job work charges	560.30
Rent expenses	28.20
Repair & maintenance	
- Buildings	57.65
- Plant & machinery	117.23
- Others	31.15
Vehicle running & maintenance	35.47
Power, fuel and water	197.79
Freight and cartage expenses	124.20
Rates & taxes	3.67
Legal and professional fees	40.95
Travelling and conveyance	13.81
CSR activities & donation (refer details below Note ii)	1.58
Payment to auditors (refer details below note i)	0.41
Marketing expenses	1.73
Balance written off	1.24
Bad debts written off	45.84
Loss allowance for bad and doubtful debts	19.99
Security charges	13.07
Testing and calibration expenses	4.10
Printing and stationary	6.28
Insurance expenses	7.50
Miscellaneous expenses	12.81
Total	2,018.15

(i) Payment to auditors:

	For the year ended March 31, 2023
As statutory auditor:	
- Statutory audit fee	0.40
- Out of pocket expenses	0.01
Total	0.41

(ii) Details of CSR expenditure

As per Section 135 of the Companies Act, 2013 ('Act'), a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are occupational health, education and waste management. A CSR committee has been formed by the Company as per the Act. The funds were utilized throughout the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

a) Gross amount required to be spent by the Company during the year	1.58
Shortfall/Excess of the previous year carried forward as per sec 135 of the Companies Act 2013	0.63
Balance amount required to be spent during the year	2.21
b) Amount spent during the year*	1.66
c) Shortfall/(Excess) at the end of the year out of the amount required to be spent by the Company during the year	0.55
d) Previous years shortfall spent during the year	-
e) CSR Spent out of the opening unutilised balance with CSR partner entity	0.08
f) Unutilised balance with CSR partner entity at the end of the year	0.55
g) Unspent amount transferred to government specified fund within 6 months	-
h) The company has contributed CSR to other than related party	1.58

Details of CSR expenditure under section 135(5) of the Act in respect of other than ongoing projects**

	As at 31 March 2023
Balance as at the beginning of the year	0.63
Amount required to be spent during the year	1.58
Amount spent during the year**	1.66
Shortfall/(excess) as at the closing of the year	0.55

*Amount spent during the year on purpose other than construction/acquisition of any asset.

** The company does not have ongoing projects as at 31 March 2023

*#Amount spend during the year includes any amount paid to Government specified fund with in the six month from the financial year end 31 March 2023: ₹ Nil.

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28 Income tax

The major components of income tax expense are:

Statement of Profit and Loss section

	For the year ended 31 March 2023
(i) Current Tax	
Current tax	64.65
Adjustment of tax relating to earlier period	(0.26)
Deferred tax	
Relating to origination and reversal of temporary differences (for current year)	(19.83)
Total Income tax expense reported in the Statement of profit and loss	44.56

(ii) Restated Other comprehensive income (OCI) section

Deferred Tax

Tax on items recognised in OCI On remeasurement of defined benefit plan	(1.03)
Tax on remeasurement of investment through Other Comprehensive Income	0.85
Total income tax recognized in other comprehensive income	(0.18)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	For the year ended 31 March 2023
Profit before tax	185.21
Tax at the Indian tax rate of 29.12%	53.93
Tax effect of:	
Effect of tax in related to previous years (income tax)	(0.26)
Effect of deferred tax created on timing difference for earlier years	(9.11)
Income tax expense	44.56

Deferred tax assets (net)

	Balance sheet As at 31 March 2023	Statement of profit and loss For the F.Y 31 March 2023
Accelerated depreciation	54.12	11.09
Security deposits	3.14	1.25
Loss allowance for bad and doubtful debts	8.63	7.35
Bonus payable	0.63	0.63
Revaluations of FVTOCI investments to fair value	0.72	0.72
Right of use	(61.36)	(29.71)
Leases liabilities	61.13	30.31
Borrowings	(0.38)	0.14
Export incentives	(2.89)	(2.89)
Provisions (including plan assets)	6.24	0.77
Deferred tax expense/(income)	-	19.65
Net deferred tax assets/(liabilities)	69.98	-

Reflected in the balance sheet as follows:

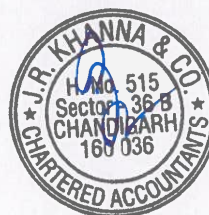
	31 March 2023
Deferred tax assets	134.62
Deferred tax liabilities	(64.64)
Deferred tax assets (net)	69.98

Reconciliation of deferred tax assets (net):

	31 March 2023
Opening balance	50.33
Tax income/(expense) recognised in profit or loss	19.83
Tax income/(expense) recognised in OCI	(0.18)
Closing balance	69.98

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Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

29 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following data reflects the inputs to calculation of basic and diluted EPS

