

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Milestone Gears Private Limited

Report on the Audit of the Special Purpose Interim Financial Statements for the Quarter Ended 30 June 2025

1. Opinion

We have audited the accompanying special purpose interim financial statements (the "Special Purpose Interim Financial Statements") of Milestone Gears Private Limited (the "Company"), which comprise the Special Purpose Balance Sheet as at 30 June 2025, 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 quarter then ended, and a summary of material accounting policies and other explanatory notes.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Interim Financial Statements is prepared, in all material respects, in accordance with the basis set out in note 2.1 to the Special Purpose Interim Financial Statements.

2. Basis for Opinion

We conducted our audit of the Special Purpose Interim Financial Statements in accordance with the Standards on Auditing (SAS) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Interim Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder, and we have fulfilled our other responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Special Purpose Interim Financial Statements.

3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Special Purpose Interim Financial Statements for the quarter ended June 30, 2025. These matters were addressed in the context of our audit of the Special Purpose Interim financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Special Purpose Interim financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Special Purpose Interim financial statements. The results of our audit procedures, including the procedures performed to address the matters below,

HNO 515, SECTOR 36 B, CHANDIGARH

TEL: (91)-(172)-4007725

EMAIL - khannaanil@jrkites.com



provide the basis for our audit opinion on the accompanying Special Purpose Interim financial statements.

Key audit matters	How our audit addressed the key audit matter
New Product Development (NPD): The Company had commenced capitalisation of development costs related to new product lines effective FY 2024–25, pursuant to confirmed commercial orders. In accordance with Indian Accounting Standard (Ind AS) 38 – Intangible Assets, development expenditure incurred on materials, direct overheads, and other attributable costs is initially recognised as Intangible Assets Under Development. Upon commencement of commercial supply, the Intangible Assets underdevelopment is transferred to Intangible Assets and amortised over a period of five years, representing the estimated economic life of the developed products. During the period, INR 43.21 millions were recognized as Intangible Assets Under Development and INR 46.37 million were transferred to Intangible Assets upon commercial supplies. Refer to Note 6 to the Special Purpose Interim financial statements.	Our audit procedure among others included the following : -Took management Representation regarding the development of new product along with the list of items being developed. -Verified the working of estimated cost including direct overheads attributable to NPD with relevant supporting. - Obtained Independent Chartered Engineers Certificate in support of attributable cost.
Borrowings: In reference to Note 16 and Note 18 of the Special Purpose Interim financial statements the company has carrying amount of INR 3,840.90 million of borrowings (including interest accrued) as at 30 June 2025 for various purposes including term loans and bills discounting.	Our audit procedure among others included the following: -Took management Representation regarding the utilisation of the funds for the purpose for which they were borrowed and there is no diversion of funds. -Verified the movement with the bank statements. -Obtained bank confirmations for the outstandings. -Verified that there is no default in repayment of the instalment or interest thereon.



Investments:

In reference to Note 7 of the Special Purpose Interim financial statements, the company is carrying Rs. 35.83 millions in preference shares in a related party concern and Rs. 0.87 million in unquoted Fund. The carrying amount has been determined at fair value through Other Comprehensive Income

Our audit procedure among others included the following:

- Independent valuation was done in the case of investment in related party for arriving at the carrying amount of Rs. 35.83 millions.
- Valuation determined by fund has been considered for investment in unquoted fund in reference to carrying value of Rs. 0.87 millions.

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

We draw attention to Note 2.1 to the Special Purpose Interim Financial Statements, which describes the purpose and basis of preparation. The Special Purpose Interim 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 Interim Financial Statements may not be suitable for any another purpose. The Special Purpose Interim 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.

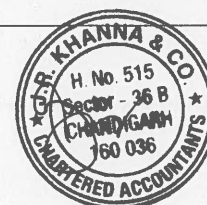
5. Other Matters : Key qualifications or adverse remarks in reference to the clauses as per the Companies (Auditor's Report) Order, 2020

- i. Clause (vii) (a): Provident fund of INR 0.04 million and labour welfare fund of INR 0.02 million for the financial year 2024-25 have not been paid till 30 June 2025 due to mismatch in employee records with Company and PF department.

Our opinion is not modified in this matter.

6. Responsibilities of Management and those Charged with Governance for the Special Purpose Interim Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Special Purpose Interim Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the basis stated in Note 2.1 to the Special Purpose Financial Statements for the purpose set out in paragraph 3 above.



This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Interim Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Special Purpose Interim Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the Special Purpose Interim Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Interim Financial Statements.

As part of an audit in accordance with SAS, 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 Interim Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal financial 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 the effectiveness of the Company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management'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 Interim Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the Special Purpose Interim Financial Statements, including the disclosures, and whether the Special Purpose Interim Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Special Purpose Interim Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Interim Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Interim Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

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 & Company

Chartered Accountants

ICAI Firm Registration No.:004315N

Anil Khanna

Proprietor

Membership No. 083275:



Place: Parwanoo

Date: 20 September 2025

UDIN : 25083275BMGYQC5894

Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Balance Sheet as at 30 June 2025
(All amounts in ₹ millions, unless stated otherwise)

Particulars	Notes	As at 30 June 2025
Assets		
Non-current assets		
Property, plant & equipment	3	1,503.16
Right-of-use assets	38	364.64
Capital work-in-progress	4	417.33
Intangible assets	5	102.95
Intangible assets under development	6	282.54
Financial assets		
(i) Investments	7	36.70
(ii) Other financial assets	8	123.82
Deferred tax assets (net)	29	86.71
Non Current tax assets (net)	9	7.27
Other non-current assets	10	47.28
Total non-current assets		2,972.40
Current assets		
Inventories	11	1,722.87
Financial assets		
(i) Trade receivable	12	1,710.08
(ii) Cash and cash equivalents	13	0.39
(iii) Other financial assets	8	0.14
Other current assets	10	112.49
Total current assets		3,545.97
Total assets		6,518.37
Equity and liabilities		
Equity		
Equity share capital	14	30.00
Other equity	15	1,325.68
Total equity		1,355.68
Liabilities		
Non-current liabilities		
Financial liabilities		
(i) Borrowings	16	771.75
(ii) Lease liabilities	38	268.73
Provisions	19	20.06
Total non-current liabilities		1,060.54
Current liabilities		
Financial liabilities		
(i) Borrowings	16	3,054.06
(ii) Lease liabilities	38	111.68
(iii) Trade payables		
total outstanding dues of micro enterprises and small enterprises	17	23.19
total outstanding dues of creditors other than micro enterprises and small enterprises	17	814.30
(iv) Other financial liabilities	18	47.51
Other current liabilities	20	30.10
Provisions	19	6.02
Current tax liabilities (net)	21	15.29
Total current liabilities		4,102.15
Total equity & liabilities		6,518.37

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 - 25083275BMGYQC5894

Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Statement Of Profit And Loss
for the period ended 30 June 2025
(All amounts in ₹ millions, unless stated otherwise)

