

AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

ANNUAL REPORT

2022 - 2023

AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

Annual Report for the year ended on 31 March 2023

BOARD OF DIRECTORS

Mr. Vinesh Kumar Jairath	(DIN 00391684)	Managing Director
Ms. Gauri Kirloskar	(DIN 03366274)	Director
Mr. Tejas Deshpande	(DIN 01942507)	Director
Mr. Satish Jamdar	(DIN 00036653)	Director
Ms. Swati Salgaocar	(DIN 03500612)	Director

STATUTORY AUDITORS

G. D. Apte & Co., Chartered Accountants

BANKERS

ICICI Bank Limited

REGISTERED OFFICE

Office No. 801, 8th Floor, Cello Platina,
Fergusson College Road, Shivajinagar, Pune - 411 005

Tel.: +91 (20) 2970 4374

E mail: avantespaceslimited@gmail.com

CIN: U45202PN2020PLC192070

INFORMATION FOR SHAREHOLDERS

Annual General Meeting (AGM)

Day & Date : Monday, 22 May 2023

Time : 11.00 a.m. (IST)

Venue : Through Video Conferencing

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NOTICE

Notice is hereby given that the 3rd Annual General Meeting ('AGM') of the Members of **Avante Spaces Limited** ('the Company') will be held on Monday, 22nd May 2023, at 11.00 a.m. (IST) through Video Conferencing ('VC') or Other Audio-Visual Means ('OAVM') facility, in compliance of provisions of the Companies Act, 2013, ('the Act') and Rules made thereunder read with the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 10/2022 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022 and 28 December 2022, respectively, issued by the Ministry of Corporate Affairs (hereinafter referred to as 'MCA Circulars'), to transact the following businesses as mentioned below:

ORDINARY BUSINESS:

ITEM NO. 1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 March 2023 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2:

To appoint a director in place of Mr. Vinesh Kumar Jairath (holding DIN 00391684), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 3:

To appoint a director in place of Ms. Swati Salgaocar (holding DIN 03500612), who retires by rotation and being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

ITEM NO. 4:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61 read with Section 64 and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made thereunder, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), the consent of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from existing ₹ 10,00,00,000 (Rupees Ten Crores only) divided into 1,00,00,000 (One Crore) equity shares of ₹ 10/- each to ₹ 15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of ₹ 10/- each by creation of additional 50,00,000 (Fifty Lakhs) equity shares of ₹ 10/- each ranking pari passu in all respect with the existing equity shares of the Company.

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RESOLVED FURTHER THAT Mr. Vinesh Kumar Jairath, Managing Director, Ms. Gauri Kirloskar and Mr. Tejas Deshpande, Directors of the Company, be and are hereby severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and to do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

ITEM NO. 5:

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder, (including any statutory amendment, modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded for substituting Clause 5th of the Memorandum of Association of the Company with the following clause:

5th The Authorised Share Capital of the Company is ₹ 15,00,00,000 (Rupees Fifteen Crores only) divided into 1,50,00,000 (One Crore Fifty Lakhs) equity shares of ₹ 10/- each.

RESOLVED FURTHER THAT Mr. Vinesh Kumar Jairath, Managing Director, Ms. Gauri Kirloskar and Mr. Tejas Deshpande, Directors of the Company, be and are hereby severally authorised to file, sign, verify and execute all such e-forms, papers or documents, as may be required and to do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution.”

By Order of the Board of Directors

Sd/-

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Place: Pune

Date: 25.04.2023

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NOTES:

- i. The Ministry of Corporate Affairs, (“MCA”) has allowed the Companies to conduct their Annual General Meeting (AGM) through Video - Conferencing (VC) or other Audio-Visual Means (OAVM).

In this regard, the MCA has already issued, General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022, dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022 and 28 December 2023, respectively, (“MCA Circulars”).

In compliance with these Circulars and provisions of the Act, the AGM of the Company is being conducted through VC / OAVM facility, which does not require the physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.

For a detailed procedure for accessing and participating in the AGM through VC / OAVM, please refer point no. ‘viii’.

- ii. Pursuant to the provisions of the Companies Act, 2013, (the Act), a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company.

Since this AGM is being held pursuant to the MCA Circulars through VC / OVAM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

- iii. Corporate / Institutional Member(s) intending to appoint their authorised representative(s) to attend the AGM through VC / OVAM are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the AGM, pursuant to the provisions of Section 113 of the Act and the Rules made thereunder including amendments thereof, by email at pratiksha.kadam@kirloskar.com, from the registered e-mail address.
- iv. The attendance of the members attending the AGM through VC / OAVM facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act and the Rules made thereunder, including amendments thereof.
- v. The Statement setting out the material facts pursuant to the provisions of Section 102(1) of the Act, and Rules made thereunder, including amendments thereof, relating to the Ordinary Business Nos. 3 and 4 and Special Business Nos. 5 and 6 in the Notice and is annexed and forms part of this Notice.
- vi. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries by providing full name, Folio Number and contact number in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.

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- vii. Members may join the AGM through VC / OAVM facility by following the procedure as mentioned below, 15 minutes before the time scheduled to start the AGM and will be closed 15 minutes after the scheduled time to start the AGM.
- viii. **General instructions for accessing and participating in the AGM through VC / OAVM facility:**
 - 1. AGM Invite will be sent through a separate email to the members of the Company, which contain a link to join the meeting.
 - 2. On clicking the link, the members will be able to attend the AGM.
 - 3. Members may join the meeting through laptops, smartphones, tablets. Further, Members will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting. Please note that participants connecting from smartphones or tablets or through laptops connecting via mobile hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any glitches.
 - 4. Members are requested to follow the instructions given before the meeting starts and during the meeting.
 - 5. Members who need technical assistance before or during the meeting may contact the Company on +919623031461.
- ix. All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee during normal business hours on all working days except Saturday, Sunday and public holidays, between 10.00 a.m. to 12.00 noon, up to and including the date of the AGM of the Company.
- x. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the AGM.
- xi. Details as required under the Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at the AGM, forms an integral part of the Notice of the AGM.

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- xii. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.

By Order of the Board of Directors

Sd/-

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Place: Pune

Date: 25.04.2023

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ANNEXURE TO THE NOTICE

As required by Section 102 (1) of the Companies Act, 2013, (the Act), the following Statement set out all material facts relating to Item Nos. 2, 3, 4 and 5 in the accompanying Notice of the 3rd Annual General Meeting of the Company to be held on Monday, 22 May 2023, at 11.00 a.m., through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

ITEM NO. 2 OF THE NOTICE

Mr. Vinesh Kumar Jairath (holding DIN 00391684) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Vinesh Kumar Jairath (aged 64 years) joined Indian Administrative Service in 1982. He was a Member of Indian Administrative Services. He has a Masters in Development Economics from the University of Manchester, U.K. He holds Bachelor of Arts Degree in Public Administration and Bachelor of Laws Degree, both, from the Punjab University. He served as the Principal Secretary of Industries at Government of Maharashtra until 2008.

Mr. Vinesh Kumar Jairath has over 25 years of experience in public administration, rural development, poverty alleviation, infrastructure planning and development and infrastructure financing, finance, industry, urban development, environmental management, while occupying various important positions in the Government of India and the State Government of Maharashtra. He had served as Joint Managing Director at Indiabulls Real Estate Limited from 29 September 2014 to 12 October 2015 and also as an Advisor on Indiabulls Real Estate Limited.

Mr. Vinesh Kumar Jairath shall continue to hold his office of Managing Director and the re-appointment as such director shall not be deemed to constitute a break in his office of Managing Director.

Mr. Vinesh Kumar Jairath is also a Director in the following other companies:

Name of the Company	Board position held	Committee membership
Kirloskar Oil Engines Limited	Director	1. Audit Committee – Member
The Bombay Dyeing and Manufacturing Company Limited	Independent Director	1. Audit Committee: Member 2. Nomination and Remuneration Committee: Chairman 3. Corporate Social Responsibility Committee: Member 4. Risk Management Committee: Chairman 5. Strategic Committee: Member 6. Right Issue Committee: Member
The Bombay Burmah Trading Corporation Limited	Independent Director	Audit Committee – Member

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Name of the Company	Board position held	Committee membership
Go Airlines (India) Limited	Director	1. Nomination and Remuneration Committee – Chairman 2. Risk Management Committee – Chairman 3. Audit Committee – Member 4. Corporate Social Responsibility Committee: Member 5. Stakeholder Relationship Committee - Member
Kirloskar Industries Limited	Director	1. Audit Committee – Member 2. Risk Management Committee – Member
Wockhardt Limited	Director	1. Audit Committee – Member 2. Stakeholders' Relationship Committee – Member 3. Capital Raising Committee – Member

Mr. Vinesh Kumar Jairath is holding Nil (0.00%) equity shares of the Company. He does not hold any equity share as a beneficial owner in the Company.

He attended all seven meetings of the Board of Directors held during the Financial Year 2022-2023.

He is not related to any Director / Key Managerial Personnel of the Company.

Save and except, Mr. Vinesh Kumar Jairath and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

The Board recommends the Ordinary Resolution set out in Item No. 2 of the Notice for approval by the members.

ITEM NO. 3 OF THE NOTICE

Ms. Swati Salgaocar (holding DIN 03500612) retires by rotation and being eligible, offers herself for re-appointment.

Swati Salgaocar (aged 40) is a Director at the Vimson Group (<https://vimsongroup.com/>), founded over 70 years ago in Goa with business interests in mineral development (V.M. Salgaocar and Bro. Pvt. Ltd. - India and Singapore, and V.M. Salgaocar Sales International are in the business of mining, export and trading of iron ore), real estate (mixed-use real estate development in Goa under the brand name Altura Spaces), and financial services (Shivranjani Securities Pvt. Ltd. is Goa's largest wealth management company and Pyramid Finance Ltd. finances small and medium enterprises). The Group has recently diversified internationally

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through strategic investments in the Minerals Sector and launched Prospect Mining Studio (Accelerator to support sustainable mining startups in partnership with Newlab, USA). The philanthropic interests of the Group include sports (Salgaocar Football Club founded in 1956 has won several national championships, and its acclaimed Youth Development and Community Outreach Programs benefit over 600 children a year) and healthcare (V.M. Salgaocar Hospital is a not-for-profit, 120 bed tertiary care, super specialty healthcare centre).

Swati holds a B.A. (Arch.) (Hons.) from Yale University, USA and an M.Arch. from Columbia University, USA. She is the Dy. Chairperson of the Western Council of the Confederation of Indian Industry ('CII'), a member of the CII National Committee on Mining, a past Chairperson of Goa State Council of CII and Co-Chair of the CII Startups and Innovation Committee (Western Region). She is a member of the Goa Industrial Facilitation and Promotion Board as well as a Joint Consultative Group for framing of the Goa State Entrepreneurship Policy. She is a member of the Governing Board and Chairperson of the Campus Development Committee of the Goa Institute of Management. She has been the Co-Director of the Yale India Alumni Schools Committee since 2013. She is a member of the Young President's Organisation and the Owners Forum. Passionate about art and design, she co-curated "Panjim 175", a special project as part of the Serendipity Arts Festival 2018.

Ms. Swati Salgaocar is also a Director in the following other companies:

Name of the Company	Board position held	Committee membership
Amona Infrastructure Private Limited	Director	-
Dhanistha Real Estated Private Limited	Director	-
Ganadev Real Estates Private Limited	Director	-
Ganapal Real Estates Private Limited	Director	-
Ganaraj Real Estates Private Limited	Director	-
Kushavati Mining Private Limited	Director	-
Medini Real Estates Private Limited	Director	-
Pyramid Finance Private Limited	Director	-
Pyramid Metallics Private Limited	Director	-
Rishikesh Real Estate Private Limited	Director	-
Salgaocar Mineral and Ores Private Limited	Director	-
Sandstone Real Estate Private Limited	Director	-
V.M. Salgaocar and Brothers Private Limited	Director	-

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Ms. Swati Salgaocar is holding Nil (0.00%) equity shares of the Company. She does not hold any equity share as a beneficial owner in the Company.

She attended all six meetings out of seven meetings of the Board of Directors held during the Financial Year 2022-2023.