	For the year ended 31 March 2023
Profit attributable to equity shareholders(A)	140.65
Effect of dilution	
Profit attributable to equity shareholders after effect of dilution (B)	140.65
Weighted average number of Equity shares in calculating Basic EPS (C) (refer note (i))	90,000,000.00
Weighted average number of Equity shares adjusted for the effect of dilution (D) (refer note (i))	90,000,000.00
Calculation of earning per share	
Nominal value per equity shares	
Basic Earning per equity share attributable to owners of Company [In ₹] [(A)/(C)]	1.56
Diluted Earning per equity share attributable to owners of Company [In ₹] [(B)/(D)]	1.56

(i) The Board of Directors of the Company in its meeting held on 10 September 2025 and shareholders of the Company in the Extra Ordinary General Meeting held on 13 September 2025 approved the sub-division of 3,000,000 equity shares of ₹ 10 each into 15,000,000 equity shares of ₹ 2 each and issuance of bonus equity share of ₹ 2 each in the ratio of 5:1 for the Equity shares of ₹ 2 each. The number of shares used for the calculation of earnings per share, and the earnings per share (including that in the comparative periods), have been adjusted retrospectively pursuant to Paragraph 64 of Ind AS 33 - "Earnings Per Share", prescribed under Section 133 of the Companies Act, 2013. The basic and diluted Earning Per Share for the current period and comparative periods have been recalculated on the revised number of shares. This adjustment does not impact the total equity or net profit reported for any period.

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30 Commitments and contingent liabilities

(A) Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

Other commitment

Outstanding export obligation to be fulfilled over a period of 6 years, from respective date of import, under the EPCG scheme

in the absence of fulfilment of the related export obligation, the Company will be liable to pay the amount of duty saved along with interest

(B) Contingent liabilities

Income tax litigation - not been acknowledged as claims

For the year ended
31 March 2023

124.60

543.02

19.80

31 Segment Information

In the context of IND AS 108, The Chief Operating Decision Maker "CODM" reviews the operations of the Company as a whole, i.e. single primary business segment viz. manufacturing and trading of gear transmission products. Hence, there are no reportable segments as per IND AS 108 "Operating Segments".

Revenue on the basis of Geographical locations/segments is based on the areas in which customers of the Company are located and is detailed below:-

Revenue from contracts with customers

India
Outside India
Total

For the year ended
31 March 2023

4,780.47

854.20

5,634.67

Information about major customers

Included in revenue arising from sales of goods for year ended 31 March 2023: ₹ 4,025.74 millions which arose from sales to its major customers which accounts for 65.68% of the total revenue from operations.

32 Related party disclosures

a) Names of related parties and related party relationship

Key managerial personnel

Name	Designation
Ashok Kumar Tandon	Director
Aman Tandon	Managing Director
Biresh Kumar Thakur	Executive Director
Pankaj Budhiraja	Chief Financial Officer (w.e.f. 01 July 2025)
Kapil Bhalla	Company Secretary (from 2 August 2024- Upto 14 August 2025)
Mohinder Singh	Company Secretary (w.e.f. 4 August 2025)

Relatives of Key Management Personnel

Name of Relative	Nature of Relationship
Amit Tandon	Son of Chairman
Anurudh Tandon	Son of Managing Director

Enterprises over which key management personnel or their relatives

Name	Relationship
Chhoti Si Asha	Entity in which directors or persons having substantial interest or having significant influence
Polycycl Private Limited	Entity in which directors or persons having substantial interest or having significant influence
Chhoti Si Asha Foundation (section 8 company)	Entity in which directors or persons having substantial interest or having significant influence

(b) Transactions during the year with the related parties:

Name of the related party	Managerial Remuneration	Other income	Sale of assets	Purchases	Total
Key managerial personnel (KMP)**					
Ashok Kumar Tandon	14.46	-	-	-	14.46
Aman Tandon	13.56	-	-	-	13.56
Biresh Kumar Thakur	7.51	-	-	-	7.51
Relatives of KMP	13.55	-	-	-	13.55

Enterprises over which KMP is able to exercise significant influence

Polycycl Private Limited	9.94	0.71	-	-	10.65
Chhoti Si Asha	-	-	-	0.05	0.05
Chhoti Si Asha Foundation (section 8 company)	-	-	-	-	-

* Compensation of the Company's key managerial personnel includes salaries, non-cash benefits. Provision for gratuity and compensated absences is computed for the Company as a whole and has not been included above.

(c) Outstanding balances as at the year end

Name of the related party	Trade payable	Trade receivable	Investments	Total
Key managerial personnel (KMP)**				
Ashok Kumar Tandon	0.82	-	-	0.82
Aman Tandon	0.71	-	-	0.71
Biresh Kumar Thakur	0.34	-	-	0.34
Relatives of KMP	0.75	-	-	0.75
Enterprises over which KMP is able to exercise				
Polycycl Private Limited	-	5.96	30.49	36.45
Chhoti Si Asha	0.01	0.18	-	0.19

*Trade Payable includes remuneration payable to key managerial personnel

(d) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company undertakes each financial year through examining the financial position of the related party and the market in which the related party operates.