Particulars	Notes	For the period ended 30 June 2025
Income		
Revenue from operations	22	1,680.34
Other income	23	4.90
Total income(I)		1,685.24
Expenses		
Cost of raw material and components consumed	24 (a)	749.40
Changes in inventories of finished goods, work-in-progress and scrap	24 (b)	(33.76)
Employee benefit expenses	25	142.05
Finance costs	26	81.56
Depreciation & amortization expenses	27	110.09
Other expenses	28	509.88
Total expenses(II)		1,559.22
Profit before tax (I-II)		126.02
Tax Expenses		
Current tax	29	37.80
Deferred tax	29	(5.39)
Total tax expense		32.41
Profit for the period		93.61
Other comprehensive income		
Items that will not to be reclassified to profit or loss		
Re-measurement gains/ (losses) on defined benefit plans		(0.76)
Income tax relating to above items		0.19
Net other comprehensive income not to be reclassified to profit or loss		(0.57)
Items that will be reclassified to profit or loss		
Net (loss)/gain on investment through Other Comprehensive Income		0.00
Income tax relating to above items		(0.00)
Net other comprehensive income to be reclassified to profit or loss		0.00
Total other comprehensive (loss) net of tax		(0.57)
Total comprehensive income for the period		93.04
Earning per equity share (EPS) of par value ₹ 10 each		
Basic and Diluted (₹)	30	1.04

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

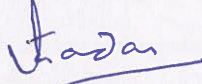
Anil Khanna
Proprietor
M No.083275



Place : Parwanoo
Date : 20.09.2025

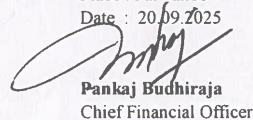
For and on behalf of the Board of Directors of
Milestone Gears Private Limited

Ashok Kumar Tandon
Director
DIN : 00968232



Place : Parwanoo
Date : 20.09.2025

Pankaj Budhiraja
Chief Financial Officer



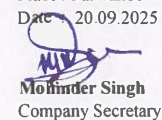
Place : Parwanoo
Date : 20.09.2025

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 - 250832753MGYQC5894

Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special purpose Statement of Cash flows
for the period ended 30 June 2025
(All amounts in ₹ millions, unless stated otherwise)

Particulars	For the period ended 30 June 2025
A. Cash flow from operating activities	
Profit before tax	126.02
Adjustment For :	
Finance cost	81.27
Unrealized foreign exchange loss/(gain)	(2.21)
Interest income on fixed bank deposits	(1.08)
Loss/(gain) on sale of property, plant and equipment and capital work-in-progress	0.01
Interest income on security deposits	(0.35)
Balance written off	-
Bad debts written off	9.25
Excess provisions / liabilities no longer required written back	(0.88)
Reversal of loss allowance	(0.44)
Allowance for bad and doubtful debts	-
Depreciation and amortization expenses	110.09
Operating cash flows before working capital changes	321.68
Working capital adjustments:	
(Increase)/decrease in inventories	(53.75)
(Increase)/decrease in trade receivables	(280.44)
(Increase)/decrease in other current assets	26.50
Decrease/(increase) in other financial assets	(9.23)
Increase/(decrease) in trade payables	80.96
(Decrease)/increase in other current liabilities	14.53
(Decrease)/increase in financial liabilities	8.69
Increase / (decrease) in provisions	3.84
Cash generated from operations	112.78
Income taxes paid (net)	(26.32)
Net cash flow from operating activities (A)	86.46
B. Cash flow from investing activities	
Payment for purchase of property, plant & equipment including capital work-in-progress (excluding borrowing cost)	(32.25)
Payment for purchase of intangible assets	(43.22)
Proceeds from sale of property, plant and equipment and capital work-in-progress	0.24
Investment in fixed deposits	-
Interest income received	-
Net cash used in investing activities (B)	(75.23)
C. Cash flow from financing activities	
Proceeds from borrowings	238.64
Repayment of borrowings	(140.47)
Repayment of lease liability	(26.96)
Interest paid on lease liability	(8.54)
Interest paid	(73.90)
Net cash used in from financing activities (C)	(11.23)
Net increase / (decrease) in cash and cash equivalents (A)+(B)+(C)	0.00
Cash and cash equivalents at the beginning of the year	0.39
Cash and cash equivalents at the end of the year	0.39
Components of cash and cash equivalents	
Cash on hand	0.38
Balances with banks	
In current accounts	0.01
Cash and cash equivalents at year end (refer note 13)	0.39

Mani



Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special purpose Statement of Cash flows
for the period ended 30 June 2025
(All amounts in ₹ millions, unless stated otherwise)

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 , 2025	Cashflows (net)	Other changes	Closing balance as at 30 June 2025
Borrowings	3,727.57	98.17	0.07	3,825.81
Lease liabilities	355.60	(35.50)	60.31	380.41

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

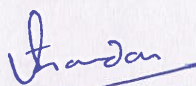
Firm registration number : 004315N



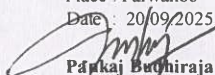
Anil Khanna
Proprietor
M No.083275

Place : Parwanoo
Date : 20.09.2025

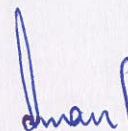
For and on behalf of the Board of Directors of
Milestone Gears Private Limited


Ashok Kumar Tandon
Director
DIN : 00968232

Place : Parwanoo
Date : 20.09.2025

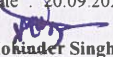

Parkaj Buthiraja
Chief Financial Officer

Place : Parwanoo
Date : 20.09.2025



Aman Tandon
Managing Director
DIN: 02159395

Place : Parwanoo
Date : 20.09.2025


Mohinder Singh
Company Secretary

Place : Parwanoo
Date : 20.09.2025

Milestone Gears Private Limited
CIN : U29130HP1984PTC005831
Special Purpose Statement of Changes in Equity
(All amounts are in ₹ millions, unless otherwise stated)

A) Equity Share Capital

Particulars	Numbers	Amount
Balance as at 31 March 2025	30,00,000	30.00
Changes in equity share capital during the period	-	-
Balance as at 30 June 2025	30,00,000	30.00

B) Other Equity

Particulars	Reserve and Surplus		Total Equity
	Retained earnings	Equity instruments through Other Comprehensive Income	
Balance as at 31 March 2025	1,229.69	2.95	1,232.64
Profit for the period	93.61	-	93.61
Other comprehensive income/(loss) for the period	(0.57)	-	(0.57)
Balance as at 30 June 2025	1,322.73	2.95	1,325.68

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. A21857

Place : Parwanoo
Date : 20.09.2025

Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(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 30 June 2025 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 30 June 2025; 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 period ended 30 June 2025 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 period ended 30 June 2025 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 20th 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

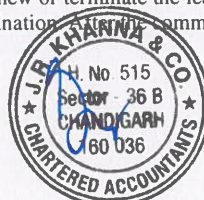
In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the Special Purpose Financial Statements:

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. At the commencement date, the Company reassesses the lease term

Shanul



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(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

aman



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(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.