She is not related to any Director / Key Managerial Personnel of the Company.

Save and except, Ms. Swati Salgaocar and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

The Board recommends the Ordinary Resolution set out in Item No. 3 of the Notice for approval by the members.

ITEM NO. 4 OF THE NOTICE:

The present Authorised Share Capital of Avante Spaces Limited (the Company) is ₹ 10,00,00,000 (Rs. Ten crores only) divided into 1,00,00,000 equity shares of ₹ 10/- each. The paid-up share capital of the Company is ₹ 7,51,00,000 (Rupees Seven crore fifty-one lakhs only) divided into 75,10,000 equity shares of ₹ 10/- each.

In order to expand the capital base to facilitate the conversion of Unsecured Optionally Convertible Debentures into Equity Shares, it is now proposed to increase the Authorised Share Capital of the Company from the existing limit of ₹ 10,00,00,000 (comprising of 1,00,00,000 equity shares of ₹ 10 each) to ₹ 15,00,00,000 (comprising of 1,50,00,000 equity shares of ₹ 10 each), subject to the approval of the members of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

The Board recommends an Ordinary Resolution as set out in Item No. 4 of the Notice for approval by the members.

ITEM NO. 5 OF THE NOTICE:

In order to reflect the increase in the Authorised Share Capital of the Company, and in order to conform to the requirements of the Companies Act, 2013, Clause 5th of the Memorandum of Association of the Company is required to be amended.

Pursuant to the provisions of Section 13 of the Companies Act, 2013, (the Act), the alteration of the Memorandum of Association of Company requires the approval of the members and accordingly the Board now seeks the approval of the members for the same.

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None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise in the said Resolution.

The Board recommends a Special Resolution as set out in Item No. 5 of the Notice for approval by the members.

By Order of the Board of Directors

Sd/-

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Place: Pune

Date: 25.04.2023

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Board's Report for Financial Year 2022-2023

To the Members,

Your Directors have pleasure in presenting the 3rd Annual Report with the Audited Annual Accounts of the Company for the period ended 31 March 2023.

1. FINANCIAL PERFORMANCE:

(₹ in lakhs)

Particulars	2022-2023	2021-2022
Total Income	6	114
Total Expenditure	396	539
Net Profit / (Loss) for the year before extraordinary items and taxation	(390)	(425)
Less: Provision for tax (Income Tax)	(72)	(57)
Profit / (Loss) after tax	(318)	(368)
Add: Excess / (Short) Provision for taxation	-	-
Less: Previous Year Adjustment	-	-
Profit / (Loss) for the period	(318)	(368)
Add: Balance of Profit / (Loss) brought forward from previous year	(486)	(102)
Less: Other Comprehensive Income	(15)	(16)
Balance available for appropriation	(819)	(486)
Appropriations	-	-
Balance carried to Balance Sheet	(819)	(486)

2. DIVIDEND:

The period under review is the third year of operations of the Company. Since the Company is in the investment phase of operations and there are no profits, the Board of Directors does not recommend dividend.

3. OPERATIONS:

Your Company embarked on the mixed-use development of the land parcel in Kothrud, Pune in the year 2020 and has continued to make satisfactory progress considering the challenges involved in the development of any area in the main city centre or a prime locality.

Your Company has put strong emphasis on the environmentally and socially responsible actions while continuing to create world class spaces and redefine / uplift the overall locality.

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The Company has received a pre certification of 'Platinum Rating' from *Indian Green Building Council* (IGBC) for its first project 'One Avante'. The term "Platinum IGBC Green Building Rating" refers to the highest level of certification awarded by the IGBC for green buildings in India. The IGBC offers a rating system for evaluating the sustainability and environmental performance of buildings, which includes various criteria such as site selection, water efficiency, energy efficiency, materials used, indoor environmental quality, and innovation.

Your Company also obtained registration under the Real Estate (Regulations and Development) Act, 2016, (RERA) and has sold some parts of under construction units in the "One Avante Project". The sales has allowed your Company to prepay the construction finance facility availed from ICICI Bank and your Company is on course to recognize revenue and profits in the next financial year.

The Company is continuing with its objective of all round development of the Kothrud land parcel. With the construction of the first Project nearing completion, the Company is now focused on the second project's planning and execution. Your company's second project is significantly larger and it will redefine the Kothrud, Pune area from prime residential area into a Central Business District for commercial spaces.

By adhering to strict standards at every stage of development, from planning and design to construction and operation, the Company ensures that the properties developed by the Company meet the highest standards of quality, safety, and sustainability.

In addition to the commitment to excellence, the Company also maintains a relentless focus on governance and compliance, ensuring adherence to all relevant laws and regulations.

Your Company's agile management, disciplined approach and emphasis on strong corporate governance are key strengths that will help the Company to build avant-garde spaces and a successful presence in the real estate industry.

4. COMPANY PERFORMANCE:

During the year under review, your Company has continued to invest in its operations and revenue generated from sales will be recognized on completion of the Project. The loss before tax for the year is ₹ 390 lakhs after providing for depreciation of ₹ 59 lakhs.

During the year under review, the Company had availed and has fully repaid the Rupee Term Loan (RTL) and Overdraft (OD) Facility availed from ICICI Bank Limited.

Kirloskar Industries Limited, the holding company of the Company holds 6,00,00,000 Unsecured Optionally Convertible Debentures (OCDs) of ₹ 10/- each issued by the Company. To strengthen the Balance Sheet of your Company, it is proposed that the OCDs be converted into Equity Capital of the Company.

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The Board of Director in its meeting held on 25 April 2023, approved to convert OCDs, carrying interest at 0%, aggregating up to ₹ 60,00,00,000/- (Rupees Sixty Crores Only) divided into 6,00,00,000 OCDs of ₹ 10 each into 27,24,868 (Twenty Seven Lakhs Twenty Four Thousand Eight Hundred Sixty Eight) fully paid-up equity shares of the Company of face value of ₹ 10/- each at a conversion price of ₹ 253.64 (“Conversion Price”) i.e. present value per share, subject to the increase in the Authorised Capital of the Company.

5. PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES:

Your Company does not have any Subsidiary or Associate or Joint Venture.

6. HUMAN RESOURCES:

As on 31 March 2023, the Company had 15 employees on its roll, including the Managing Director.

7. CONCERNS AND THREATS:

As a practice of good corporate governance, the Board of Directors has voluntarily constituted the Risk Management Committee (the Committee) to identify the risks, mitigate the same and monitor the development and deployment of risk mitigation plans for the businesses of the Company.

The Company has deployed a risk management process that includes risk identification, assessment and its treatment, mitigation, monitoring and reviewing actions. The Company prioritises and manages the risks identified through its Risk Registers.

The Committee regularly presents the risk assessment and mitigation procedures adopted to the Board of Directors to assess the reliability of the risk management structure and efficiency of the process, before the Audit Committee and the Board of Directors of the Company at their respective meetings.

The Committee meets every quarter to discuss all the mapped risks, evaluates future risks and review the mitigation plan for the identified risks for all business segments.

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has adequate internal controls systems to ensure operational efficiency, accuracy and promptness in financial reporting and compliance of various laws and regulations.

The internal control system is supported by the internal audit process. The Audit Committee of the Board reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

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9. STATUTORY AUDITORS:

G. D. Apte & Co., Chartered Accountants, (Firm Registration Number 100515W), Pune, were appointed as the Statutory Auditors of the Company under Section 139 of the Companies Act, 2013, to hold the office for a first term of five years from the conclusion of the Annual General Meeting (AGM) held on 26 May 2021, till the conclusion of the AGM of the Company, to be held in the year 2026.

The Company has received a certificate from the Statutory Auditors to the effect that they are fulfilling the requirements prescribed under the provisions of Section 141 of the Companies Act, 2013.

10. PARTICULARS OF INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2013, RULE 8 OF THE COMPANIES (ACCOUNTS) RULES 2014 AND RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

I. EXTRACT OF ANNUAL RETURN:

With the enactment of the Companies (Amendment) Act, 2017 from 28.08.2020 the company is no longer required to attach the extract of the annual return to the Board report and since the Company does not have a website the annual return cannot be uploaded. However, the Annual Returns are filed with the Ministry of Corporate Affairs (MCA), for the Financial Year 2021-2022.

II. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, 7 (Seven) Board Meetings were convened and held on 26 April 2022, 30 June 2022, 25 July 2022, 18 August 2022, 21 October 2022, 24 January 2023 and 10 March 2023. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

III. DIRECTOR'S RESPONSIBILITY STATEMENT:

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, in respect of the Director's Responsibility Statement, your Directors state that:

- a) in the preparation of the Annual Financial Statements for the year ended 31 March 2023, the applicable accounting standards have been followed and there were no material departures;
- b) accounting policies as mentioned in Note No. 4 of the Notes forming part of the Financial Statements have been selected and applied consistently. Further, judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31 March 2023 and of the loss of the Company for the year ended on that date;

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- c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Annual Financial Statements have been prepared on a going concern basis;
- e) proper internal financial controls were in place and that the internal financial controls were adequate and were operating effectively; and
- f) proper systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

IV. COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT AND REMUNERATION:

The Board has on the recommendation of the Nomination and Remuneration Committee adopted a policy for the selection and appointment of Directors, Key Managerial Personnel and Senior Management Personnel and their remuneration.

The Nomination and Remuneration Policy is annexed as 'Annexure 1' to the Board's Report.

V. MAINTENANCE OF COST RECORDS:

Not applicable.

VI. EXPLANATION OR COMMENTS OF STATUTORY AUDITORS AND SECRETARIAL AUDITORS:

i. Statutory Auditors:

There are no qualifications, reservation or adverse remarks or disclaimers made by the Statutory Auditor in their Audit Report for the year ended 31 March 2023.

The notes to the Accounts referred to in the Auditors' Report are self-explanatory and therefore no further clarifications are required.

ii. Secretarial Audit: Not Applicable.

VII. FRAUDS REPORTED BY THE AUDITOR:

No fraud has been reported during the audit conducted by the Statutory Auditors of the Company under the provisions of Sub-section (12) of Section 143 of the Companies Act, 2013.

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VIII. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

During the year under review, your Company has not granted any loan or guarantee. However, the company had invested in one (1) equity share of Kirloskar Proprietary Limited and the same was in compliance with the provisions of Section 186 of the Companies Act, 2013, particulars of which are captured in the financial statements of the Company.

IX. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013:

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of all contracts or arrangements entered into by the Company with related parties have been done at arm's length and are in the ordinary course of business. The details of the related party transactions in Form AOC-2 are enclosed to this report as 'Annexure 2'.

X. STATE OF COMPANY'S AFFAIRS:

Discussion on the state of the Company's affairs has been covered in the paras of financial performance and operations of this Report.

XI. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:

Particulars of the amounts proposed to be carried to reserves have been covered as part of the financial performance of the Company.

XII. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF THE REPORT:

There have been no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this Report.

XIII. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy and Technology Absorption:

The Company has no particulars to report regarding the conservation of energy, and technology absorption as required under Section 134 (3) (m) of the Act, read with Rules made thereunder.

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B. Foreign exchange earnings and Outgo:

Sr. No.	Particulars	Amount in (₹)
i)	Foreign Exchange earned in terms of actual inflows during the year	Nil
ii)	Foreign Exchange outgo during the year in terms of actual outflows	Nil

XIV. STATEMENT CONCERNING THE DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY:

The Company has in place a mechanism to identify, assess, monitor, and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk-mitigating actions on a continuous basis. These are discussed at the meetings of the Risk Management Committee, the Audit Committee, and the Board of Directors of the Company, from time to time.

XV. DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:

Not applicable.

XVI. BOARD EVALUATION:

Not applicable.

XVI. CHANGE IN THE NATURE OF BUSINESS, IF ANY:

In the Financial Year 2022-2023, there was no change in the nature of business of the Company.

XVII. DETAILS OF APPOINTMENT AND RESIGNATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

I. Directors appointed / re-appointed during the year:

Ms. Tejas Deshpande (holding DIN 01942507) and Mr. Satish Jamdar (holding DIN 00036653) retired by rotation and were re-appointed in the Annual General Meeting held on 8 June 2022.