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33 Financial Instruments

(A) Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values

	Carrying value As at 31 March 2023	Fair value As at 31 March 2023
Financial assets at fair value through Other comprehensive Income(OCI)		
Investments	30.58	30.58
Financial assets at amortised costs		
Security deposits	54.00	54.00
Financial liabilities measured at amortised cost		
Non current borrowings	1,291.99	1,291.99
Non current lease liabilities	163.66	163.66
	1,455.65	1,455.65

The management has assessed that fair value of financial assets such as cash and cash equivalent, trade receivable, bank balances, other than cash and cash equivalent, short term borrowings, short term lease liabilities, trade payables, other current financial liabilities and other current financial assets approximate their carrying amount largely due to short-term maturities of these instruments

Reconciliation of fair value measurement of unquoted investments classified as FVTOCI assets

	As at 31 March 2023
Opening Balance	33.06
Re-measurement recognised in OCI	(2.48)
Closing Balance	30.58

(B) Fair value hierarchy

Level 1: Quoted prices in active markets. This level of hierarchy includes financial assets that are measured by reference to quoted price in active market. This category consist of quoted equity share and debt based open ended mutual funds.

Level 2: Valuation techniques with observable input. This level of hierarchy includes item measured using inputs other than quoted price included within Level 1 that are observable for such items, either directly or indirectly. This level of hierarchy consists of debt based close ended mutual fund investments and over the counter (OTC) derivative contracts.

Level 3: Valuation techniques with unobservable inputs. This level of hierarchy includes items measured using inputs that are not based on observable market data (unobservable input). Fair value determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instruments nor based on available market data. The main item in this category are unquoted equity instruments.

The following table provides the fair value measurement hierarchy of company's financial assets and liabilities

Quantitative disclosures of fair value measurement hierarchy for assets and liabilities as at 31 March 2023

	Total	Fair value measurement using		
		Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Financial assets at fair value through Other comprehensive Income(OCI)				
Investments	30.58	-	0.09	30.49
Financial assets at amortised costs				
Security deposits	54.00	-	-	54.00
	84.58	-	0.09	84.49
Financial liabilities at amortised costs				
Non current borrowings	1,291.99			1,291.99
Non current lease liabilities	163.66			163.66
	1,455.65	-	-	1,455.65

There have been no transfers between Level 1 and Level 2 and Level 3 during year ended 31 March 2023.

34 Capital management policies and objectives

For the purposes of Company's capital management, Capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023.

The Company monitors capital using gearing ratio, which is net debt divided by total equity plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and bank balances as detailed in the notes below. Further, total equity includes equity share capital and other equity.

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The Net Gearing Ratio at the end of the reporting period was as follows:

Particulars	As at 31 March 2023
Gross Debt	3,378.36
Cash and Cash equivalents	8.19
Net Debt (A)	3,370.17
Total Equity (As per Balance Sheet) (B)	967.44
Total equity plus net debt (C) = (A+B)	4,337.61
Net Gearing Ratio (A/C)	77.70%

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023.

35 Financial risk management objective and policies

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

In the ordinary course of business, the Company is mainly exposed to risks resulting from interest rate movements (interest rate risk) collectively referred as market risk, Credit risk and Liquidity Risk. The Company's senior management oversees the management of these risks.

A 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, deposits, debt and equity investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at 31 March 2023. The sensitivity of the relevant profit and loss items is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2023.

(i) Interest rate risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity:

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities. Interest rate sensitivity has been calculated for borrowings with floating rate of interest. For borrowings with fixed rate of interest or no interest, sensitivity disclosure has not been made. With all other variables held constant, the company's restated profit before tax is affected through the impact of change in interest rate on financial liabilities, as follows:

	As at 31 March 2023
Impact on Profit Before Tax due to change in Interest Rate	
Increase by 0.5%	(15.84)
Decrease by 0.5%	15.84

(ii) Foreign currency risk:

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

The Company's exposure to foreign currency risk at the end of reporting period expressed in ₹, are as follows:

Particulars	Currency	As at 31 March, 2023	
		Amount in FCY	Amount in ₹ (in millions)
Advances to Suppliers*	CHF	1,150,200	101.00
	JPY	28,080,000	16.90
	USD	2,002,369	161.90
Advances from customer	EUR	6,324	0.60
	USD	6,611	0.50
Trade receivables	EUR	35,786	3.10
	USD	2,621,820	212.00
Trade Payables	GBP	8,613	0.90
	JPY	31,200,000	19.90
	USD	1,291,448	107.80

*Advance to Suppliers includes capital advances as well. As at 31 March 2023, the advances to suppliers have been shown net of payables in the Statement of assets and liabilities, whereas, the same has been shown on gross basis in the above foreign currency exposure note.