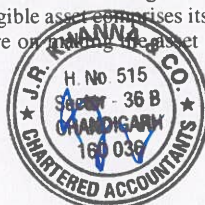
Derecognition

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

Signature



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(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

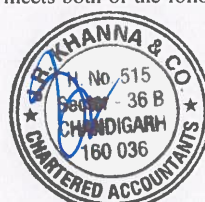
Financial assets and liabilities are initially recognized on the trade date, i.e. the date on which the Company becomes a party to the contractual provisions of the instrument. Recognized financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the 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):

Mani



Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 30 June 2025****(Amount in INR millions, unless otherwise stated)**

- 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:



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(Amount in INR millions, unless otherwise stated)

- 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

Shant



Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 30 June 2025****(Amount in INR millions, unless otherwise stated)**

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

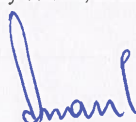
Deferred tax is recognized, using the balance sheet method, on all deductible and taxable temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and on carry forward of unused tax credits and unused tax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



Milestone Gears Private Limited

Notes to the special purpose financial statements for the period ended 30 June 2025

(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.

Amn



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(Amount in INR millions, unless otherwise stated)

l) 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.

Amul



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(Amount in INR millions, unless otherwise stated)

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 period 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

Amal



Milestone Gears Private Limited
Notes to the special purpose financial statements for the period ended 30 June 2025
(Amount in INR millions, unless otherwise stated)

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.

Mani



Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 30 June 2025****(Amount in INR millions, unless otherwise stated)**

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:

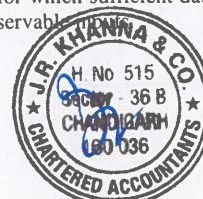
- In the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

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.



Milestone Gears Private Limited**Notes to the special purpose financial statements for the period ended 30 June 2025****(Amount in INR millions, unless otherwise stated)**

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.



Milestone Gears Private Limited

Notes to the special purpose financial statements for the period ended 30 June 2025

(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.

aman



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
Cost:											
As at 31 March 2025	158.88	0.20	103.48	7.31	60.57	1,693.18	19.29	10.17	38.55	8.49	2,100.12
Additions	-	-	-	0.29	1.34	-	-	0.15	-	0.30	2.08
Transferred from CWIP	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	(0.97)	-	-	-	(0.97)
As at 30 June 2025	158.88	0.20	103.48	7.60	61.91	1,693.18	18.32	10.32	38.55	8.79	2,101.23
Accumulated depreciation											
As at 31 March 2025	-	-	17.11	3.58	25.26	451.59	4.15	4.02	12.04	5.46	523.21
Depreciation charged for the period	-	0.00	1.92	0.37	3.59	66.42	1.07	0.39	1.47	0.36	75.59
Disposals	-	-	-	-	-	-	(0.73)	-	-	-	(0.73)
As at 30 June 2025	-	0.00	19.03	3.95	28.85	518.01	4.49	4.41	13.51	5.82	598.07
Net carrying amount											
As at 30 June 2025	158.88	0.20	84.45	3.65	33.06	1,175.17	13.83	5.91	25.04	2.97	1,503.16

Notes:

- Property plant and equipment are subject to charge, to secure the Company's borrowings as disclosed in Note 16.
- Refer note 32 for disclosure of contractual commitments for the acquisition of property, plant and equipment.
- There are no impairment losses recognised during each reporting period.

<This page intentionally left blank>

[Signature]



4 Capital work-in-progress

	As at 30 June 2025
Balance at the beginning of the period	325.02
Addition	92.31
Disposal	
Transferred to property, plant & equipment	-
Balance at the end of the year	417.33

Capital work in progress (CWIP) Ageing Schedule

As at 30 June 2025

	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	282.78	70.13	63.72	-	416.63
Projects temporarily suspended	-	-	-	0.70	0.70

- (i) There are no project whose completion is overdue or has exceeded its cost compared to its original plan as at 30 June 2025
(ii) Borrowing costs:- The amount of borrowing costs added in capital work-in-progress during the period ended 30 June 2025: ₹ 3.75 millions.

5 Intangible assets

Cost:

As at 31 March 2025

Additions

As at 30 June 2025

Accumulated amortisation

As at 31 March 2025

Amortization charge for the period

As at 30 June 2025

Net carrying amount

As at 30 June 2025

Product development cost	Softwares	Total
69.53	7.15	76.68
46.37	-	46.37
115.90	7.15	123.05
9.37	4.97	14.34
5.57	0.19	5.76
14.94	5.16	20.10
100.96	1.99	102.95

Notes:

- i.) No Intangible assets are pledged as security by the Company
ii.) 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

6 Intangible assets under development

Cost:

As at 31 March 2025

Additions

Capitalized during the period

As at 30 June 2025

Intangible assets under development ageing schedule

As at 30 June 2025

	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	282.54	-	-	-	282.54

Note:

- (i) There are no project whose completion is overdue or has exceeded its cost compared to its original plan as at 30 June 2025.

Shant



7 Investments

Non Current Investment

Investments carried at fair value through Other Comprehensive Income (FVTOCI)

Investments in preference shares- Unquoted

6,850 0.0001% compulsory convertible preference shares of Polycycl Private Limited (Face value ₹ 10 each) (refer note (i))

Investment in Kotak Alternate Opportunity (India) Fund

Total

As at
30 June 2025

35.83

0.87

36.70

Notes:-

(i) The company had invested in 6,850 0.0001% compulsory convertible preference shares of Polycycl Private Limited. The charge during the period ended 30 June 2025, represents fair value change. These investments are designated as FVTOCI as they are not held for trading purpose.

8 Other financial assets

At amortized cost

Unsecured, considered good

Other receivables

Security deposits

Interest accrued on fixed bank deposits (refer note iv)

Fixed bank deposits (refer note iii)

Total

As at
30 June 2025

Non-current Current

0.14

-

-

-

-

0.14

Notes:

(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 16 for charge created on current assets as security against borrowings.

(iii) Interest accrued on fixed bank deposits pertains to above fixed bank deposits on which there is a lien from the bank. Hence, the same has been shown as non-current due to restriction of access of these interest amount.

9 Non-current tax assets (net)

Advance tax/TDS deducted (net of provision for income tax)

Income tax refund receivable*

Total

As at
30 June 2025

-

7.27

7.27

* 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.

10 Other assets

Balance with government authorities

Export incentives

Advance given to employees

Prepaid expenses

Capital advances

Advances to suppliers

Less: Provision

Total

As at
30 June 2025

Non-current Current

46.08

6.88

3.67

15.40

-

49.35

(8.89)

112.49

(i) Refer Note 16 for charge created on current assets as security against borrowings.

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

Raw materials

Work-in-progress

Finished goods

Packing material

Stores and spares

Scraps

Total

As at
30 June 2025

322.80

687.90

385.45

2.84

309.22

14.66

1,722.87

(i) Refer Note 16 for charge created on current assets as security against borrowings.

(ii) During the period ended 30 June 2025, ₹ Nil was recognized as an expense for inventories carried at net realizable value.