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II. Directors and Key Management Personnel resigned during the year 2022-2023:

During the year under review, there has been no change in Directors and Key Managerial Personnel of the Company.

XVIII. DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED AT THE ENSUING ANNUAL GENERAL MEETING:

Mr. Vinesh Kumar Jairath and Ms. Swati Salgaocar who retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The Company has also received the requisite disclosures / declarations from Mr. Vinesh Kumar Jairath and Ms. Swati Salgaocar.

The brief resumes and other details relating to the Directors who are proposed to be re-appointed, form part of the Statement setting out material facts annexed to the Notice of the Annual General Meeting.

The resolutions seeking approval of members for the re-appointment of these Directors have been incorporated in the Notice of the forthcoming Annual General Meeting of the Company.

XIX. NAME OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR:

None

XX. DETAILS RELATING TO DEPOSIT COVERED UNDER CHAPTER V OF THE COMPANIES ACT, 2013:

None

XXI. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN THE FUTURE:

To the best of our knowledge, the Company has not received any such orders from Regulators, Courts or Tribunals during the year, which may impact the going concern status or the Company's operation in the future.

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XXII. DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has developed a strong two-tier internal control framework comprising entity-level controls and process-level controls.

The entity-level controls of the Company include elements such as Whistle Blower Policy / Vigil Mechanism, rigorous management review and Management Information System (MIS) and strong internal audit mechanism. The process level controls have been ensured by implementing appropriate checks and balances to ensure adherence to Company policies and procedures, efficiency in operations and also reduce the risk of fraud.

Regular management oversight and rigorous periodic testing of internal controls makes the internal controls environment strong at the Company. The Board along with the management oversees results of the internal audit and reviews implementation on a regular basis.

XXIII AUDIT COMMITTEE:

As a good corporate governance practice, the Board of Directors has voluntarily constituted the Audit Committee. It comprises four Non-Executive Directors, viz., Mr. Satish Jamdar, Mr. Tejas Deshpande, Ms. Gauri Kirloskar and Ms. Swati Salgaoncar.

The Managing Director, the Internal Auditors and the Statutory Auditors are regularly invited to the meetings.

XXIV NOMINATION AND REMUNERATION COMMITTEE:

As a good corporate governance practice, the Board of Directors has voluntarily constituted the Nomination and Remuneration Committee.

It comprises three Directors, viz., Mr. Vinesh Kumar Jairath, Managing Director, Mr. Tejas Deshpande and Mr. Satish Jamdar, Non-Executive Directors.

XXV. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

As a good corporate governance practice, the Company has a Whistle Blower Policy / Vigil Mechanism (the Policy) to deal with instances of fraud, unethical behavior, etc.

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct whether by the Directors, employees, vendors or customers and to come forward and express these concerns without fear of punishment or unfair treatment.

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11. INFORMATION FORMING PART OF THE BOARD'S REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014:

The particulars of top ten employees pursuant to the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of this report. In terms of Section 136 (1) of the Act, 2013 and Rules made thereunder, the Board's Report is being sent to the members without the Annexure. The members interested in obtaining a copy of this Annexure may write to the Company at the Company's Registered Office.

12. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

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

The Committee comprises four members including one external member.

During the year under review, four meetings of the Committee were held on 11 April 2022, 8 July 2022, 3 October 2022 and 05 January 2023.

The Company has in place a Policy for Prevention of Sexual Harassment at workplace. This would, *inter alia*, provide a mechanism for the resolution, settlements or prosecution of acts or instances of sexual harassment at workplace and to ensure that all employees are treated with respect and dignity.

There were no complaints / cases filed / pending with the Company during the year under review.

13. CASH FLOW:

A Cash Flow Statement for the year ended 31 March 2023, is attached to the Balance Sheet as a part of the Financial Statements.

14. COMPLIANCES WITH RESPECT TO APPLICABLE SECRETARIAL STANDARDS:

During the year under review, the Company has complied with all the applicable Secretarial Standards.

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15. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR:

Not applicable.

16. DISCLOSURES UNDER ENVIRONMENT SOCIAL AND GOVERNANCE

(a) ESG Governance structure

The Board of Directors has voluntarily chosen to align the practices on Environment Social and Governance (ESG) framework to ensure sustainable and responsible business practices.

For this an internal committee has been formed by Kirloskar Industries Limited, (KIL) the holding company of the Company, comprising of following members:

1. Mr. Mahesh Chhabria, Managing Director, KIL;
2. Mr. Vijay Varma, Independent Director, KIL;
3. Mrs. Ashwini Mali, Company Secretary, KIL; and
4. Mr. Lokesh Gupta, Vice President – Projects of the Company.

During the year under review, KIL appointed PricewaterhouseCoopers (PWC) as a consultant for ESG strategy and roadmap implementation for KIL and the Company.

During the year under review, the Company has taken the following steps for ESG implementation:

1. Survey for materiality assessment;
2. ESG purpose definition workshop conducted and the definition is set.
3. Peer Benchmark;
4. ESG related policy mapping for KIL;
5. Materiality assessment is done and discussed with top management;
6. Business Responsibility and Sustainability Report (BRSR) training conducted for key stakeholders and reporting is in the process;
7. BRSR Data collection templates shared – Data collection in progress.

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ACKNOWLEDGMENTS:

Your Directors would like to place on record their appreciation of the contribution made and support provided to the Company by the members, employees and bankers, holding Company during the year under report.

For and on behalf of the Board of Directors

Sd/-

**Vinesh Kumar Jairath
Managing Director
DIN: 00391684**

Sd/-

**Tejas Deshpande
Director
DIN: 01942507**

Date: 25.04.2023

Place: Pune

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Annexure 1

THE NOMINATION AND REMUNERATION POLICY

(As recommended by Nomination and Remuneration Committee and approved by the Board)

I. PHILOSOPHY:

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standards of Corporate Governance in all facets of the Company's operations.

The Company is committed to providing employment to all eligible applicants on the principles of equality without any discrimination.

The employees have to strictly follow a code of ethics and the management has zero tolerance towards non-compliance for the same.

II. OBJECTIVE:

- To strike the right balance in the composition of the Board of Directors by ensuring experts from different spectrum compactable with the existing and / or future businesses of the Company and are therefore co-opted on the Board to help the Company achieve its objectives, aspirations and growth potential.
- To implement a transparent process of determining remuneration at Board and Senior Management level of the Company that would strengthen confidence of stakeholders in the Company and its management and help in creation of long - term value for them.
- To strike appropriate balance between the elements comprising the remuneration so as to attract the best talent for critical position in the Company for attaining continual growth in business.
- To ensure a direct relationship with the Key Result Areas and individual achievements of Senior Management Personnel considering short as well as long term performance objectives appropriate to the working of the Company and its goals.

III. COVERAGE:

A. Policy on Board Diversity and Term of Appointment of Independent Directors:

The Board of Directors shall comprise of persons who have expertise in the areas of business that the Company operates in and of such persons having expertise to help the Company to diversify its business at the appropriate time.

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The Nomination and Remuneration Committee of the Board shall recommend persons with the requisite expertise to the Board of Directors for co-option on the Board, at its discretion.

The Independent Directors shall be appointed for two terms as follows:

- a. Existing or new Independent Directors between the age of 69 to 70, for one term of 5 consecutive years;
- b. Existing or new Independent Directors above the age of 70, for one term of such number of years as may be required for the said Independent Director to be 75 years of age;
- c. Existing Independent Directors between the age of 74 – 75 years, for one term of 2 consecutive years;
- d. New Independent Directors not falling under a to c above, for the first term of 5 consecutive years and for a second term of five consecutive years, subject to the result of the evaluation of their performance and also subject to the approval of the shareholders in the general meeting.

B. Guidelines of determining the remuneration of:

- i. Whole-time Directors including Managing Director
- ii. Non-Executive Directors
- iii. Senior Management Personnel

IV. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

A. DIRECTORS

i. Managing Director:

The Board of Directors of the Company shall decide the remuneration of Whole-time Directors including Managing Director on the basis of recommendation from Nomination and Remuneration Committee (NRC) subject to the overall limits provided under the Companies Act, 2013 and Rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act'), as applicable from time to time. The remuneration shall be approved by the shareholders of the Company, as and when required.

The Company shall enter into a contract with every Whole-time Director including Managing Director, which will set out the terms and conditions of the appointment. The contract shall be recommended by the NRC and approved by the Board. The contract shall be maximum for such tenure as may be provided in the Act subject to such approvals as may be required.

The Board may vary any terms and conditions of the contract subject to such approvals, as may be required under the Act.

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Every notice sent to the shareholder for seeking their approval for appointment / re-appointment / remuneration of the Whole-time Directors including Managing Director shall contain the gist of terms and conditions of the contract.

The remuneration components shall include *inter alia*:

a. Fixed salary:

The Whole-time Director including Managing Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be decided by the Board, on the recommendation of the NRC.

OPTION 1: The revision in the salary may be done annually and shall be determined by the Board as per the appraisal of the performance of each Whole-time Director including Managing Director by the Board, subject to the overall limit approved by the shareholders.

OPTION 2: The salary shall remain fixed for the term of the Whole-time Director including Managing Director.

b. The Whole-time Director including Managing Director shall be paid variable incentive on quarterly basis based on the performance evaluation carried out by the Board, on the recommendation of the NRC.

c. Commission:

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the Whole-time Director including Managing Director shall be as recommended by the NRC on the basis of performance evaluation carried out in respect of such Whole-time Directors including Managing Director under Section 178 of the Act.

d. Non-monetary benefits:

Whole-time Directors including Managing Director may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water and other utilities and repairs at residence, reimbursement of medical expenditure, including domestic hospitalization expenses for self and family and leave travel assistance.

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Whole-time Directors including Managing Director may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. or any other benefit as per Company policy.

e. Stock options / Equity Settled Stock Appreciation Rights (ESARs):

Whole-time Directors including Managing Director except Promoter Directors may be granted stock options as may be approved by the Board, if they are eligible as per the existing or any future scheme of stock options / ESARs by the Company.

f. Compensation for loss of office may be paid as may be approved by the Board subject to the provisions of Section 202 of the Act.

g. Separation / Retirement benefits:

Whole-time Directors including Managing Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- (a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof;
- (b) Gratuity payable at a rate not exceeding half a month's salary for each completed years of service and
- (c) Encashment of leave at the end of the tenure.

In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

i. Non-Executive Directors:

The Company shall issue a letter of engagement or appointment to every Non-Executive Director.

The components of payment of remuneration to Non-Executive Directors shall include:

a. Sitting fees:

Sitting fees shall be paid for the Board and / or any Committee meetings attended by the Directors. Different amount of sitting fees may be paid for different types of meetings.

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Sitting fees shall be over and above the limits prescribed in the Act for payment of remuneration but shall not exceed the amount as may be prescribed in the Rules for independent and non-independent directors.

Committees shall include Audit Committee, Nomination and Remuneration Committee, Risk Management Committee or such other committees as may be constituted by the Board from time to time.

b. Commission

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the Non-Executive Director(s) shall be as recommended by the NRC on the basis of performance evaluation carried out in respect of such Non-Executive Director(s) under Section 178 of the Act.

c. Stock Options / Equity Settled Stock Appreciation Rights (ESARs):

Independent Directors and Promoter Directors shall not be entitled for stock options / ESARs of the Company.

NRC may recommend issue of stock options / ESARs to other Directors which may be granted by the Board subject to the compliance of the provisions of relevant laws.

d. Professional fees:

Non-Independent Directors may be paid fees for services of professional nature, if in the opinion of NRC, the Director possesses the requisite qualification for the practice of the profession. The following professionals shall be deemed to be possessing requisite qualification and the NRC is not required to give their opinion, if the Director is any of the following professional and renders his services to the Company in that capacity:

- (a) Journalist
- (b) Editor of a magazine but not the publisher or the proprietor
- (c) Man of letters writing numerous articles
- (d) Author
- (e) Engineer
- (f) Architect
- (g) Solicitor
- (h) Stock broker
- (i) Film actor
- (j) Optician
- (k) Commission Agent
- (l) Auctioneer, valuer or an estate agent
- (m) Chartered Accountant
- (n) Advocate

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Such professional fees shall not be considered as remuneration for the purpose of Act.