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Foreign currency sensitivity

	As at 31 March 2023
Advances to Suppliers*	
CHF sensitivity	
₹/CHF- increase by 10%	10.10
₹/CHF- decrease by 10%	(10.10)
JPY sensitivity	
₹/JPY- increase by 10%	1.69
₹/JPY- decrease by 10%	(1.69)
USD sensitivity	
₹/USD- increase by 10%	16.19
₹/USD- decrease by 10%	(16.19)
Advances from customer	
EUR sensitivity	
₹/EUR- increase by 10%	(0.06)
₹/EUR- decrease by 10%	0.06
USD sensitivity	
₹/USD- increase by 10%	(0.05)
₹/USD- decrease by 10%	0.05
Trade receivables	
EUR sensitivity	
₹/EUR- increase by 10%	0.31
₹/EUR- decrease by 10%	(0.31)
USD sensitivity	
₹/USD- increase by 10%	21.20
₹/USD- decrease by 10%	(21.20)
Trade Payables	
GBP sensitivity	
₹/GBP- increase by 10%	(0.09)
₹/GBP- decrease by 10%	0.09
JPY sensitivity	
₹/JPY- increase by 10%	(1.99)
₹/JPY- decrease by 10%	1.99
USD sensitivity	
₹/USD- increase by 10%	(10.78)
₹/USD- decrease by 10%	10.78

(iii) Commodity price risk:

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of Gears products and therefore require a continuous supply of steel. Due to the significantly increased volatility of the price of the steel, the Company has entered into various purchase contracts for which there is an active market. The Company maintains the level of these stock as per the requirement of business and market which are discussed by the management on regular basis. The Company operates in the way that saving / impact due to change in commodity prices in the active market are passed on to the customer and therefore impact on profit due to change in price of commodity is unascertainable.

B Credit risk:

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities, including cash and cash equivalents and deposits with banks and financial institutions.

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding receivables are regularly monitored for any expected default in repayment. An impairment analysis is performed at each reporting date based on ECL matrix. The Company does not hold collateral as security. The maximum exposure to credit risk from trade receivables at the reporting date and an ageing analysis has been given below.

Expected credit loss for trade receivable under simplified approach

Ageing	Not Due	0-3 months past due	3-6 months past due	6-9 months past due	9-12 months past due	More than 1 year past due	Total
31 March 2023							
Estimated total gross carrying amount at default	1,059.85	520.81	39.44	11.98	6.43	4.57	1,643.08
ECL- simplified approach	-	(14.41)	(2.62)	(1.61)	(2.58)	(3.45)	(24.67)
Net carrying amount	1,059.85	506.40	36.82	10.37	3.85	1.12	1,618.41

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Milestone Gears Private Limited
CIN : U29130HP1984PTC005831

Notes to special Purpose Financial Statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

Reconciliation of impairment allowance on trade receivables:

Impairment allowance measured as per simplified approach

Opening balance

Changes during the period/year

Closing Balance

For the year ended
31 March 2023

4.68

19.99

24.67

a. Security deposit and other advances

With regards to security deposit and other advances, the management believes these to be high quality assets with negligible credit risk. The management believes the parties to which these deposits and other advances have been made have strong capacity to meet the obligations and where the risk of default is negligible or nil and accordingly no provision for expected credit loss has been provided on these financial assets.

b. Trade receivables (Expected credit loss for trade receivables under simplified approach)

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For homogeneous group of receivables, the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default and delay rates over the expected life of the trade receivable and is adjusted for forward looking estimates.

At year end, the historical observed default and delay rates are updated and changes in the forward-looking estimates are analyzed. For other debtors that are heterogeneous in nature, individual receivables which are known to be uncollectible are written off by reducing the carrying amount of trade receivable and the amount of the loss is recognized in the Restated statement of profit and loss within other expenses.

C Liquidity risk:

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through the use of various types of borrowings.

The table below summarises the maturity profile of the Company's financial liabilities based on undiscounted cash flows:

	Carrying Amount	Maturity Profile of Financial Liabilities			Total
		Up to 1 year	1 year to 5 years	More than 5 years	
As at 31 March 2023					
Financial liabilities at amortised cost					
Trade Payables	954.21	954.21	-	-	954.21
Borrowings including interest payable	3186.03	1,964.09	1,280.21	186.28	3,430.58
Lease Liabilities	209.93	64.21	183.22	-	247.43
Other financial liabilities	15.30	15.30	-	-	15.30
	4365.47	2,997.81	1,463.43	186.28	4,647.51

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

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36 Right-of use assets (ROU) and lease liability

The Company has lease contracts for various items of plant, machinery and buildings used in its operations. Leases of plant and machinery generally have lease terms between 5-10 years, while buildings generally have lease terms of 5 years. The Company's obligations under its leases are secured by the lessor's title to the right-of-use assets. Generally, the Company is restricted from assigning and subleasing the right-of-use assets.

The Company also has certain leases of building and machinery with less than 12 months. The Company applies the "short term lease" recognition exemption for these leases.