Amant



12 Trade receivables

	As at 30 June 2025
Carried at amortised cost	
Trade receivables (unsecured, considered good)	1,732.47
Less: Impairment allowance (allowance for bad and doubtful debts) (Unsecured, considered good)	(22.39)
Total	1,710.08

Trade receivables ageing as at 30 June 2025

Ageing analysis of trade receivables	Outstanding for following periods from due date of payment						Total
	Current but not due ^(b)	Less than 6 months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	
Undisputed – considered good	1,086.69	607.65	17.49	19.44	1.20	-	1,732.47
Total	1,086.69	607.65	17.49	19.44	1.20	-	1,732.47

Notes:-

- 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.
- Trade receivables are non-interest bearing and are generally on credit terms of 30 to 90 days.
- Refer note 16 for charge created on trade receivables as security against borrowings.
- The Company's exposure to credit and currencies risks, and loss allowances related to trade receivables are disclosed in Note 37B.
- There are no unbilled receivables, hence the same is not disclosed in ageing schedule.
- As at 30 June 2025, trade receivables include ₹ 0.32 millions due from related parties.

13 Cash and cash equivalents

	As at 30 June 2025
Cash on hand	0.38
Balances with banks	
- in Current accounts	0.01
Total	0.39

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

	As at 30 June 2025
Cash on hand	
Balances with banks	0.38
- in Current accounts	0.01
Total	0.39

14 Equity share capital

	As at 30 June 2025
Authorised share capital	
3,000,000 equity shares of ₹ 10 each	30.00
Issued, subscribed and fully paid up share capital	
3,000,000 equity shares of ₹ 10 each	30.00

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

Equity shares	As at 30 June 2025	
	Number of shares	Amount
At the beginning of the period	3,000,000	30.00
Issue of equity share capital	-	-
At the end of the period	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 shareholder.

Shan



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

	As at 30 June 2025	
	Number of shares	% holding
Equity shares of ₹ each fully paid up		
Ashok Kumar Tandon	1,749,900.00	58.33%
Aradhna Tandon	250,250.00	8.34%
Aman Tandon	499,780.00	16.66%
Amit Tandon	249,770.00	8.33%
Gagandeep Kaur Chawla	250,100.00	8.34%
	2,999,800	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 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 period.

(d) Details of shares held by the promoters:

Shares held by promoters as at 30 June 2025

Promoter name	No. of shares at the beginning of the period	Change during the period	No. of shares at the end of the period	% of Total Shares
Ashok Kumar Tandon	1,749,900		1,749,900	58.33%
Aman Tandon	499,880	(100.00)	499,780	16.66%
Total	2,249,780	(100.00)	2,249,680	74.99%

15 Other equity

	As at 30 June 2025
Retained earnings	1,322.73
Other comprehensive income	-
Other reserve	2.95
Total Other equity	1,325.68

Movement of reserves:

	30 June 2025
(A) Retained earnings	
Opening balance	-
Profit for the period	1,229.69
Transferred from other comprehensive income/ (loss) (net of taxes)	93.61
Total	(0.57)
	1,322.73

(B) Other comprehensive income	
Remeasurement of post employment benefit obligation	-
Opening balance	
Remeasurement (loss)/gain of post employment benefit plan	(0.57)
Transferred to retained earnings	0.57
Closing balance	-

(C) Other reserves	
Equity instruments through Other Comprehensive Income	
Opening balance	2.95
Changes during the period (net of taxes)	0.00
Closing balance	2.95

Total other equity (A+B)	-
	1,325.68

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.

Aman



16 Borrowings

Secured

Term Loan from banks and financial institutions
Cash credit
Letter of credit/bill discounting
Current maturity of long-term loans from banks

Unsecured

Loan from related party
Letter of credit/bill discounting

Total

As at 30 June 2025	
Non- Current	Current
771.75	-
-	1,856.70
-	296.60
-	384.83
-	63.81
-	452.12
771.75	3,054.06

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	
Rupee term loan from banks and NBFC include: (i) HDFC Bank Term Loan - ₹ 200 millions - Outstanding Loan of ₹ 75.32 millions as on 30 June 2025- - 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 (min 1-14), 418/6 (min 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 ₹ 110.62 millions as on 30 June 2025 - 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 FL, MFA of Unit - 9 specifically charged to SBI and MFA acquired out of DTL-2 of HDFC Bank) - Subservient Charge on all Current Assets and Moveable 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 : 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 ₹ 217.21 millions as on 30 June 2025 - 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 FL, MFA of Unit - 9 specifically charged to SBI and MFA acquired out of DTL-2 of HDFC Bank) - Subservient Charge on all Current Assets and Moveable 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 : 3M MCLR+1.75% p.a. Repayable in 6 years including 1 year of moratorium period.
(iv) HDFC Bank Term Loan - ₹ 71.4 millions - Outstanding Loan of Nil as on 30 June 2025 - 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 ₹ 99.21 millions as on 30 June 2025 - 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+5 bps. Repayable in 6 years including 2 year of moratorium period.
(vi) HDFC Bank Term Loan (Guarantee Emergency Credit Line) - ₹ 156 millions - Outstanding Loan of ₹ 29.33 millions as on 30 June 2025 - Term Loan under ECGLS, extension of second ranking charge over existing primary and collateral securities including mortgages created in favor of the Bank.	Rate of Interest : 1Y MCLR Repayable in 5 years including 1 year of moratorium period.
(vii) SBI Bank Term Loan - ₹ 80 millions - Outstanding Loan of ₹ 3.22 millions as on 30 June 2025 - The company has been sanctioned as Open Term Loan of Rs 80 Mn for purchase of plant and machinery (estimated cost of Project is 11.00 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.

Aman



Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the period ended 30 June 2025

(All amounts are in Indian rupees in millions, unless otherwise stated)

(viii) SBI Bank Term Loan ₹ 100 millions - Outstanding Loan of ₹ 17.00 millions as on 30 June 2025 - Hypothecation of proposed Fixed Assets (P&M) purchased out of Bank Finance of Rs. 10.00 Crore Hypothecation & pari passu 1st charge on Plant & Machinery & other Fixed assets situated at unit 8, Barotiwala, with ICICI Bank - 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 ₹ 53.10 millions as on 30 June 2025 - 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 ₹ Nil as on 30 June 2025 - 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. trs 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 Immovable Property measuring 07 Bighas 16 Biswas at village Barotiwala, Khata No. 107/147. Khasra no. 458/338/7/2-15.339/7/4-0 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 ₹ 203.99 millions as on 30 June 2025 - 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 3 bighas 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 ₹ 9.68 millions as on 30 June 2025 - 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
(xiii) SBI Bank (Guarantee Emergency Credit Line) - ₹ 104.5 millions - Outstanding Loan of ₹ 61.40 millions as on 30 June 2025 - 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
(xiv) YES Bank (Guarantee Emergency Credit Line) - ₹ 50 millions - Outstanding Loan of ₹ 9.45 millions as on 30 June 2025 - Term Loan under ECLGS, Second Charge on existing Charge on All Current Asset (Both present & future) - Second Charge on existing charge on Specific Moveable Fixed Asset (Other MFA)* (*Other Moveable 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 1 parwanoo (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+0.2% p.a. Repayable in 5 years including 1 year of moratorium period