EXCESS REMUNERATION:

The Board of Directors may decide to remunerate the Director(s) beyond the overall limits provided under the Act, subject to compliance of provisions in this regard and as per the approval of the members of the Company obtained in their meeting held on 19 December 2020,, owing to loss incurred by the Company or inadequacy of profits and situation entails providing such remuneration.

B. SENIOR MANAGEMENT PERSONNEL (SMP)

Senior Management Personnel (SMP) means Officers / Personnel who are members of core management team of the Company excluding Board of Directors and shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole Time Director / Manager, including Chief Executive Officer / Manager, in case they are not part of the Board and shall specifically include Company Secretary and Chief Financial Officer.

The Company shall issue an appointment letter to every SMP to be signed by the reporting Whole-time Directors including Managing Director. The letter shall detail the expectation from the role, remuneration package and other terms and conditions.

The remuneration components payable to SMP may be:

a. Fixed salary:

Each SMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and personal experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein.

The same shall be reviewed annually based on the Company's annual appraisal policy.

b. Variable pay:

Variable pay to every SMP shall be as per the responsibility of the position, Organisational and individual performance.

The variable pay shall be payable at the end of financial year based on absolute and relative performance evaluation of the Company as well as individual.

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c. Non-monetary benefits:

Non-monetary benefits to SMP may include club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water and other utilities and repairs at residence, reimbursement of medical expenditure for self and family and leave travel assistance. SMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. as per Company policy.

d. Stock options / Equity Settled Stock Appreciation Rights (ESARs):

To motivate executives to pursue long term growth and objectives of the Company, the Whole-time Directors including Managing Director may nominate SMP for receiving stock options / ESARs on the basis of the eligibility criterion of any scheme of stock options / ESARs declared by the Company.

e. Separation / Retirement benefits:

Separation / retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

DIRECTORS AND OFFICERS LIABILITY INSURANCE:

The Company may take Directors and Officers liability insurance or such insurance of like nature for indemnifying any of the Directors against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of remuneration payable to such personnel. Provided that if such person is proved to be guilty, the premium paid shall be treated as part of remuneration.

CONSULTANTS AND ADVISORS:

The NRC may take services of such consultants and advisors as may be required to assist in determination of optimum remuneration structure and evaluation of the same for the Company's Directors and senior management and shall have the authority to approve the fees payable to such consultants and advisors.

The NRC shall have access to data of the Company relating to annual operating plan, management and leadership programs, employee survey, initiatives, operational reviews for purpose of undertaking their terms of reference and providing such recommendations as are required under the policy and take such assistance from Whole-time Directors including Managing Director as may be required for assessing the effectiveness and performance of any employee covered under the policy.

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AMENDMENT

Based on the recommendation of the NRC, the Board reserves its right to amend or modify this Policy in whole or in part, at any time, when it deems appropriate or in accordance with any amendment to the applicable provisions of the Companies Act, 2013, including Rules thereof.

**For and on behalf of the Board of Directors
of Wellness Space Developers Limited**

sd/-

**Satish Jamdar
Director**

Place: Pune

Date: 26.05.2021

Annexure 2

FORM NO. AOC.2

DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS

Details of material contracts or arrangement or transactions at arm's length basis

Name(s) of the related party and nature of relationship:	Duration of the contracts/ arrangements / transactions	Nature of contracts/ Arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date of approval by the Board	Amount paid as advances, if any:
Kirloskar Chiller Private Limited	NA	Selling of property of any kind as mentioned in item (b) under sub Section (1) of Section 188	Agreement for Sale of 538 sq. mtr. Area for ₹ 15,16,90,000 (Rupees Fifteen Crores Sixteen Lakhs Ninety Thousand Only)	24.01.2023	₹ 3,79,22,500
Kirloskar Oil Engines Limited	NA	Selling of property of any kind as mentioned in item (b) under sub Section (1) of Section 188	Agreement for Sale of 4,836 sq. mtr ₹ for 139,94,95,844 (Rupees One Hundred Thirty Nine Crore Ninety Four Lakh Ninety Five Thousand Eight Hundred Forty Four Only)	24.01.2023	₹ 34,98,73,961
Kirloskar Ferrous Industries Limited	NA	Selling of property of any kind as mentioned in item (b) under sub Section (1) of Section 188	Agreement for Sale of 1,735 sq. mtr. for 48,87,22,184 (Rupees Forty Eight Crores Eighty Seven Lakhs Twenty Two Thousand One Hundred Eighty Four Only)	24.01.2023	₹ 12,21,80,546

*All transactions are in the Ordinary Course of Business, at Arm's Length basis and are of on-going nature. All transactions are placed before the Audit Committee of the Company. The terms of these transactions are governed by the respective Agreements for Sale.

For and on behalf of the Board of Directors

Sd/-

Sd/-

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Tejas Deshpande
Director
DIN: 01942507

Date: 25.04.2023

Place: Pune

INDEPENDENT AUDITOR'S REPORT

To the Members of Avante Spaces Limited (Formerly known as "Wellness Space Developers Limited)

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying Standalone Financial Statements of **Avante Spaces Limited** (Formerly known as "Wellness Space Developers Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of significant accounting policies and other explanatory information.

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

2. Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143 (10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors but does not include the Standalone Financial Statements and our Auditor's Report thereon.

The above reports were made available to us before the date of this Auditor's Report.

Our opinion on the Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the Financial Statements, our responsibility is to read the other information identified above and in doing so, consider whether

the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. Management's Responsibility for the Standalone Financial Statements

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

In preparing the Financial Statements, Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.
 - (g) As required by the section 197(16) of the Act, in our opinion and according to information and explanation provided to us, the managerial remuneration for the year ended March 31, 2023 has been paid and provided by the company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

- iv.
- a. The management has represented that to the best of its knowledge or belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b. The management has represented that to the best of its knowledge and belief no funds have been received by the Company to or in any other person(s) or entity(ies) including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the Company shall, whether 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - c. Based on the audit procedures considered reasonable and appropriate in the circumstances and according to the information and explanation provided to us by the management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatements.
- v. The Company has neither declared nor paid any dividend during the year.
- vi. There are no comments offered as regards the maintenance of books of account using accounting software which has a feature of recording audit trail (edit log) facility under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 since the said requirements under proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 are not applicable to the company for the financial year ended March 31, 2023.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 23113053BGWSZI5051

Sd/-

Umesh S. Abhyankar
Partner
Membership Number: 113 053
Pune, April 25, 2023

Annexure 1 referred to in Paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of the Company for the year ended March 31, 2023 of Avante Spaces Limited (Formerly known as "Wellness Space Developers Limited)

- i. (a)
 - (A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, plant and equipment.
 - (B) The Company is maintaining proper records showing full particulars of Intangible assets.
 - (b) The Company has carried out physical verification of significant items of its property, plant and equipment during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.
 - (c) The title deeds of all the immovable properties are held in the name of the Company.
 - (d) Based on the audit procedures conducted by us and according to the information and explanations given to us we report that, the Company has not revalued its Property, plant and equipment or intangible assets during the year.
 - (e) Based on the audit procedures conducted by us and according to the information and explanations given to us, we report that no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
 - (a) The Company's inventory consists of work in progress of projects under development which has been physically verified by the management during the year. In our opinion the coverage and procedure of such verification is appropriate and no discrepancies were noticed on such verification.
 - (b) Based on the audit procedures conducted by us and according to the information and explanations given to us, we report that during the year the Company has not been sanctioned any working capital limits from banks or financial institutions in excess of Rs. 5 crores in aggregate on the basis of security of current assets. As such, reporting under paragraph 3 (ii)(b) of the Order is not applicable to the Company.
- iii. Based on the audit procedures conducted by us and according to the information and explanations provided to us, during the year the company has not made any investments in or has not provided any guarantee or security or has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except investments in Mutual funds which in our opinion are not prejudicial to the

company's interest. As such, reporting under paragraph 3 (iii) (a) and (c) to (f) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given to us, the Company has not given loans, made investments, given guarantees and provided securities which are covered by the provisions of Sections 185 and 186 of the Act. Accordingly, reporting under paragraph 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits to which the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules made thereunder apply. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The maintenance of cost records is not applicable to the Company pursuant to the provisions of Sub-section (1) of Section 148 of the Act.
- vii.
 - (a) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that the company is regular in depositing the undisputed statutory dues including provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues as applicable with appropriate authorities. According to the information and explanations given to us and on the basis of examination of the books of account and the records of the Company, we report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date, they became payable.
 - (b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that there are no transactions, which were not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.
 - (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon.
 - (b) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that the Company has not been declared to be a wilful defaulter by any bank, financial institution or other lender.

- (c) According to the information and explanations given to us and on the basis of examination of books of account and records, the Company the term loans have been applied for the purpose for which the loan was obtained.
 - (d) According to the information and explanations given to us and on the basis of examination of books of account and records we report that funds raised on short term basis have not been utilised for long term purposes.
 - (e) The Company does not have any subsidiaries, associates or joint ventures and as such reporting on the clause 3 (ix) (e) whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.
 - (f) The Company does not have any subsidiaries, associates or joint ventures and as such reporting on the clause 3 (ix) (f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.
- x.**
- (a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under clause 3(x)(a) is not be applicable.
 - (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares during the year.
- xi.**
- (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
 - (b) No report under Sub-section (12) of Section 143 of the Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - (c) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the Company, we report that during the year, there were no whistle blower complaints received by the company.
- xii.**
- (a) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, the Company is not a Nidhi Company within the meaning of Section 406 of the Act. As such, reporting under clause 3 (xii) (a) to (c) is not applicable.

- xiii.** Based upon the audit procedures performed and as per the information and explanations given to us, we report that the transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details as required by the applicable Indian Accounting Standards have been disclosed in the Financial Statements.
- xiv.**
- (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company have been considered by us during the course of our audit.
- xv.** Based upon the audit procedures performed by us and according to the information and explanations given to us, we report that the Company has not entered into any non-cash transactions of the nature as described in Section 192 of the Act.
- xvi.**
- (a) According to the information and explanations given to us and based on audit procedures performed by us, we report that the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us and based on audit procedures performed by us, we report that the Company has not conducted any non-banking financial or housing finance activities during the year.
- (c) According to the information and explanations given to us and based on audit procedures performed by us, we report that the Company would not be classified as a Core Investment Company (CIC).
- (d) According to the information and explanations given to us and based on audit procedures performed by us we report that the Group does not have more than one CIC.
- xvii.** The Company has incurred cash losses of Rs. 302 lakhs in the current financial year i.e., FY 2022-23 and cash losses of Rs. 247 Lakhs during immediately preceding financial year i.e., FY 2021-22.
- xviii.** There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3 (xviii) is not applicable.
- xix.** According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of the balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the

future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In our opinion and according to the information and explanation provided to us, the Company is not required to comply with provisions of Section 135 of the Act and Companies (Corporate Social Responsibility Policy) Rules, 2014, since the Company is incurring losses since its incorporation during the year 2020-21. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

xxi. In our opinion and according to information and explanations provided to us reporting under clause 3(xxi) of the Order is not applicable to the Company since the Company does not have any subsidiaries, associates or joint ventures and the Consolidated Financial Statements are not required to be prepared by the Company.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration number: 100515W
UDIN: 23113053BGWSZI5051

Sd/-

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, April 25, 2023

Annexure-2 referred to in paragraph 6 (2) (f) under the heading 'Report on Other Legal and Regulatory Requirements' of our report on even date on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

To the Members of Avante Spaces Limited (Formerly known as "Wellness Space Developers Limited)

We have audited the internal financial controls over financial reporting of **Avante Spaces Limited (Formerly known as "Wellness Space Developers Limited)** ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013, (the Act).