(a) Company as lessee

The changes in the carrying value of Right to Use (ROU) assets for year ended 31 March 2023 are as follows:

	Plant and Machinery	Land and Building	Total
Gross Carrying value			
As at 1 April 2022	105.35	26.74	132.09
Additions during the year	94.90	42.80	137.70
As at 31 March 2023	200.25	69.54	269.79
Accumulated depreciation			
As at 1 April 2022	9.91	8.42	18.33
Depreciation charge for the year	32.55	8.19	40.74
As at 31 March 2023	42.46	16.61	59.07
Net carrying amount			
As at 1 April 2022	95.44	18.32	113.76
As at 31 March 2023	157.79	52.93	210.72

The following are the carrying amount of lease liabilities and movement during the year :

	As at 31 March 2023
As at the beginning of the year	110.82
Addition during the year	131.76
Accretion of interest	14.92
Payment of lease liabilities	(47.57)
As at the end of the year	209.93
	As at 31 March 2023
Current	46.27
Non-current	163.66
Total	209.93

Note: The effective interest rate for lease liabilities is 7.5% with maturity between 2025-2030

Amount recognised in the statement of profit and loss

	For the year ended 31 March 2023
Depreciation on right of use assets	40.74
Interest on lease liabilities	14.92
Expenses related to short term leases	28.20
	83.86

The table below summarises the maturity profile of the lease liability

	As at 31 March 2023
Not later than one year	64.21
Later than one year but not later than five years	183.22
Later than five years	-
Total	247.43

(b) Company as a lessor

Operating lease

The company has rental agreements for property situated at KK-16, HSIDC Estate, Kalka, District-Panchkula, Haryana, 133302. The lease agreement has term of 36 months as on 31 March 2023. The Company has considered such leases as operating leases and recognized rental income in the statement of profit and loss. Future undiscounted lease receipts under operating leases are as follows:

	As at 31 March 2023
Within one year	1.26
Between 1 and 2 years	1.26
Between 2 and 3 years	-

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Notes to special Purpose Financial Statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

37 Employee benefit

a) Defined contribution plans

The Company makes contributions towards a provident fund under defined benefit retirement plan for the qualifying employees. The Provident Fund is administered by the Employee Provident Fund Organization. Under this scheme the Company is required to contribute certain specified percentage of payroll costs to fund the benefits.

Contribution to Defined Contribution Plans, recognised as expense for the year is as under:

	For the year ended 31 March 2023
Employer's Contribution to Provident and other funds	25.53

b) Defined benefit plans

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972. Under such Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/ termination age. The contributions are invested in a scheme with Life Insurance Corporation of India (LIC) by Holding Company.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the plan.

a. Change in the present value of defined benefit obligations

	For the year ended 31 March 2023
Defined Benefit Obligation at beginning of the year	57.26
Current service cost	8.49
Interest cost	4.12
Past Service Cost	
Remeasurement (gain)/losses	
- change in financial assumption	(1.11)
- change in experience	(1.54)
- change in Demographic Assumptions	-
Benefit paid	(2.39)
Defined Benefit Obligation at the end of the year	64.83

b. Change in fair value of plan assets

	For the year ended 31 March 2023
Fair value of plan assets at beginning of the year	40.05
Remeasurement of gain/(losses)	
- Return on Plan assets excluding amount recognised in net interest expenses	0.34
Investment Income	2.88
Employer Contributions	17.15
Benefits paid	(2.39)
Fair value of plan assets at end of the year	58.03

c. Expenses Recognised in P&L

	For the year ended 31 March 2023
Current service cost	8.49
Past Service Cost	-
Interest Cost	4.12
Investment income on Plan Assets	(2.88)
Net Cost	9.73

d. Expenses recognised in Other comprehensive income

	For the year ended 31 March 2023
Actuarial (gain)/loss on obligations due to change in experience/ financial assumptions	(2.65)
Return on Plan assets excluding amount recognised in net interest expenses	(0.34)
Net gain recognised in OCI	(2.99)

e The principal actuarial assumptions used in determining gratuity benefit obligations for the Company's plans are shown below:

	For the year ended 31 March 2023
Discount Rate (per annum)	7.40%
Rate of escalation in salary (per annum)	7.00%
Mortality rate	100% of IALM 2012-14
Normal Retirement age	58 year
Attrition/ Withdrawal rate (Per annum)	5%

The estimate of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

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f Detail of Provision for gratuity recognised in Balance sheet

	As at 31 March 2023
Amount recognised in balance sheet	
Present value of defined Benefit Obligation at the end of the year	64.83
Fair value of plan assets at end of the year	58.03
Liability recognised in balance sheet	6.80
Current liabilities	-
Non-current liabilities	6.80

g. Expected contribution during the next annual reporting Period

The company's best estimate of contribution during the next year	15.31
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h. Maturity Analysis of the Benefit Payments

	As at 31 March 2023
Within the next 12 months	6.91
Between 1 and 5 years	24.27
Between 5 and 10 years	29.27
10 years and above	83.71

The average duration of the defined benefit plan obligation at the end of the reporting period is 8 years.

i. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 31 March 2023 is as shown below:

	Discount rate	
Sensitivity Level	1% increase	1% decrease
Increase/ (decrease) in defined benefit obligation	(59.72)	70.74
	Salary growth rate	
Sensitivity Level	1% increase	1% decrease
Increase/ (decrease) in defined benefit obligation	70.57	(59.72)
	Attrition rate	
Sensitivity Level	50% increase of attrition rate	50% decrease of attrition rate
Increase/ (decrease) in defined benefit obligation	64.90	(64.64)

Sensitivities due to mortality is not material hence impact of change due to these is not calculated.