Aman



(xv) YES Bank (Guarantee Emergency Credit Line) - ₹ 19 millions - Outstanding Loan of ₹ 3.59 millions as on 30 June 2025 - Term Loan under ECLGS, Second Charge on existing Charge on All Current Asset (Both Present & Future) - Second charge on existing charge on Specific Moveable Fixed Asset including Plant & Machinery & other MFA (Except in unit 8 and specifically charged to SBI/ICICI Bank for their Term Loan & Moveable 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 1 parwanoo (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 ₹ 31.03 millions as on 30 June 2025 - Term Loan under ECLGS, Second Charge on existing Charge on All Current Asset (Both present & future) - Second Charge on existing charge on Specific Moveable Fixed Asset (Other MFA)* (*Other Moveable Fixed Asset includes all the Moveable Fixed Assets except in unit 8 and specifically charged to Term Lenders for their Term Loan). Immoveable property plot no 58, industrial area Sector 1 parwanoo (Unit 1) Solan Himachal 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 ₹ 16.00 millions as on 30 June 2025 - Primary Security for Rupee Term Loan 3- Moveable 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 Moveable 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+0.8% p.a. Repayable in 7 years
(xviii) ICICI Bank Term Loan ₹ 160 millions - Outstanding Loan of ₹ Nil as on 30 June 2025 - Primary Security (for Term Facilities)- Moveable Fixed Asset (Charge on the Fixed Assets created out of disbursement of Term Loan from ICICI Bank). Hypothecation of the moveable 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* - Moveable 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+1.4% p.a. Repayable in 7 years including 2 year of moratorium period.
(xix) Vehicle loans - Outstanding Loan of ₹ 11.85 millions as on 30 June 2025 - Vehicle loans is secured by hypothecation of respective vehicles	Rate of Interest : 7.90%-8.25% Repayable in equated monthly installments over 5- 7 years
(xx) HDFC Bank Cash Credit ₹ 800 millions - Outstanding Loan of ₹ 833.73 millions (includes unrepresented cheques amounting to ₹97.83 million) as on 30 June 2025 - 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. mts at Industrial area Parwanoo 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. mts at Industrial Area Barotiwala District Solan (H.P.) : Immoveable property situated at Unit-VII at vill. Barotiwala Khasra no. 463/391/3, admeasuring 1 Bighas & 17 Biswas : on immoveable Fixed Assets (both present & future) of the company situated at Barotiwala Dist. Solan (H.P) bearing Khata No. 97/13, Khasra 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 entrie MFA (Except Moveable 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 : 7.25%-8.20%
(xxi) SBI Bank Cash Credit ₹ 575 millions - Outstanding Loan of ₹ 548.52 millions as on 30 June 2025 - 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 ₹1900 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. mts at Industrial area Parwanoo 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 moveable 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%
(xxii) Yes Bank Cash Credit ₹ 525 millions - Outstanding Loan of ₹ 474.44 millions as on 30 June 2025 - First Pari Passu charge on all the Current Assets of the borrower (Both present & future) - First Pari Passu Charge by way of mortgage of immoveable property situated on Plot no 58, Industrial Area Phase 1, Parwanoo (Unit -1) Solan Himachal Pradesh. - Second Pari Passu Charge by way of mortgage on specific Moveable Fixed Assets and other MFA *Other MFA includes all moveable 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. Immoveable 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%

Aman



Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the period ended 30 June 2025

(All amounts are in Indian rupees in millions, unless otherwise stated)

(xxiii) HDFC Bill discounting ₹ 300 millions Outstanding Loan of ₹ 296.61 millions as on 30 June 2025 -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 Frechold 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
(xxiv) Export Import Bank TL ₹ 240 millions Outstanding Loan of ₹ 220.04 millions as on 30 June 2025 *Sanctioned Limit 24.00 Crores : -Exclusive Charge by way of hypothecation of machinaries financed out of EXIM BANK LOAN and Second Pari-Passu charge on the entire movable fixed assets (both present & future) other than those exclusively charged to other lenders including EXIM BANK. Personal Guarantee of Mr. Ashok Tandon & Mr. Aman Tandon	Interest-MCLR(1YR)+0.25% P.A Repayment-60 Equal Monthly Installment

Unsecured	
(xxv) SBI Electronic Vendor Finance ₹ 400 millions Outstanding Loan of ₹ 393.19 millions as on 30th June 2025	91 days T bill 6.56% above 1.95
(xxvi) A. Treeds Ltd ₹ 150 millions Outstanding Loan of ₹ 58.93 millions as on 30th June 2025	Rate of Interest- 9.00%-9.80%
(xxvii) Loan from Related Party (Unsecured) Outstanding Loan from director for ₹ 63.81 millions as on 30 June 2025	Interest free demand loan

17 Trade payables

	As at 30 June 2025
Trade payable	
Total outstanding dues of micro enterprises and small enterprises (MSME) and (refer note 31)	23.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	814.30
Total	837.49
 Trade payables	 835.89
Trade payables to related parties	1.60

Trade payables ageing as at 30 June 2025

	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		23.19	-	-	-	-	23.19
Total outstanding dues of creditors other than micro and small enterprises	78.34	496.58	231.16	2.76	1.57	3.89	814.30
Disputed dues of micro and small enterprises		-	-	-	-	-	-
Disputed dues of other than micro and small enterprise		-	-	-	-	-	-
Total	78.34	519.77	231.16	2.76	1.57	3.89	837.49

Notes:-

(i) Trade payables are non-interest bearing and are normally settled on 90 day terms

(ii) For explanations on the Company's credit risk management processes, refer to Note 37.

18 Other financial liabilities

	As at 30 June 2025
Interest accrued on borrowings	15.08
Capital creditors	4.29
Other payables	28.14
Total	47.51

19 Provisions

Provisions	As at	
	30 June 2025	
	Non- Current	Current
	10.32	-
Provision for gratuity (refer note 39)	9.74	6.02
Provision for compensated absences		
Total	20.06	6.02

20 Other Current liabilities

	As at 30 June 2025
Advances from customers	6.20
Statutory dues payable	23.90
Total	30.10

21 Current tax liabilities

	As at 30 June 2025
Current tax liabilities (net of advance tax and TDS)	15.29
Total	15.29

Aman



22 Revenue from operations

	For the period ended 30 June 2025
Revenue from operations	
Revenue from contract with customers	
Type of goods and services	
Sale of product	1,574.08
Sale of service	2.39
Total revenue from contracts with customers	1,576.47
Other operating revenue	
	For the period ended 30 June 2025
Duty Drawback and Export Benefit (refer note (i))	6.19
Sale of scrap	97.68
Total other operating revenue	103.87
Total revenue from operations	1680.34

(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. For the period ended 30 June 2025, the Company has recognized income of ₹ 2.32 million from RoDTEP under Operating Revenue, upon fulfillment of the conditions of the scheme and reasonable assurance of receipt.

a) Disaggregation of revenue

India	1,404.25
Outside India	172.22
Total revenue from contracts with customers	1,576.47

Performance obligations

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

b) Timing of revenue recognition

Goods transferred at a point in time	1,574.08
Services transferred at a point in time	2.39
Total revenue from contracts with customers	1,576.47

Sale of goods & services

The performance obligation is satisfied upon delivery of the goods.

c) Reconciliation the amount of revenue recognized in the restated statement of profit and loss with the contracted price:

Revenue as per contract	1,578.22
Adjustments for variable consideration	
Discounts and rebates	1.75
Revenue from contracts with customers	1,576.47

Contract balances

Trade receivables*	1,710.08
Advances from customers**	6.20

*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.