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration number: 100515W
UDIN: 23113053BGWSZI5051

Sd/-

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, April 25, 2023

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
BALANCE SHEET AS AT 31 MARCH 2023
(Amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
ASSETS			
1 Non-Current Assets			
(a) Property, plant and equipment	6	515	600
(b) Capital work-in-progress	7	22,833	19,625
(c) Right-of-use assets	6	10	23
(d) Intangible assets	6	53	25
(e) Intangible assets under development	8	-	36
(f) Financial Assets			
i) Investments	9	-	-
ii) Other financial assets	10	35	9
		23,446	20,318
2 Current Assets			
(a) Inventories	11	5,603	-
(b) Financial assets			
(i) Investments	12	1,768	-
(ii) Cash and cash equivalents	13	525	39
(c) Current tax assets	14	63	10
(d) Other current assets	15	1,947	1,512
		9,906	1,561
TOTAL ASSETS		33,352	21,879
1 EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	16	751	751
(b) Other equity	17	2,557	2,665
		3,308	3,416
2 Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	21,254	16,836
(ii) Lease Liability	19	-	3
(b) Deferred tax liabilities (Net)	20, 32	710	787
(c) Provisions	21	85	55
		22,049	17,681

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AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
BALANCE SHEET AS AT 31 MARCH 2023
(Amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
3 Current liabilities			
(a) Financial liabilities			
(i) Lease Liability	22	4	15
(ii) Trade and other payable	23		
- Dues to micro and small enterprises		123	230
- Dues to creditors other than micro and small enterprises		766	286
(iv) Other financial liabilities	24	411	179
(b) Other current liabilities	25	6,648	46
(c) Provisions	26	43	26
		7,995	782
TOTAL EQUITY AND LIABILITIES		33,352	21,879

Notes forming part of the Financial Statements: Note No. 1 to 43

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W

For and on behalf of the Board of Directors

Sd/-

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, 25 April 2023

Sd/-

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Sd/-

Tejas Deshpande
Director
DIN : 01942507
Pune, 25 April 2023

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2023
(Amounts in Indian Rupees Lakhs, unless otherwise stated)

Particulars	Note No.	Year Ended 31 March 2023	Year Ended 31 March 2022
1 Income			
(a) Other income	27	6	114
2 Total Income		6	114
3 Expenses			
(a) Employee benefits expenses	28	95	78
(b) Finance costs	29	5	4
(c) Depreciation and amortisation expenses	30	59	72
(d) Other expenses	31	237	385
4 Total expenses		396	539
5 Profit/(loss) before tax		(390)	(425)
6 Tax expenses			
Current tax		-	-
Deferred tax expense / (credit)	32	(72)	(57)
7 Total tax expenses		(72)	(57)
8 Profit/(loss) for the year		(318)	(368)
9 Other Comprehensive Income /(Loss)			
Items that will not be reclassified to Profit and Loss			
a) Gain/(loss) on remeasurements of defined benefit plan		(20)	(22)
b) Income tax expenses / (reversal) relating to items that will not be reclassified to profit or loss		(5)	(6)
10 Total Other Comprehensive Income/ (Loss)		(15)	(16)
11 Total Comprehensive Income/ (Loss) for the year		(333)	(384)
12 Earnings / (loss) per equity share (Nominal value of share ₹ 10)			
Basic & Diluted (₹)	33	(4.23)	(6.36)

Notes forming part of the Financial Statements: Note No. 1 to 43

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W

For and on behalf of the Board of Directors

Sd/-

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, 25 April 2023

Sd/-

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Sd/-

Tejas Deshpande
Director
DIN : 01942507
Pune, 25 April 2023

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

(Amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(390)		(425)
<u>Adjustments for:</u>				
Depreciation and amortization expense	59		72	
Stock option expenses	31		17	
Loss on demolition of assets	-		84	
Sale of scrap from demolition of assets	-		(99)	
Interest income	(3)		(2)	
Income on Fair Valuation of Financial Assets	(3)		-	
Finance cost	5	89	4	76
Operating profit / (loss) before working capital changes		(301)		(349)
<u>Changes in working capital:</u>				
(Increase) / Decrease in Inventories (to the extent of cash flows during the year)	(2,870)		-	
(Increase) / Decrease in current financial assets	-		2	
(Increase) / Decrease in other current assets	(279)		(610)	
Increase / (Decrease) in trade and other payable	15		-	
Increase / (Decrease) in current financial liabilities	2		279	
Increase / (Decrease) in other current liabilities	6,601		12	
Increase / (Decrease) in provisions	24		25	
		3,493		(292)
Cash generated from operations		3,192		(641)
Net income tax (paid) / refunds		(53)		(8)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		3,139		(649)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Real estate project under development	(4,077)		(11,971)	
Payment to Holding Company for Purchase of Real Estate business Undertaking	-		(1,500)	
Payment for acquisition of Property, plant and equipment	-		-	
Payment for acquisition of Intangible assets under development	-		(6)	
Receipt on sale of scrap of assets	-		99	
Liquidation/ (Placement) of fixed deposits	(25)		-	
Investment in unquoted equity instruments*	-		-	
Investment in Mutual funds	(1,765)		-	
Interest received	2		2	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		(5,865)		(13,376)

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

(Amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2023		For the year ended 31 March 2022	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings from holding company	4,180		12,465	
Borrowings from Bank	2,137		-	
Repayment of borrowings taken from bank	(2,137)		-	
Payment of processing fees on borrowings	(150)		-	
Payment of Finance cost to bank	(102)		-	
Payment of Finance cost to Holding company	(699)		-	
Payment of lease liability	(17)		(16)	
Issue of equity shares	-		1,500	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		3,212		13,949
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		486		(76)
Cash and cash equivalents at the beginning of the year		39		115
Cash and cash equivalents at the end of the year		525		39

(* Value less than Rupees fifty thousand)

Notes:

1. The above Cash- Flow Statement has been prepared under the indirect method setout in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.
2. Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.
3. All figures in brackets indicate outflow.

Notes forming part of the Financial Statements: Note No. 1 to 43

As per our attached report of even date

For and on behalf of the Board of Directors**For G. D. Apte & Co.****Chartered Accountants****Firm Registration Number: 100515W**

Sd/-

Sd/-

Sd/-

Umesh S Abhyankar**Partner****Membership Number: 113053****Pune, 25 April 2023****Vinesh Kumar Jairath****Managing Director****DIN : 00391684****Tejas Deshpande****Director****DIN : 01942507****Pune, 25 April 2023**

AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Indian Rupees lakhs, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	As at 31 March 2023		As at 31 March 2022	
	No.	₹ lakhs	No.	₹ lakhs
At the beginning of the year	75,10,000	751	10,000	1
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	75,10,000	751	10,000	1
Add: Shares issued during the year	-	-	75,00,000	750
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	75,10,000	751	75,10,000	751

B. Other Equity

Particulars	Reserves and surplus					Total
	Securities Premium Account	Capital reserve	Equity Component of OCD	Deemed Equity on ESAR issued by holding company	Surplus/ (Deficit) in the Statement of Profit and Loss	
As at 31 March 2021	-	(265)	-	109	(102)	(258)
Proceeds of issue of equity shares	750	-	-	-	-	750
Share issue costs	(11)	-	-	-	-	(11)
Profit/(Loss) for the year	-	-	-	-	(368)	(368)
Contribution by holding company	-	-	-	128	-	128
Equity component of OCDs issued during the year	-	-	2,440	-	-	2,440
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	(16)	(16)
As at 31 March 2022	739	(265)	2,440	237	(486)	2,665
Profit/(Loss) for the year	-	-	-	-	(318)	(318)
Contribution by holding company	-	-	-	225	-	225
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	(15)	(15)
As at 31 March 2023	739	(265)	2,440	462	(819)	2,557

Notes forming part of the Financial Statements: Note No. 1 to 43

As per our attached report of even date

For G. D. Apte & Co.

Chartered Accountants

Firm Registration Number: 100515W

Sd/-

Umesh S Abhyankar

Partner

Membership Number: 113053

Pune, 25 April 2023

For and on behalf of the Board of Directors

Sd/-

Vinesh Kumar Jairath

Managing Director

DIN : 00391684

Sd/-

Tejas Deshpande

Director

DIN : 01942507

Pune, 25 April 2023

AVANTE SPACES LIMITED (FORMERLY KNOWN AS WELLNESS SPACE DEVELOPERS LIMITED)
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023.
(Amounts in Indian Rupees lakhs, unless otherwise stated)

NOTE 1: CORPORATE INFORMATION

Avante Spaces Limited (Formerly known as “Wellness Space Developers Limited”) (“the Company”) is an unlisted public company, incorporated on 17 July 2020 under the provisions of the Companies Act, 2013. The Company is engaged in the business of real estate development of land parcels owned by the Company at Kothrud, Pune.

The Company is a wholly-owned subsidiary of Kirloskar Industries Limited.

The Standalone Financial Statements of the Company for the year ended 31 March 2023 were authorised for issue by the Board of Directors on 25 April 2023.

NOTE 2: BASIS OF PREPARATION

The Standalone Financial Statements of the Company have been prepared in accordance with Indian Accounting Standards (“Ind AS”) notified under the Section 133 of the Companies Act, 2013 (“the Act”) read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

The Company has implemented accounting policies in line with the applicable Indian accounting standards and has consistently applied the same while preparing these Standalone Financial Statements.

a) Operating Cycle/ Current versus Non-Current Classification

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

ASSETS:

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised 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.

LIABILITIES:

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is 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

Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification

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The Company classifies all other liabilities as non-current.

- Deferred tax assets and liabilities are classified as non-current assets and liabilities.
- The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.
- The Company has identified twelve months as its operating cycle.

The Standalone Financial Statements have been prepared on accrual basis, following historical cost convention, except for the following, which are measured on following basis on each reporting date:

Items	Measurement Basis
Share-based payment cost incurred by parent for employees of the company	Fair Value
Financial instruments	Initially at fair value and subsequently at amortised cost
Defined benefit liability/(assets):	Fair value of plan assets less present value of defined benefit obligation

Functional and presentation currency

The Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The Standalone Financial Statements are presented in Indian rupee (₹) rounded off to nearest lakhs (unless otherwise stated), which is the Company's functional and presentation currency.

NOTE 3 : SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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 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.

Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. For further details about determination of fair value refer note 4(a) & note 37.

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation 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 plans operated in India, 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 and gratuity increases are based on expected future inflation rates.

Further details about defined benefit plans obligations are given in note 34.

Deferred tax

Deferred tax assets are recognised for all the deductible temporary differences including carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 losses can be utilised.

Estimations and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.

NOTE 4: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies applied by the Company in preparing its Standalone Financial Statements:

a) 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, or
- 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 to 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 considers 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 information is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone Financial Statements are categorised 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 recognised in the Standalone Financial Statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value.

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.

Methods and assumptions used to estimate the fair values are consistently followed.

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b) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost net of accumulated depreciation and impairment losses, if any.

The cost comprises of the purchase price and directly attributable costs of bringing the asset to its working condition for the intended use. It also includes the initial estimate of the costs of dismantling, removing the item and restoring the site on which it is located, where the company has such contractual obligation. Any trade discounts and rebates are deducted in arriving at the purchase price. Each part of item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Capital work-in-progress

Capital work-in-progress comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Projects under which tangible assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable borrowing costs. Depreciation is not provided on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

i. Depreciation and amortisation

Depreciation is provided on all assets (except land, being a non-depreciable asset) equally over the useful life of the individual assets as prescribed under Part C of Schedule II to the Act. These lives also reflect the management's estimate of the useful life of the respective property, plant and equipment.

In case of vehicles, useful life of 5 years (instead of 8 years as prescribed in Part C of Schedule II to the Act) and Intangible asset being trademark, useful life is 20 years has been estimated by the management of the Company for the purpose of charging depreciation.

All items of property, plant and equipment individually costing ₹ 5,000 or less are fully depreciated in the year of installation.