Description of Risk Exposures:

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follows:

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

c) Compensated Absences

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the /year-end.

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Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the year ended 31 March 2023

(All amounts are in ₹ in millions, unless otherwise stated)

38 Ratio Analysis and its elements

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2023
Current ratio	Times	Current assets	Current liabilities	1.09
Debt-equity ratio	Times	Total debt [Non-current borrowings + Current borrowings+Lease liabilities]	Total equity	3.49
Debt service coverage ratio	Times	Profit/loss after tax + Depreciation and amortization expense + Finance costs + Loss on sale of fixed assets+ Other Non-cash operating (income)/ expenses	Interest expense (including capitalized) + Principal repayments (including prepayments)+Lease payments	0.98
Return on equity ratio	Percentage	Profit after tax	Average total equity	15.95%
Inventory turnover ratio	Times	Revenue from operations	Average inventories	5.41
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	4.34
Trade payables turnover ratio	Times	Purchases+ employee benefit expenses- gratuity and compensated absences + other direct related expenses	Average trade payables	6.97
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - Current liabilities]	24.37
Net profit ratio	Percentage	Profit after tax	Revenue from operations	2.29%
Return on capital employed	Percentage	Earnings before interest and tax = Profit/loss before tax + Finance costs	Capital employed [Total equity + current and non-current borrowings - Intangible assets - Intangible assets under development - deferred tax assets]	10.18%

A. Return on Investment: This ratio is not applicable since the Company does not have any projects or investments other than current operations.



Signature

39 First time adoption of Ind AS

These Special purpose financial statements for the year ended 31 March 2023, have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended, and as per the format prescribed under Division II of Schedule III to the Companies Act, 2013.

The Company has prepared these financial statements for the limited purpose of inclusion in the Draft Red Herring Prospectus (DRHP) / offer document in compliance with the requirements of the Securities and Exchange Board of India (SEBI) Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, which mandates the presentation of financial information in accordance with Ind AS for all periods presented.

Financial statements for the year ended 31 March 2023 have been prepared in accordance with requirements of SEBI Circular dated 31 March 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI after making suitable adjustments to the accounting heads from its Indian GAAP values following accounting policies (both mandatory exceptions and optional exemptions) availed as per Ind AS 101 consistent with that used at the date of transition to Ind AS (1 April 2022) and as per the presentation, accounting policies and grouping/classifications followed as at and for the year ended 31 March 2025. In preparing these Restated Financial Information, the Company has considered transition date to be 1 April 2022.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the financial year ending on 31 March 2023.

An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

Exemptions applied

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Optional exceptions

Deemed cost of property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work in progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets. Accordingly, the Company has elected to measure all of its property, plant and equipment (including capital work in progress) and intangible assets at their Indian GAAP carrying value.

Reconciliation of Retained earnings as at 01 April 2022

Particular	References	INR (In millions)
Opening Balance as per IGAAP as on 01 April 2022		811.07
IND AS Adjustment:		
Interest Income on security deposits	A 1	0.12
Impact of right-of-use asset	A 2	(17.60)
Impact of lease liabilities	A 2	13.60
Fair value of trade receivables (impairment allowance-ECL)	A 3	(4.68)
Remeasurement of the defined benefit plans	A 5	(13.45)
Deferred tax	A 6	5.53
Borrowings	A 7	1.87
Opening Balance as per IND AS as on 01 April 2022		796.46

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Equity reconciliation as on 31 March 2023