23 Other income

	For the period ended 30 June 2025
Interest income on financial assets measured at amortized cost	
- on fixed deposits	1.08
- on security deposits	0.35
Liabilities written back	0.88
Reversal of loss allowance for bad and doubtful debts	0.44
Gain on sale of property, plant & equipment	-
Gain on Foreign Exchange variation (net)	1.83
Gain on sale of property, plant and equipment and capital work-in-progress	-
Rental income	0.32
Total	4.90

Mani



24 a. Cost of raw material and components consumed

	For the period ended 30 June 2025
Cost of raw materials and components consumed	
Inventory at the beginning of the year	321.63
Add: Purchases (net)	750.57
	1,072.20
Less: inventory at the end of the year	322.80
Cost of raw material and components consumed	749.40

b. Changes in inventories of finished goods, work-in-progress and scrap & waste

	For the period ended 30 June 2025
Opening balance	
Finished goods	351.76
Work-in-progress	688.06
Scrap & waste	14.43
Total opening balance	1,054.25
Closing balance	
Finished Goods	385.45
Work-in-progress	687.90
Scrap & Waste	14.66
Total closing balance	1,088.01
(Increase)/Decrease in inventory	
Finished Goods	(33.69)
Work-in-progress	0.16
Scrap & Waste	(0.23)
(Increase)/Decrease in inventory	(33.76)

25 Employee benefit expenses

	For the period ended 30 June 2025
Salaries, wages and bonus	127.21
Contribution to provident & other funds	7.15
Gratuity (refer note 39)	2.21
Compensated absences (refer note 39)	1.82
Staff welfare expenses	3.66
Total	142.05

26 Finance costs

	For the period ended 30 June 2025
Interest on	
- Borrowings	70.90
- Lease liabilities	8.54
- Others	1.83
Bank charges	0.29
Total	81.56

27 Depreciation & amortization expense

	For the period ended 30 June 2025
Depreciation of property, plant & equipment (refer note 3)	75.59
Amortization of intangible assets (refer note 5)	5.76
Depreciation of right-of-use assets (refer note 38)	28.74
Total	110.09

Mani



28 Other expenses

	For the period ended 30 June 2025
Consumption of loose tools	123.37
Consumption of stores and spares	4.11
Packing materials	19.01
Labour/Job work charges	167.11
Rent expenses	6.93
Repair & maintenance	
- Buildings	10.38
- Plant & machinery	27.78
- Others	7.06
Vehicle running & maintenance	9.32
Power, fuel and water	76.93
Freight and forwarding expenses	23.48
Rates & taxes	1.42
Legal and professional fees	7.91
Travelling and conveyance	3.04
CSR activities & donation (refer details below Note ii)	0.01
Payment to auditors (refer details below note i)	0.58
Marketing expenses	0.91
Loss on sale of property plant & equipment	0.01
Balance written off	-
Bad debts written off	9.25
Loss allowance for bad and doubtful advances	-
Security charges	3.94
Testing and calibration expenses	0.74
Printing and stationary	1.32
Insurance expenses	1.90
Miscellaneous expenses	3.37
Total	509.88

(i) Payment to Auditors

	For the period ended 30 June 2025
As statutory auditor:	
- Statutory audit fee	0.58
- Tax audit fee	-
- Out of pocket expenses	-
Total	0.58

(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.

	For the period ended June 30, 2025
a) Gross amount required to be spent by the Company during the year	0.95
Shortfall/(Excess) of the previous year carried forward as per sec 135 of the Companies Act 2013	(0.05)
Balance amount required to be spent during the year	0.90
b) Amount spent during the period*	-
c) Shortfall/(Excess) at the end of the year out of the amount required to be spent by the Company during the period	-
d) Previous years shortfall spent during the period	-
e) CSR Spent out of the opening unutilised balance with CSR partner entity	-
f) Unutilised balance with CSR partner entity at the end of the period	-
g) Unspent amount transferred to government specified fund within 6 months	-
h) The company has contributed CSR to other than related party	-

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

	For the period ended June 30, 2025
Balance as at the beginning of the period	(0.05)
Amount required to be spent during the period	0.95
Amount spent during the period*#	-
Shortfall/(excess) as at the closing of the period	0.90

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

** The company does not have ongoing projects as at 30 June 2025

*#Amount spend during the period includes any amount paid to Government specified fund with in the six month from the financial year end date 30 June 2025 ₹ Nil.

Mani



Milestone Gears Private Limited

CIN : U29130HP1984PTC005831

Notes to special purpose financial statements for the period ended 30 June 2025

(All amounts are in Indian rupees in millions, unless otherwise stated)

29 Income tax

The major components of income tax expense are:

	For the period ended 30 June 2025
(i) Current tax	
Current tax	37.80
Adjustment of tax relating to earlier period	-
Deferred tax	
Relating to origination and reversal of temporary differences (for current year)	(5.39)
Total income tax expense reported in the Statement of profit and loss	32.41

(ii) Other comprehensive income (OCI) section

Deferred tax	
Tax on items recognised in OCI On remeasurement of defined benefit plan	0.19
Tax on remeasurement of investment through Other Comprehensive Income	(0.00)
Total income tax recognized in Restated other comprehensive income	0.19

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

	For the period ended 30 June 2025
Profit before income tax	126.02
Tax at the Indian tax rate of 25.168%	31.72
Tax effect of:	
Effect of tax in related to previous years (income tax)	0.00
Tax effect of income charged at different tax rate	0.00
Impact of change in tax rate for future period	0.00
Effect of permanent differences	0.05
Impact of income exempt under income tax	0.00
Additional allowances/deductions under income tax	0.02
Effect of deferred tax created on timing difference for earlier years	
Others	0.62
Income tax expense	32.41

Deferred tax assets(net)

Deferred tax assets(net)	Balance sheet		Statement of profit and loss
	As at	As at	For the period ended
	30 June 2025	31 March 2025	30 June 2025
Accelerated depreciation	63.40	59.82	3.58
Security deposits	1.51	1.42	0.09
Loss Allowance	5.64	5.75	(0.11)
Loss allowance for bad and doubtful advances	2.24	2.24	-
Bonus Payable	4.43	3.62	0.81
Revaluations of FVTOCI investments to fair value	(0.92)	(0.92)	0.00
Right of use	(91.75)	(85.54)	(6.21)
Leases liabilities	95.75	89.51	6.24
Borrowings	(0.15)	(0.17)	0.02
Provisions (including plan assets)	6.56	5.40	1.16
Deferred tax expense/(income)			5.58
Net deferred tax assets/(liabilities)	86.71	81.13	

Reflected in the balance sheet as follows:

	30 June 2025
Deferred tax assets	179.53
Deferred tax liabilities	(92.82)
Deferred tax assets (net)	86.71

Reconciliation of deferred tax assets (net):

	30 June 2025
Opening balance	81.13
Tax income/(expense) recognised in profit or loss	5.39
Tax income/(expense) recognised in OCI	0.19
Closing balance	86.71

<This page intentionally left blank>

man



30 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 period ended 30 June 2025
Profit attributable to equity shareholders (A)	93.61
Effect of dilution	-
Profit attributable to equity shareholders after effect of dilution (B)	93.61
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)]	1.04
Diluted Earning per equity share attributable to owners of Company [In ₹] [(B)/(D)]	1.04

(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.