Depreciation is recognised in the statement of profit and loss from the month in which the asset is acquired while the depreciation on assets sold during the year is recognised in the statement of profit and loss till the month prior to the month in which the asset is sold.

ii. Disposals/ derecognition

An item of property, plant and equipment is derecognised 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 derecognised.

iii. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

c) Intangible assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost comprising of the consideration paid for acquisition less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and the expenditure is recognised in the statement of profit and loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives i.e. software are amortized on a straight-line basis over the period of expected future benefits i.e. over their estimated useful lives of five years.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss. 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 recognised in the statement of profit and loss when the asset is derecognised.

d) Leases

Company as a Lessee:

The Company's lease asset classes primarily consist of leases for buildings. The Company, at the inception of a contract, assesses whether the contract is a lease or otherwise. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. This policy has been applied to contracts existing and entered into during the Financial Year.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. Such depreciation is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. After the commencement date, the lease liability is adjusted by increasing the carrying amount to reflect interest on

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the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications. The lease liability is also remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The interest on the lease liability is recognised in the statement of Profit & Loss except to the extent that it can be allocated to any Property, Plant & Equipment.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (assets of less than Rs. 5,000 in value). The Company recognises the lease payments associated with these leases as an expense over the lease term.

Company as a Lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

e) Revenue recognition

I. Revenue from contracts 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. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

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, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

II. Recognition of revenue from sale of real estate inventory property

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with either of the two conditions as stated below –

- on transfer of legal title of the residential or commercial unit to the customer; or
- on transfer of physical possession of the residential or commercial unit to the customer.

Sale of residential and commercial units consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated with each other. The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

- III. Interest on fixed deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. In case of significant uncertainty of receiving interest, the same is not recognised though accrued and is recognised only when received.
- IV. Other income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Income taxes

i. Current Income Tax

Current income tax assets and expenses/ liabilities are measured respectively at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised 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 utilised except when the deferred tax asset relating to the deductible temporary difference arises from 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 profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each

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reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

g) Borrowing Cost:

Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset, is added to the cost of the assets.—Borrowing costs that are not directly attributable to qualifying asset are recognised in the Statement of Profit and Loss using effective interest method.

A qualifying asset is an asset that necessarily takes 12 months or more to get ready for its intended use or sale and includes the real estate properties under development.

h) Provisions

A provision is recognized when the Company has a present obligation as a result of 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 the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

i) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the Standalone Financial Statements.

j) Retirement and other employee benefits

a) Short term Employee Benefits

The distinction between short term and long-term employee benefits is based on expected timing of settlement rather than the employee's entitlement benefits. All employee benefits payable within

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twelve months of rendering the service are classified as short-term benefits and are measured on an undiscounted basis according to the terms and conditions of employment. Such benefits include salaries, bonus, short term compensated absences, awards, etc. and are recognised in the period in which the employee renders the related service, except to the extent that it can be allocated to any Property, Plant & Equipment..

b) Other employment benefits

(i) Defined contribution plan

The eligible employees of the Company are entitled to receive benefits under the Provident Fund which is defined contribution plans. In case of Provident Fund, both the employee and the Company contribute monthly at a stipulated rate to the government provident fund. The Company has no liability for future Provident Fund benefits other than its annual contributions which are recognised as an expense on an accrual basis.

The Company recognize contribution payable as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before 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 the excess recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

(ii) Defined benefit plan

The Company operates a defined benefit plan for its employees, viz. gratuity. The present value of the obligation or asset under such defined benefit plans is determined based on the actuarial valuation using the Projected Unit Credit Method as at the date of the Balance sheet. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The interest cost is calculated by applying the discount rate to the balance of the defined benefit obligation. This cost is included in finance cost in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly as other comprehensive income. They are included in retained earnings in the statement of changes in equity.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

(iii) Benefits for long term compensated absences:

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end.

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In regard to other long term employment benefits, the Company recognises the net total of service costs; net interest on the net defined benefit liability (asset); and re-measurement of the net defined benefit liability (asset) in the Statement of Profit and Loss.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial assets

Initial recognition and measurement of financial assets

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the 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, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company has made an irrevocable election to present subsequent changes in the fair value in the OCI. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from

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OCI to statement of profit and loss, on sale of investment. However, the Company transfers the cumulative gain or loss within the equity from OCI to Retained Earnings.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss at each reporting date.

Dividends from such investments are recognised in profit or loss when the Company's right to receive payments is established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the 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 recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises 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:

- Financial assets that are debt instruments, and are measured at amortised cost
- Trade receivables or any contractual right to receive cash or another financial asset

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit

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risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as FVTPL, transaction costs that are attributable to the issue of the financial liability. Financial assets and financial liabilities are recognised in the Balance Sheet when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. 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. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

Financial liabilities at amortised cost

After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

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Amortised 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 amortisation is included as finance costs in the statement of profit and loss.

Compound Financial Instruments

The issuer of a non-derivative financial instrument shall evaluate the terms of the financial instrument to determine whether it contains both a liability and an equity component.

The Company has recognised separately the components of the financial instruments that (a) have created a financial liability of the entity and (b) have granted an option to the issuer of the instrument to convert it into an equity instrument of the entity.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

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 recognised in the statement of profit and loss.

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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Inventories

Related to contractual and real estate activity

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is in the nature of directly attributable cost of bringing the asset to its working condition for its intended use.

Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the Statement of Profit and Loss.

Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

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Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects /units or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Finished goods – Residential Flats, Commercial Units and Plots: Valued at lower of cost and net realisable value.

Land inventory - Valued at lower of cost and net realisable value.

l) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non cash nature and any deferral or accruals of past or future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

m) Dividend:

The Company recognises a liability to make cash distributions to the equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the provisions of the Act, a distribution is authorised when it is approved by the shareholders except in case of interim dividend which is approved by the Board of Directors. A corresponding amount is recognised directly in equity.

n) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts, if any as they are considered as integral part of the Company's cash management.

o) Earnings per share (EPS)

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares.

p) Segment reporting

i) **Operating segment:** Ind AS 108 operating segment requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by the Managing Director, being Chief Operating Decision Maker (CODM) to assess performance and allocate resource. The standard also required Management to make judgments with respect to recognition of segments. Accordingly, the Company recognises Real Estate as its sole segment.

Note 5: Recent Accounting pronouncements

The Ministry of Corporate Affairs has not notified any new Indian Accounting Standard effective from April 1, 2023 which would impact the financial statements of the company.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Indian Rupees lakhs, unless otherwise stated)

Note 6: Property, Plant and Equipment, Intangible Assets and Right of use Assets

Particulars	Property, plant and equipment (A)									Right of Use Assets (B)	Intangible Assets (C)			Total (A)+(B)+(C)
	Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computers & Peripherals	Electrical Installations	Total (A)	Building	Trade-mark	Computer Software	Total (C)	
Gross Block														
Balance as at 31 March 2021	542	80	3	2	106	15	3	1	752	39	-	36	36	827
- Additions*	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- (Disposals)/ (Adjustments)#	-	80	3	2	-	15	-	1	101	-	-	-	-	101
Balance as at 31 March 2022	542	-	-	-	106	-	3	-	651	39	-	36	36	726
- Additions	-	-	-	-	-	-	-	-	-	-	36	-	36	36
- (Disposals)/ (Adjustments)	47	-	-	-	-	-	-	-	47	-	-	-	-	47
Balance as at 31 March 2023	495	-	-	-	106	-	3	-	604	39	36	36	72	715
Accumulated Depreciation														
Balance as at 31 March 2021	-	4	-	-	10	2	1	-	17	3	-	3	3	23
- Depreciation charge for the year	-	6	-	-	38	5	2	-	51	13	-	8	8	72
- On (Disposals)/ (Adjustments) #	-	10	-	-	-	7	-	-	17	-	-	-	-	17
Balance as at 31 March 2022	-	-	-	-	48	-	3	-	51	16	-	11	11	78
- Depreciation charge for the year	-	-	-	-	38	-	-	-	38	13	-	8	8	59
- On (Disposals)/ (Adjustments)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2023	-	-	-	-	86	-	3	-	89	29	-	19	19	137
Net Block														
Balance as at 31 March 2022	542	-	-	-	58	-	-	-	600	23	-	25	25	648
Balance as at 31 March 2023	495	-	-	-	20	-	-	-	515	10	36	17	53	578

* Value less than Rupees fifty thousand

During the previous year pursuant to ongoing real estate activity, company has demolished its assets resulting into said disposal. (Refer note 27 for income from sale of scrap & note no 31 for loss on demolition of assets).

Additional regulatory information:

1. All the title deeds of immovable properties are held in the name of the Company and are not held jointly with other.
2. No proceedings have been initiated or are pending against the company for holding benami property under the Benami Transactions (Prohibitions) Act 1988 (45 of 1988) and the rules made their under.
3. Refer note 7(a) and note 18(a).

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	As at 31 March 2023	As at 31 March 2022
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Note 7 : Capital work-in-progress

Balance as at beginning of the year	19,625	7,967
Add: Additions during the year#	8,764	11,658
Less: Transferred to Inventory (Work in progress)	(5,556)	-
Less: Capitalised during the year	-	-
Balance as at the end of the year	22,833	19,625

Note 7(a) : The company has entered into 'Agreement for Sale' for certain Units of Buildings situated at Kothrud, which are under Construction as at March 31, 2023. Accordingly, the cost of construction of Rs. 5,556 Lakhs and land of Rs. 47 lakhs pertaining to these units has been transferred from Capital Work in Progress and Property Plant and Equipment respectively to Work in Progress-Inventories. The revenue from sales would be recognised upon completion of construction and handing over of the Units to respective buyers being the point of time of satisfaction of performance obligation under Ind AS 115, 'Revenue from Contracts with Customers.'

#During the year borrowing Costs of Rs. 878 lakhs (previous year Rs. 168 lakhs) have been included in Capital work in progress as per Ind AS 23, "Borrowing Costs."

Ageing schedule of Projects in progress

Less than 1 year	3,208	11,658
More than 1 year and less than 2 years	11,658	7,967
More than 2 year and less than 3 years	7,967	-
More than 3 years	-	-
Total	22,833	19,625

*There is no cost and time over-run for the project

** There are no projects under capital work-in-progress where activities has been suspended as at 31 March 2023

Note 8 : Intangible assets under development

Balance as at beginning of the year	36	30
Add: Additions during the year	-	6
Less: Capitalised during the year*	(36)	-
Balance as at the end of the year	-	36

Ageing schedule Projects in progress

Less than 1 year	-	6
More than 1 year and less than 2 years	-	30
Total	-	36

*There is no cost and time over-run for the intangible assets

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)*

	As at 31 March 2023	As at 31 March 2022
Note 9 : Investments		
Unquoted equity instruments, fully paid		
Kirloskar Proprietary Limited (Face Value Rs 100)*	-	-
[No of equity shares 1 (Previous year Nil)]		
Total	-	-
(* Value less than Rupees fifty thousand)		
Note 10 : Other financial assets		
Measured at amortised cost		
(Unsecured, considered good)		
Security deposits	9	9
Balances with banks held as margin money or security against the guarantees	26	-
Total	35	9
Note 11 : Inventories : Work In Progress		
At Lower of cost and net realisable value		
Balance as at Beginning of the Year	-	-
Add: Transferred from Capital Work in Progress [(Refer Note 7(a))*	5,556	
Add: Transferred from Property, Plant and Equipment (Land) [(Refer Note 7(a))	47	-
Balance as at the end of the Year	5,603	-
*Includes borrowing cost of Rs. 316 lakhs as per Ind AS 23, "Borrowing Cost."		
Note 12 : Investments		
Measured at fair value through profit and loss		
Investments in liquid mutual fund		
- HSBC Liquid Fund - Direct (G) (Face value of Rs 1000 each)	150	-
[No of Units: 6,698.616 (Previous year Nil)]		
Investments in Money Market mutual funds		
- ABSL Money Manager Fund - Direct (G) (Face value of Rs 100 each)	702	-
[No of Units: 2,21,846.860 (Previous year Nil)]		
- Nippon India Money Market Fund - Direct (G) (Face value of Rs 1000 each)	240	-
[No of Units: 6,778.369 (Previous year Nil)]		
- Tata Money Market Fund - Direct (G) (Face value of Rs 1000 each)	676	-
[No of Units: 16706.281 (Previous year Nil)]		
Total	1,768	-
Aggregate book value of quoted investment	1,765	-
Aggregate market value of quoted investment	1,768	-
Aggregate carrying value of unquoted investment	-	-
Aggregate amount of impairment in value of investment	-	-