Particulars	Note	31 March 2023			
		Indian GAAP	GAAP Adjustments	Reclassification	Ind AS
Assets					
Non-current assets					
Property, plant and equipment	A 2	1,408.59	-	-	1,408.59
Right-of-use assets			210.72	-	210.72
Capital work in progress		225.69	-	-	225.69
Intangible assets		3.53	-	-	3.53
Financial assets					
i. Investments	A 4	33.10	(2.52)	-	30.58
ii. Other financial assets	A 1, B		(10.83)	64.83	54.00
Deferred tax assets (net)	A 6	54.49	15.49	-	69.98
Loans	B	178.60	-	(178.60)	-
Non-current tax assets (net)	B	-	-	7.23	7.23
Other non-current assets	B	80.60	-	98.03	178.63
				-	-
Current assets					
Inventories	A 8	1,303.60	42.50	-	1,346.10
Financial assets					
i. Trade receivables	A 3, B	1,674.71	(72.07)	15.77	1,618.41
ii. Cash and cash equivalents		8.19	-	-	8.19
iii. Other financial assets	B	-	-	0.18	0.18
Other current assets	A 1, B	213.70	9.97	(7.44)	216.23
Total assets		5,184.80	193.26	0.00	5,378.06
Equity and liabilities					
Equity					
Equity Share capital		30.00	-	-	30.00
Other equity		965.20	(27.76)	-	937.44
Liabilities					
Non-current liabilities					
Financial liabilities					
i. Borrowings	A 7, B	1,310.20	(0.87)	(17.34)	1,291.99
ii. Lease Liabilities	A 2	-	163.66	-	163.66
Provisions	A 5	9.26	8.09	-	17.35
		-	-	-	-
Current liabilities					
Financial liabilities					
i. Borrowings		1,876.44	-	-	1,876.44
ii. Lease Liabilities	A 2	-	46.27	-	46.27
iii. Trade payables					
total outstanding dues of micro enterprises and small enterprises					
total outstanding dues of creditors other than micro enterprises and small enterprises	B	893.63	-	60.58	954.21
iv. Other financial liabilities	B	-	-	32.90	32.90
Other current liabilities	B	94.06	-	(76.14)	17.92
Provisions	A 5, B	6.01	3.87	(5.81)	4.07
Current tax liabilities (net)	B	-	-	5.81	5.81
Total equity and liabilities		5,184.80	193.26	(0.00)	5,378.06

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Reconciliation of profit or loss for the year ended March 31, 2023:

Particulars	Note	Indian GAAP (regrouped)	Ind AS Adjustments	Reclassification	Ind- AS
Revenue					
Revenue from operations	A 8, B	6,149.40	(3.54)	(16.48)	6,129.38
Other income	A 1, B	29.00	1.92	-3.88	27.04
Total income		6,178.40	(1.62)	(20.36)	6,156.42
Expenses					
Cost of raw material and components consumed		3,199.75	-	-	3,199.75
Changes in inventories of finished goods, work-in-progress and scrap	A 8	(372.30)	(8.52)	-	(380.82)
Employee benefits expense	A 5, B	544.63	1.51	4.89	551.03
Finance costs	A 2, A 7	212.80	15.46	-	228.26
Depreciation and amortization expense	A 2	314.10	40.74	-	354.84
Other expenses	A 3, B	2,070.60	(27.20)	(25.25)	2,018.15
Total expenses		5,969.58	21.99	(20.36)	5,971.21
Profit before tax		208.82	(23.63)	(0.00)	185.21
Tax expense:					
i. Current tax		64.65	-	-	64.65
ii. Adjustment of tax relating to earlier periods		(0.26)	-	-	(0.26)
iii. Deferred tax	A 6	(9.70)	(10.13)	-	(19.83)
Total tax expenses		54.69	(10.13)	-	44.56
Profit for the year		154.13	(13.50)	(0.00)	140.65
Other comprehensive income					
A. Items that will not be reclassified to profit or loss					
Re-measurement (loss)/gain on defined benefit plans	A 5	-	2.99	-	2.99
Income tax relating to above items		-	(1.03)	-	(1.03)
Items that will be reclassified to profit or loss in subsequent periods					
Net (loss)/gain on investment through Other Comprehensive Income	A 4	-	(2.48)	-	(2.48)
Income tax relating to above items		-	0.85	-	0.85
Net other comprehensive (loss)/income not to be reclassified to profit or loss in subsequent periods		-	0.33	-	0.33
Total other comprehensive income, net of tax		-	0.33	-	0.33
Total comprehensive income for the year		154.13	(13.17)	(0.00)	140.98

Reconciliation of statement of cash flow for the year ended 31 March 2023

	Indian Gaap	Adjustments	Ind AS
Net cash flow from operating activities	224.50	61.40	285.90
Net cash flow from investing activities	(595.20)	(102.19)	(697.39)
Net cash used in financing activities	378.10	35.88	413.98
Net increase in cash and cash equivalents	7.40	(4.91)	2.49
Cash and cash equivalents at the beginning of the year	0.70	5.00	5.70
Cash and cash equivalents at the end of the year	8.10	0.09	8.19

Footnotes to the reconciliation of equity
A.1 Security deposits

Under Indian GAAP, the security deposits paid for lease rent are shown at the transaction value whereas under Ind AS, the same are recognised initially at fair value and subsequently recorded at amortized cost. Accordingly, the difference between the transaction and fair value of the security deposits paid towards lease rent is recognized as deferred lease rent and is amortized over the period of the lease term on straight line basis as rent expense. Further, interest is accreted on the fair value of the security deposits and interest income is recognised over the tenure of security deposit.

A.2 Leases

Under Indian GAAP, the payments made under operating leases are charged to the statement of profit and loss. Under Ind AS, the Company has elected full retrospective approach and recognised right-of-use assets and lease liabilities on the transaction date. The impact of accumulated depreciation on right-of-use assets recognised and impact of interest on lease liability since the inception has been accounted in retained earnings. Further, impact of interest accretion is shown under finance cost.