<This page intentionally left blank>

[Handwritten signature]



31 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum number as allocated after filling the Memorandum. Based on the information received and available with the Company, there are no dues outstanding to micro and small enterprises (Suppliers) other than covered below under the Micro, Small and Medium Enterprises Development Act, 2006 as at 30 June 2025.

Disclosure as required under the Micro, Small and Medium Enterprises Development Act, 2006 based on the information available with the

	As at 30 June 2025
i) Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act:	23.19
Principal	-
Interest	-
ii) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act;	-
iv) The amount of interest accrued and remaining unpaid at the end of accounting year; and	-
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-

<This page intentionally left blank>

aman



32 Contingent liabilities and commitments

(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 against import of plant and machinery#

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

Goods and Service Tax litigation - not been acknowledged as claims

As at
30 June 2025
44.23

772.01

63.50

3.68

33 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 from contracts with customers on the basis on 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 period
30 June 2025

1,404.25

172.22

1,576.47

Information about major customers

Included in revenue arising from sales of goods of ₹ 1,079.08 millions which arose from sales to its major customers which accounts for 64.22% of the total revenue from operations.

34 Related party disclosures :

a) Names of related parties and related party relationship

Key managerial persons

Name

Ashok Kumar Tandon

Aman Tandon

Buresh Kumar Thakur

Pankaj Budhraj

Kapil Bhalla

Mohinder Singh

Designation

Chairman

Managing Director

Executive Officer

Chief Financial Officer (w.e.f 1 July 2025)

Company Secretary (from 2 August 2024 - upto 14 August 2025)

Company Secretary (w.e.f 4 August 2025)

Relatives of Key Managerial Personnel

Name of Relative

Amit Tandon

Anirudh Tandon

Nature of Relationship

Son of Chairman

Son of Managing Director

Enterprises over which key management personnel or their relatives have significant influence

Name

Chhoti Si Asha

Polycycl Private Limited

Chhoti Si Asha Foundation (section 8 company)

Relationship

Entity in which directors or persons having substantial interest or having significant influence

Entity in which directors or persons having substantial interest or having significant influence

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	Loan taken	Purchases	Total
Key managerial personnel (KMP)**						
Ashok Kumar Tandon	2.04	-	-	-	-	2.04
Aman Tandon	2.04	-	-	-	-	2.04
Buresh Kumar Thakur	2.03	-	-	-	-	2.03
Kapil Bhalla	0.29	-	-	-	-	0.29
Relatives of KMP	0.37	-	-	-	-	0.37
Enterprises over which KMP is able to exercise significant influence						
Polycycl Private Limited	-	0.32	-	-	-	0.32
Chhoti Si Asha	-	-	-	-	-	-
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 period end

Name of the related party	Trade Payable*	Trade Receivable	Loan Payable	Investments	Total
Key managerial personnel (KMP)**					
Ashok Kumar Tandon	0.47	-	-	-	0.47
Aman Tandon	0.43	-	63.81	-	64.24
Buresh Kumar Thakur	0.47	-	-	-	0.47
Kapil Bhalla	0.11	-	-	-	0.11
Relatives of KMP	0.12	-	-	-	0.12
Enterprises over which KMP is able to exercise significant influence					
Polycycl Private Limited	-	0.32	-	35.83	36.15
Chhoti Si Asha	-	-	-	-	-

*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. This assessment is made on each financial year through examining the financial position of the related party and the market in which the related party operates.

Signature



35 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 30 June 2025	Fair value As at 30 June 2025
Financial assets at fair value through OCI		
Investments	36.70	36.70
Financial assets at amortised costs		
Security deposits	52.32	52.32
Fixed Bank Deposits	70.48	70.48
Interest accrued on fixed bank deposits	1.02	1.02
Financial liabilities at amortised cost		
Non current borrowings	771.75	771.75
Non current lease liabilities	268.73	268.73

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 30 June 2025
Opening Balance	36.70
Re-measurement recognised in OCI	0.00
Closing Balance	36.70

(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.

Valuation technique used for Level 3 investments

Fair valuation of the investment in preferences shares as at 30 June 2025 have been determined using the Discounted Cash Flow method. The significant unobservable input used in the fair value measurement categorised within Level 3 of the fair value hierarchy are long term growth rate for cash flows for subsequent years.

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 30 June 2025

	Fair value measurement using		
Total	Quoted prices in active market (Level 1)	Significant observable inputs (Level 2)	Significant observable inputs (Level 3)
Financial assets at fair value through OCI			
Investments	36.70	-	0.87
Financial assets at amortised costs			
Security deposits	52.32	-	-
Fixed Bank Deposits	70.48	-	-
Interest accrued on fixed bank deposits	1.02	-	-
Financial liabilities at amortized cost			
Non current borrowings	771.75	-	-
Non current lease liabilities	268.73	-	-

There have been no transfers between Level 1 Level 2 and Level 3 for period ended 30 June 2025.

Mani



36 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 period ended 30 June 2025.

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.

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

Particulars	As at
	30 June 2025
Gross Debt (including lease liability)	4,206.22
Cash and cash equivalents	0.39
Net Debt (A)	4,205.83
Total Equity (As per Balance Sheet) (B)	1,355.68
Total equity plus net debt (C) = (A+B)	5,561.52
Net Gearing Ratio (A/C)	75.62%

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2025.

37 Financial risk 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 30 June 2025. 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 30 June 2025.

(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 long-term 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, i.e. floating interest rate borrowings in ₹ and USD. Interest rate sensitivity has been calculated for borrowings with floating rate of interest. For borrowings with fixed rate of interest sensitivity disclosure has not been made. With all other variables held constant, the company's profit before tax is affected through the impact on financial liabilities, as follows:

Particulars	As at 30 June 2025
Impact on Profit Before Tax due to change in Interest Rate	
Increase by 0.5%	(17.7)
Decrease by 0.5%	17.71

(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 30 June 2025	
		Amount in FCY	Amount in ₹
Advances to Suppliers*	JPY	7,360,000	4.35
	US\$	4,500	0.38
Advances from customer	EUR	40,924	4.10
	US\$	6,042	0.52
Trade receivables	EUR	655,617	65.61
	US\$	2,762,922	235.98
Trade Payables	GBP	13,780	1.62
	US\$	1,368	0.12
	EUR	13,879	1.39



*Advance to Suppliers includes capital advances as well. As at 30 June 2025 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.