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	As at 31 March 2023	As at 31 March 2022
Note 13 : Cash and cash equivalents		
Cash on hand*	-	-
Balances with banks:		
– On current accounts	525	39
Total	525	39
(* Value less than Rupees fifty thousand)		
Note 14 : Current tax assets		
Current tax assets	63	10
Total	63	10
Note 15 : Other current assets (Unsecured, considered good)		
Balances with government authorities	1,789	912
Advance to service providers	156	597
Prepaid expenses	2	3
Total	1,947	1,512

AVANTE SPACES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Indian Rupees lakhs, unless otherwise stated)

Note 16 : Equity Share capital

Particulars	As at 31 March 2023		As at 31 March 2022	
	Nos.	(₹ in lakhs)	Nos.	(₹ in lakhs)
AUTHORISED				
Equity shares of Rs.10/- each	1,00,00,000	1,000	1,00,00,000	1,000
ISSUED AND SUBSCRIBED				
Equity shares of Rs.10/- each	75,10,000	751	75,10,000	751
CALLED UP AND PAID UP				
Equity shares of Rs.10/- each	75,10,000	751	75,10,000	751
Total	75,10,000	751	75,10,000	751

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	Nos.	(₹ in lakhs)	Nos.	(₹ in lakhs)
At the beginning of the year	75,10,000	751	10,000	1
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	75,10,000	751	-	-
Add: Issued during the year	-	-	75,00,000	750
Outstanding at the end of the year	75,10,000	751	75,10,000	751

(b) Terms/ rights attached to equity shares

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

(c) Shares held by Promoters

Out of equity shares issued by the Company, shares held by the promoters are as below:

Particulars	As at 31 March 2023		As at 31 March 2022	
	Nos.	(₹ in lakhs)	Nos.	(₹ in lakhs)
Kirloskar Industries Limited*	75,10,000	751	75,10,000	751
Equity shares of Rs.10 each fully paid				
<i>*(The holding Company through its nominees holds 6 equity shares of Company.)</i>				
Total	75,10,000	751	75,10,000	751

(d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at 31 March 2023		As at 31 March 2022	
	Nos.	% holding in the class	Nos.	% holding in the class
Kirloskar Industries Limited*	75,10,000	100%	75,10,000	100%
Equity shares of Rs.10 each fully paid				
<i>*(The holding Company through its nominees holds 6 equity shares of Company.)</i>				
Total	75,10,000	100%	75,10,000	100%

(e) There are no shares allotted pursuant to contract(s) without payment being received in cash during year.

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(Amounts in Indian Rupees lakhs, unless otherwise stated)

	As at 31 March 2023	As at 31 March 2022
Note 17 : Other equity		
(a) Capital Reserve		
Balance as at the beginning of the year	(265)	(265)
Add : Addition/Deletion during the year	-	-
Balance as at the end of the year	(265)	(265)
(b) Securities Premium Account		
Balance as at the beginning of the year	739	-
Add : Proceeds of issue of equity shares	-	750
Less: Share issue costs	-	(11)
Balance as at the end of the year	739	739
(c) Deemed Equity on ESAR issued by holding company		
Balance as at the beginning of the year	237	109
Add : Contribution made by Holding Company	225	128
Balance as at the end of the year	462	237
(d) Surplus/ (Deficit) in the statement of profit and loss		
Balance as at the beginning of the year	(486)	(102)
Add: Net Profit/(loss) transferred from the Statement of Profit and Loss	(318)	(368)
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	(15)	(16)
Net surplus/ (deficit) in the Statement of Profit and Loss	(819)	(486)
(e) Equity Component of OCD		
Balance as at the beginning of the year	2,440	-
Add : Issued during the year	-	2,440
Balance as at the end of the year	2,440	2,440
Total	2,557	2,665

Note:**1) Capital Reserve**

Capital reserve represents an amount being excess of Purchase Consideration over Net Assets acquired, accounted in terms of Annexure C to Ind AS 103 Business combination i.e business combination for common control transaction being recognised as negative Capital Reserve.

2) Securities Premium

Securities Premium represents an amount received in excess of the par value of equity shares issued.

3) Deemed Equity on ESAR by holding company

Deemed Equity on ESAR represents the fair value of options granted by Holding company to the employees of the Company under the employee stock option plans, which are unvested or unexercised as on the reporting date.

4) Surplus/ (Deficit) in the statement of profit and loss

This comprise of the undistributed profit/ (loss) after taxes.

5) Equity Component of OCD

Equity Component of 0% Optionally Convertible Debentures issued to the holding company.

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	As at 31 March 2023	As at 31 March 2022
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Note 18 : Borrowings**(Unsecured, considered good)****(Measured at amortised cost)**

Optionally Convertible Debentures*	3,109	2,871
Loan from Holding Company**	18,145	13,965

Total**21,254****16,836**

* Represents debt portion of Unsecured Optionally Convertible Debentures (OCDs) carrying nil interest rate aggregating to Rs 6,000 lakhs consisting of into 6,00,00,000 OCDs of Rs 10 each for tenure not more than 120 months in settlement of Purchase consideration payable to holding company.

Debt component of OCDs	3,109	2,871
Equity component of OCDs (Note no 17e)	2,440	2,440
Deferred tax liability thereon	751	814
Finance cost on OCDs capitalised under Capital work in progress	238	168

** The Borrowings are unsecured, carrying interest rate @ 8.25% w.e.f. 1st Oct 2022 and repayable within period of seven years or as mutually decided by both the parties.

18 (a) During the year, the Company availed credit facility from bank to the tune of Rs 2,137 lakhs which were fully repaid. The facility carried an average interest rate of 10.16 % and was secured by charge against land and real estate property under development and charge were released.

Note 19 : Lease Liability**(Measured at Amortised Cost)**

Lease liability	-	3
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Total

-

3**Note 20: Deferred tax liabilities (Net) Deferred Tax assets / (liabilities)**

Deferred tax assets (Net)	-	-
Deferred tax liabilities (Net)	(710)	(787)
Total	(710)	(787)

Note 21 : Provisions

Gratuity	79	50
Compensated Absences	6	5
Total	85	55

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	As at 31 March 2023	As at 31 March 2022
Note 22 : Lease Liability		
Lease liability	4	15
Total	4	15
Note 23 : Trade and other payable (Measured at amortised cost)		
- Dues to micro and small enterprises	123	230
- Dues to creditors other than micro and small enterprises	766	286
Total	889	516
Dues to creditors other than micro and small enterprises:		
- Not due	762	282
- Less than 1 year	4	4
- More than 1 year and less than 2 years*	-	-
- More than 2 year and less than 3 years	-	-
- More than 3 years	-	-
Dues to micro and small enterprises:		
- Not due	123	230
- Less than 1 year	-	-
- More than 1 year and less than 2 years	-	-
- More than 2 year and less than 3 years	-	-
- More than 3 years	-	-
Disclosure as required under Micro, Small and Medium Enterprises Development Act, 2006 :		
- Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
- Interest due and payable to suppliers under MSMED act for the payments already made	-	-
- Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act	-	-
(* Value less than Rupees fifty thousand)		
Note 24 : Other financial liabilities		
(Measured at amortised cost)		
Payable to holding company		
- In respect of other liabilities	4	-
Security and retention deposits	354	131
Employee benefits	53	48
Total	411	179

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)*

	As at 31 March 2023	As at 31 March 2022
Note 25 : Other current liabilities		
Advance from customers	5,828	-
Statutory liabilities	820	46
Total	6,648	46
Note 26 : Provisions		
Gratuity*	-	-
Compensated absences	43	26
Total	43	26
(* Value less than Rupees fifty thousand)		
	Year Ended	Year Ended
	31 March 2023	31 March 2022
Note 27 : Other income		
Interest received	3	2
Sale of scrap from demolition of assets	-	99
Income on Fair Valuation of Financial Assets	3	
Property Licensing Fees	-	13
Total	6	114
Note 28 : Employee benefits expenses		
Salaries, wages and bonus	70	69
Employee stock option expenses (Stock option extended by the holding company)	19	2
Gratuity	5	6
Contribution to provident and other funds	1	1
Total	95	78
Note 29 : Finance costs		
On financial liability measured at amortised cost		
Lease liability	2	3
On provision		
Net Interest on net defined benefit liability	3	1
Total	5	4

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)*

	As at 31 March 2023	As at 31 March 2022
Note 30 : Depreciation and amortisation expenses		
On property, plant and equipment	38	51
On right of use assets	13	13
On intangible assets	8	8
Total	59	72
Note 31 : Other expenses		
Business facilitation expenses	67	128
Security expenses	61	72
Directors Fees and Expenses	22	21
Legal & Professional Charges	22	12
Rates & Taxes	2	5
Loss on demolition of assets	-	84
Repairs and maintenance	25	24
Electricity charges	6	11
Payment to auditors :		
(a) for audit	12	12
(b) for taxation matters	-	-
(c) for other services	1	-
Miscellaneous Expenses	19	16
Total	237	385

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)***Note 32: Deferred Tax**

	Balance sheet		Statement of profit and loss	
	As at 31 March 2023	As at 31 March 2022	Year ended 31 March 2023	Year ended 31 March 2022
Deferred tax (Assets) / Liabilities relates to the following:				
Deferred tax assets				
Provision for Employee Benefits	(33)	(21)	(12)	(12)
Property, plant and equipment and intangible assets	(9)	(6)	(3)	(7)
Gross deferred tax assets	(42)	(27)	(15)	(19)
Deferred tax liabilities				
Optionally Convertible Debentures	751	814	(63)	(44)
Income from fair valuation of financial assets	1		1	
Gross deferred tax liabilities	752	814	(62)	(44)
Deferred tax (Assets)/Liabilities (net)	710	787	(77)	(63)
Amount recognised in Statement of Profit and Loss			(72)	(57)
Amount recognised in Statement of Other Comprehensive Income			(5)	(6)

Note 33: Earnings / (loss) per share

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

Diluted EPS amounts are calculated by adjusting profit or loss attributable to ordinary equity holders of the entity, and the weighted average number of shares outstanding, for the effects of all dilutive potential ordinary shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	As at 31 March 2023	As at 31 March 2022
Net profit/ (loss) after tax attributable to equity shareholders of the Company (A)	(318)	(368)
Weighted average number of equity shares in calculating Basic EPS (B)	75,10,000	57,83,973
Effect of dilution:		
Potentially convertible shares	-	-
Total number of diluted equity shares in calculating Basic EPS (B)	75,10,000	57,83,973
Basic and Diluted earnings per share of face value of 10 each (₹) (A/B)	(4.23)	(6.36)

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)***Note 34: Employee benefits expense****(a) Defined contribution plans :**

The Company has contributed ₹ 10 Lakhs (Previous Year: ₹ 9 Lakhs) towards Defined Contribution plans i.e. Provident Fund.

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
- Amount recognised in the Statement of Profit and Loss towards Contribution to employees provident fund	1	1
- Amount considered under 'Capital Work in Progress & Work in progress'.	9	8
Total	10	9

(b) Defined benefit plans :

Gratuity : The Company has an unfunded defined benefit gratuity plan. Every employee who has completed five years or more of service is eligible for a gratuity on separation at 15 days basic salary (last drawn salary) for each completed year of service. Where service is in excess of 15 years, full month's basic salary is considered for the calculation of gratuity.