A.3 Impairment of financial assets - Trade receivables

Under Indian GAAP, the Company has not recognised provision for trade receivables. Under Ind AS, the Company followed simplified approach to compute expected credit loss on trade receivables. The Company has measured loss allowance at an amount equal to lifetime expected credit losses for the trade receivables that do not contain a significant financing component.

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A.4 Investments

- a) Under the Previous GAAP, long term investments were measured at cost less diminution in value which is other than temporary. Under the Ind AS, investments in equity instruments of companies other than Subsidiaries are measured at fair value. As at the transition date, the Company has accounted for these investments at fair value through other comprehensive income (FVTOCI).
- b) Under the Previous GAAP, the Company accounted for investments in mutual funds as non current investments measured at cost. Under Ind AS, the Company has designated such investments at fair value through other comprehensive income which are to be measured at fair value at each reporting date. The difference between the fair value of these instruments and Indian GAAP carrying amount has been adjusted in the retained earnings and the impact of subsequent measurement is recognised as other comprehensive income.

A.5 Employee benefits - Defined Benefit Plan (Gratuity):

Both under Indian GAAP and Ind AS, the Company recognises costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of Profit and Loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses] are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through Other Comprehensive Income (OCI).

A.6 Deferred tax assets

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

A.7 Term Loan

Under Indian GAAP, the transaction costs incurred in connection with borrowings are amortised on a straight line basis in the statement of profit and loss. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

A.8 Revenue and cost of sales

The management has reevaluated the timing of revenue recognition for the prior periods, ensuring that revenue is recognized when control of goods or risk and rewards is transferred to the customer (as per Ind AS 115 or AS 9). The adjustment made above is necessary to correct the recognition of revenue and corresponding cost of sales in the proper period.

A.9 Export incentives

The Company had recognized export incentives under the RODTEP (Remission of Duties and Taxes on Export Products) scheme in its financial statements prepared in accordance with Previous GAAP. Under Ind AS, such incentives have been accounted for in accordance with the requirements of Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance. Accordingly, the export incentive income has been reclassified/adjusted as per Ind AS, resulting in changes in the classification and timing of recognition as compared to Previous GAAP.

B Reclassification done to comply with the presentation requirement of Schedule III of the Companies Act, 2013

Appropriate re-groupings have been made, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the Ind AS financial information of the Company for the year ended 31 March 2025 prepared in accordance with amendment to Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018, as amended.

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40 Additional regulatory information required by Schedule III

(i) Details of Benami Property held

The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(iii) Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(iv) Compliance with number of layers of companies

The Company has not made investment in any other company.

(v) Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

(vi) Utilisation of borrowed funds

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

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

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(vii) Undisclosed income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

(viii) Details of crypto currency or virtual currency

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

(ix) Valuation of Property plant & equipment and other intangible asset

The Company has not revalued its property, plant and equipment or intangible assets or both during the current year

(x) Title deeds of immovable properties not held in name of the company

The title deeds of immovable property are held in the name of company except as disclosed in note 3.

(xi) Registration of charges or satisfaction with Registrar of Companies

The company doesn't have charges pending for registration with the ROC beyond the statutory period. However, correction/modification/Satisfaction of charges in respect of some of the charges in favour of HDFC Bank Ltd. and YES Bank Ltd. are under process for correction/modification/satisfaction.

41 Events after the reporting period

The Board of Directors of the Company in its meeting held on 10 September 2025 and shareholders of the Company in the Extra Ordinary General Meeting held on 13 September 2025 approved the sub-division of 3,000,000 equity shares of ₹ 10 each into 15,000,000 equity shares of ₹ 2 each and issuance of bonus equity share of ₹ 2 each in the ratio of 5:1 for the Equity shares of ₹ 2 each.

42 Audit trail

The accounting software used for maintaining its books of account of the Company for the period ended for the year ended 31 March 2023 has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year. The management has not come across any instance of the audit trail feature being tampered with in respect of the accounting software for the period for which the audit trail feature was operating and the audit trail was preserved as per the statutory requirement for record retention.

43 Rounding off

Amounts mentioned as "0" in the Financial Information denote amounts rounded off being less than ₹ Ten thousand.

As per our attached report of even date

For J.R.Khanna & Co.

Chartered Accountants

Firm registration number

Anil Khanna
Proprietor
M No.083275

Place : Parwanoo
Date : 20.09.2025



For and on behalf of the Board of Directors of
Milestone Gears Private Limited

Ashok Kumar Tandon
Director
DIN : 00968232

Place : Parwanoo
Date : 20.09.2025

Pankaj Budhiraja
Chief Financial Officer

Place : Parwanoo
Date : 20.09.2025

Aman Tandon
Managing Director
DIN: 02159395

Place : Parwanoo
Date : 20.09.2025

Mohinder Singh
Company Secretary
M No. A-21857

Place : Parwanoo
Date : 20.09.2025