Foreign currency sensitivity	Effect on profit before tax As at 30 June 2025
Advances to Suppliers*	
JPY sensitivity	
₹/JPY- increase by 10%	0.43
₹/JPY- decrease by 10%	(0.43)
USD sensitivity	
₹/USD- increase by 10%	0.04
₹/USD- decrease by 10%	(0.04)
Advances from customer	
EUR sensitivity	
₹/EUR- increase by 10%	(0.41)
₹/EUR- decrease by 10%	0.41
USD sensitivity	
₹/USD- increase by 10%	(0.05)
₹/USD- decrease by 10%	0.05
Trade receivables	
EUR sensitivity	
₹/EUR- increase by 10%	6.56
₹/EUR- decrease by 10%	(6.56)
USD sensitivity	
₹/USD- increase by 10%	23.60
₹/USD- decrease by 10%	(23.60)
Trade Payables	
GBP sensitivity	
₹/GBP- increase by 10%	(0.16)
₹/GBP- decrease by 10%	0.16
USD sensitivity	
₹/USD- increase by 10%	(0.01)
₹/USD- decrease by 10%	0.01
EUR sensitivity	
₹/EUR- increase by 10%	(0.14)
₹/EUR- decrease by 10%	0.14

(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 these material 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.

Amal



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	Outstanding for following periods from due date of payment						Total
	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	
30 June 2025							
Estimated total gross carrying amount at default	1,086.69	531.36	76.29	14.18	3.31	20.64	1,732.47
ECL - simplified approach	-	(6.11)	(4.44)	(2.59)	(1.19)	(8.06)	(22.39)
Net carrying amount	1,086.69	525.25	71.85	11.59	2.12	12.58	1,710.09

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 period ended 30 June 2025
22.83
(0.44)
22.39

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 excepted credit loss has been provided on these financial assets other than loss allowance on doubtful advances already provided for.

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 heterogenous 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:

Particulars	Carrying Amount	Maturity Profile of Financial Liabilities			
		Up to 1 year	1 year to 5 years	More than 5 years	Total
As at 30 June 2025					
Financial liabilities at amortised cost					
Trade Payables	837.49	837.49	-	-	837.49
Borrowings including interest payable	3,840.90	3,134.61	846.26	56.69	4,037.56
Lease Liabilities	380.41	137.18	298.50	-	435.68
Other financial liabilities	32.43	32.43	-	-	32.43
Total	5,091.23	4,141.71	1,144.76	56.69	5,343.16

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.

Signature



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

Company as a lessee

The Company has lease contracts for various items of plant and machinery, land and building used in its operations. Leases of plant and machinery and land and building generally have lease terms between 5 year. 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 the period ended 30 June 2025 are as follows:

	Plant and Machinery	Land and Building	Total
Gross Carrying value			
As at 31 March 2025	468.83	72.51	541.34
Additions during the period	53.47	-	53.47
As at 30 June 2025	522.30	72.51	594.81
Accumulated depreciation			
As at 31 March 2025	156.47	44.96	201.43
Depreciation charge for the period	25.12	3.62	28.74
As at 30 June 2025	181.59	48.58	230.17
Net carrying amount			
As at 31 March 2025	312.36	27.56	339.91
As at 30 June 2025	340.71	23.93	364.64

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

The following is the movement in lease liabilities

	As at 30 June 2025
As at the beginning of the period	355.60
Addition during the period	51.77
Accretion of interest	8.54
Payment of lease liabilities	(35.50)
As at the end of the period	380.41
Current	111.68
Non-current	268.73
Total	380.41

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

	As at 30 June 2025
Depreciation on right of use assets	28.74
Interest on lease liabilities	8.54
Expenses related to short term leases	6.93
	44.21

The table below summarises the maturity profile of the lease liability

	As at 30 June 2025
0-1 years	137.18
1 to 5 years	298.50
more than 5 years	-
Total	435.68

(b) Company as a lessor

The company has rental agreements for property situated at KK-16, HSIDC Estate, Kalka, District-Panchkula, Haryana, 133302. The lease agreement has term of 11 months (31 March 2025: 36 months). The Company has considered such leases as operating leases and recognized rental income in the restated statement of profit and loss. Future undiscounted lease receipts under operating leases are as follows:

	As at 30 June 2025
Within one year	0.94
Between 1 and 2 years	-
Between 2 and 3 years	-

man



39 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 in statement of profit & loss under employee benefit expense, are as under

	For the period ended 30 June 2025
Employer's Contribution to Provident Fund	7.15

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 period ended 30 June 2025
Defined Benefit Obligation at beginning of the period	81.73
Interest cost	1.34
Current service cost	2.09
Re-measurement (or Actuarial (gain) / loss arising from	-
- change in financial assumption	0.33
- change in experience	(0.79)
- change in Demographic Assumptions	-
Benefit paid	(0.77)
Defined Benefit Obligation at the end of the period	83.93

b. Change in fair value of Plan assets

	For the period ended 30 June 2025
FV of plan assets at beginning of the period	74.38
Remeasurement (gain)/losses	-
- Return on Plan assets excluding amount recognised in net interest expenses	(1.22)
Investment Income	1.22
Employer Contributions	-
Benefits paid	(0.77)
FV of plan assets at end of the year	73.61

c. Expenses Recognised in P&L

	For the period ended 30 June 2025
Current service cost	2.09
Past Service cost	-
Interest Cost	1.34
Return on Plan Asset	-
Investment income on Plan Assets	(1.22)
Net Cost	2.21

d. Expenses recognised in Other comprehensive income

	For the period ended 30 June 2025
Actuarial loss on obligations due to change in experience/ financial assumptions	(0.46)
Return on Plan assets excluding amount recognised in net interest expenses	1.22
Net Loss/(gain) recognised in OCI	0.76

e. Principal assumptions used in determining defined benefit

	For the period ended 30 June 2025
Discount Rate (per annum)	6.70%
Rate of escalation in salary (per annum)	6.00%
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.



f. Detail of Provision for gratuity recognised in Balance sheet

	For the period ended 30 June 2025
Amount recognised in balance sheet	
Present value of defined Benefit Obligation at the end of the period	83.93
Fair value of plan assets at end of the period	73.61
Liability/(Asset) recognised in balance sheet	10.32
Current liabilities	0.00
Non-current liabilities	10.32

g. Expected contribution during the next annual reporting Period

The company's best estimate of contribution during the next year	19.67
--	-------

h. Maturity Analysis of the Benefit Payments

	For the period ended 30 June 2025
Within the next 12 months	13.92
Between 1 and 5 years	29.41
Between 5 and 10 years	33.76
10 years and above	83.65

i. Sensitivity Analysis

A quantitative sensitivity analysis for significant assumption as at 30 June 2025 is as shown below:

	Discount rate	
Sensitivity Level	1% increase	1% decrease
Increase/(decrease) in defined benefit obligation	(77.84)	90.98
	Salary growth rate	
Sensitivity Level	1% increase	1% decrease
Increase/(decrease) in defined benefit obligation	90.91	(77.78)
	Attrition rate	
Sensitivity Level	50% increase of attrition rate	50% decrease of attrition rate
Increase/(decrease) in defined benefit obligation	84.41	(83.25)

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 period end

Shan



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 30 June 2025 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 Special Purpose Financial Statements denote amounts rounded off being less than ₹ Ten thousands.

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. A12857

Place : Parwanoo
Date : 20.09.2025