Disclosure pursuant to Indian Accounting Standard (Ind AS) 19 : Employee Benefits

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Amount recognised in Statement of Profit and Loss under employee benefit expenses		
Current / Past service cost	5	6
Interest expenditure on defined benefit liability	3	1
Total	8	7
Amount recognised in statement of other comprehensive income		
Remeasurements of defined benefit plan (gain) /loss	20	22

Reconciliation of liability

Particulars	Present value of Obligation	
	Year ended 31 March 2023	Year ended 31 March 2022
Balance at the beginning of the year	50	21
Current / Past service cost	5	6
Remeasurements of defined benefit plan ((gain)/loss)	20	22
Net interest (income) / expense	3	1
Total amount recognised in statement of profit and loss	28	29
Remeasurement during the year due to:	-	-
Return on plan assets excluding amounts included in interest income	-	-
Change in financial assumptions	-	-
Change in experience adjustments	-	-
Total amount recognised in other comprehensive income	-	-
Transfer In / (Out) from holding company	-	-
Employers Contributions	-	-
Benefit payments	-	-
Balance at the end of the year	78	50

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)***The net liability disclosed above relates to funded and unfunded plans are as follows:**

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Present value of obligations	78	50
Fair value of plan assets	NA	NA
(Deficit)/ Surplus of plans	(78)	(50)
Deficit of Gratuity plan	(78)	(50)

The principal assumptions used in determining gratuity obligations for the Company are shown below:

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
a. Discount Rate	7.40%	6.70%
b. Rate of increase in compensation cost		
- For first year	10.00%	10.00%
- Thereafter per annum increase	10.00%	10.00%
c. Expected average remaining working lives of employees (in years)*	6.49	6.14
d. Withdrawal rate of Attrition	10.00%	10.00%

*It is actuarially calculated term of the liability using probabilities of death, withdrawal and retirement. The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the present value of obligation.

Particulars	Sensitivity level	Increase / (decrease) in defined benefit obligation (impact)	
		31 March 2023	31 March 2022
Discount rate			
Decrease by	1%	1	1
Increase by	1%	(1)	(1)
Future salary increase			
Decrease by	1%	(1)	(1)
Increase by	1%	1	1
Withdrawal rate			
Decrease by	1%	-	-
Increase by	1%	-	-

The above sensitivity analyses have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the reporting date. In practice, generally it does not occur. When we change one variable, it affects the other variables. In calculating the sensitivity, project unit credit method at the end of the reporting period has been applied.

The followings are the expected future benefit payments for the defined benefit plan:

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Within the next 12 months (next annual reporting period)	30	20
Between 2 and 5 years	52	26
Beyond 5 years	60	50
Total expected payments	143	96

Weighted average duration of defined benefit plan obligation (based on discounted cash flows):

Particulars	Year ended 31	Year ended 31
	March 2023	March 2022
Weighted average duration of defined benefit plan obligation (years)	9.03	10.00

AVANTE SPACES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Indian Rupees lakhs, unless otherwise stated)

Risk exposure

Through its defined benefit plans, the entity is exposed to a number of risks, the most significant of which are detailed below:

(A) Changes in bond yields

A decrease in bond yields will increase plan liabilities.

(B) Legislative risk

The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(C) Liability Risks

(i) Asset-Liability Mismatch Risk-

Risk which arises if there is a mismatch in the duration of the assets relative to the liabilities. By matching duration with the defined benefit liabilities, the Company is successfully able to neutralize valuation swings caused by interest rate movements. Hence companies are encouraged to adopt asset-liability management.

(ii) Discount Rate Risk-

Variations in the discount rate used to compute the present value of the liabilities may seem small, but in practise can have a significant impact on the defined benefit liabilities.

(iii) Future Salary Escalation and Inflation Risk -

Since price inflation and salary growth are linked economically, they are combined for disclosure purposes. Rising salaries will often result in higher future defined benefit payments resulting in a higher present value of liabilities especially unexpected salary increases provided at management's discretion may lead to uncertainties in estimating this increasing risk.

(iv) Unfunded Plan Risk

This represents unmanaged risk and a growing liability. There is an inherent risk here that the Company may default on paying the benefits in adverse circumstances. Funding the plan removes volatility in company's financials and also benefit risk through return on the funds made available for the plan.

Note 35: Related party transactions

Related parties, have been identified as defined under Clause 9 of Ind AS 24 "Related Party Disclosures", on the basis of representation made by the Key Management Persons and taken on record by the Board of Directors. Disclosures of transactions with Related Parties are as under:

(A) List of related parties as per the requirements of Ind AS 24 - Related party disclosures

(i) Holding Company:

Kirloskar Industries Limited

(ii) Fellow Subsidiary:

Kirloskar Ferrous Industries Limited

Subsidiary of Kirloskar Ferrous Industries Limited

ISMT Limited

Subsidiaries of ISMT Limited

ISMT Enterprises SA, Luxembourg

Structo Hydraulics AB, Sweden

ISMT Europe AB, Sweden

Indian Seamless Inc., USA

Tridem Port and Power Company P Ltd

Nagapattinam Energy P Ltd

PT ISMT Resources, Indonesia

Best Exim P Ltd

Success Power and Infraprojects P Ltd

Marshall Microwave Infrastructure Development Company P Ltd

AVANTE SPACES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
(Amounts in Indian Rupees lakhs, unless otherwise stated)

(iii) Key management personnel (KMP):

Name of Key Management Personnel	Designation	Transactions with Relatives of KMP and relationship
Mr.Vinesh Kumar Jairath	Managing Director	None

(B) Summary of transactions with related parties

Nature of transaction	Year	Kirloskar Ferrous Industries Limited		
		Holding Company	Key Management Personnel	
Compensation paid#	2021-22	--	353	--
	2022-23	--	353	--
Issue of Equity Share Capital	2021-22	1,500	--	--
	2022-23	--	--	--
Borrowings	2021-22	12,465	--	--
	2022-23	4,180	--	--
Issue of Debentures to settle BTA transaction	2021-22	6,000	--	--
	2022-23	--	--	--
Payment to settle BTA transaction	2021-22	1,500	--	--
	2022-23	--	--	--
Security deposit paid*	2021-22	--	--	--
	2022-23	--	--	--
Licensing fees paid	2021-22	15	--	--
	2022-23	16	--	--
Interest paid	2021-22	--	--	--
	2022-23	699	--	--
Purchase of assets from Holding company	2021-22	4	--	--
	2022-23	--	--	--
Reimbursement of expenses	2021-22	360	--	--
	2022-23	156	--	--
Advance from customers received	2021-22	--	--	--
	2022-23	--	--	1,222
Outstanding as at 31 March				
Advance from customers	2022	--	--	--
	2023	--	--	1,222
Expenses payable	2022	--	1	--
	2023	4	--	--
Security deposit receivable	2022	8	--	--
	2023	8	--	--
0% Optionally Convertible Debentures	2022	6,000	--	--
	2023	6,000	--	--
Borrowings	2022	13,965	--	--
	2023	18,145	--	--

*(Value less than Rupees fifty thousand)

#Compensation paid to Key Management Personnel

Particulars	Year ended 31	
	March 2023	March 2022
Short-term employee benefits (compensation)	321	321
Post - employment gratuity benefits	17	17
Other long-term employment benefits	15	15
Total	353	353

The Company's material related party transactions during the year & during the previous year and outstanding balances as at the end of current year and during previous year, with its Holding Company & Key Managerial Personnel with whom the Company generally enters into transactions are at arms length and in the ordinary course of business.

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)***Note 36: Leases****(a) Right of Use Assets**

Opening balance at the beginning of the year

Add : Addition during the year

Less : Amortisation for the year

Closing balance at the end of the year**(B) Maturity analysis of leases**

Cash Payment of Lease Liability

Not later than one year

Later than one year but not later than five years

Later than 5 years

Total

	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance at the beginning of the year	23	36
Add : Addition during the year	-	-
Less : Amortisation for the year	(13)	(13)
Closing balance at the end of the year	10	23
(B) Maturity analysis of leases		
Cash Payment of Lease Liability		
Not later than one year	10	17
Later than one year but not later than five years	-	12
Later than 5 years	-	-
Total	10	29

Note 37: Fair value measurements

Set out below is a comparison, by class, of the carrying amounts and the fair value of the Company's financial instruments as of 31 March 2023

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	525	-	-	525	525
Investments Current	-	1,768	-	1,768	1,768
Investments Non Current*	-	-	-	-	-
Security Deposit	9	-	-	9	9
Other financial assets	26	-	-	26	26
Total	560	1,768	-	2,328	2,328
Financial liabilities					
Lease liability	4	-	-	4	4
Optionally Convertible Debentures	3,109	-	-	3,109	3,109
Borrowings from holding company	18,145	-	-	18,145	18,145
Trade and other payable	889	-	-	889	889
Other financial liabilities	411	-	-	411	411
Total	22,558	-	-	22,558	22,558

*(Value less than Rupees fifty thousand)

Set out below is a comparison, by class, of the carrying amounts and the fair value of the Company's financial instruments as of 31 March 2022

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Security Deposit	9	-	-	9	9
Cash and cash equivalents	39	-	-	39	39
Other financial assets	-	-	-	-	-
Total	48	-	-	48	48
Financial liabilities					
Lease liability	18	-	-	18	18
Optionally Convertible Debentures	2,871	-	-	2,871	2,871
Borrowings from holding company	13,965	-	-	13,965	13,965
Trade and other payable	516	-	-	516	516
Other financial liabilities	179	-	-	179	179
Total	17,549	-	-	17,549	17,549

AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Indian Rupees lakhs, unless otherwise stated)

The following methods & assumptions were used to estimate the fair values / amortised cost as applicable

- i) The fair values of mutual funds are measured using Level 2 hierarchy. There have been no transfers among Level 1, Level 2 and Level 3 during the year.
- ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, deposits and other financial assets and liabilities approximate their carrying amounts.
- iii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.
- iv) The fair value of other financial liabilities, i.e. Lease liabilities (current and non-current portion) is estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.
- v) The fair value of debt component of unsecured OCDs is computed by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

Note 38: Financial risk management

The Company's activities expose it to market risk, interest rate risk and liquidity risk . This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through risk mitigation actions on a continuing basis.

(A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

The Company does not have any foreign currency obligation Accordingly, the Company does not perceive any foreign currency risk or interest rate risk.

(B) 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 has borrowed an interest free borrowing from its Holding company, which is converted into unsecured, carrying fixed interest bearing @ 8.25% w.e.f. 1st Oct 2022 and repayable within period of seven years or as mutually decided by both the parties. Hence, the Company does not perceive any interest rate risk.

The Company has issued Unsecured Optionally Convertible Debentures (OCDs) carrying nil interest rate to its Holding company. Hence, the Company does not perceive any interest rate risk.

The Company has borrowed from Rupee term loan (RTL) and overdraft (OD) facility as a sub limit of RTL from ICICI bank which has been fully repaid during the year. Hence, the Company does not perceive any interest rate risk.

(C) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The flexibility in funding requirements is met by ensuring availability of adequate inflows.

The Company has maintained adequate source of financing w.r.t. Borrowings from Holding Company which are unsecured, carrying interest rate @ 8.25% w.e.f. 1st Oct 2022 and repayable within period of seven years or as mutually decided by both the parties.

AVANTE SPACES LIMITED**(Formerly known as Wellness Space Developers Limited)****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023***(Amounts in Indian Rupees lakhs, unless otherwise stated)*

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

Particulars	On demand	Upto 1 year	More than 1 year upto 3 years	More than 3 years
Borrowings	-	-	-	16,836
Trade and other payable	516	-	-	-
Other financial liabilities*	-	194	3	-
As at 31 March 2022	516	194	3	16,836
Borrowings	-	-	-	21,254
Trade and other payable	889	-	-	-
Other financial liabilities*	-	415	-	-
As at 31 March 2023	889	415	-	21,254

*Out of above, maturity analyses of Lease liability, being the undiscounted amount of Leases to be paid, has been provided vide note no. 36 (b)

Undiscounted amount of debt component of Unsecured OCDs amounting to Rs 6,000 lakhs.

Note 39: Capital Management

The Company's objectives when managing capital are to :

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and
- Maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of Debt and total equity. In order to maintain the capital structure consistent with other companies of the industry, the Company monitors capital on the basis of the following data:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Borrowing from the holding company	18,145	13,965
Optionally Convertible Debentures	3,109	2,871
Less: Cash and cash equivalents	525	39
Net debt	20,729	16,797
Total Capital	3,308	3,416

The Company shall, in order to manage the capital structure, consider to make adjustments to the Capital Structure in light of changes in economic conditions and the requirements of the financial covenants.

The company has implemented its objectives, policies and processes for managing its capital. The said objectives, policies and processes shall be followed consistently in the future.

Note 40: Ratio

Particulars	Numerator	Denominator	Year ended 31 March 2023	Year ended 31 March 2022	Variation
Current ratio ^	Current Assets	Current Liabilities	1.24	2.00	-38%
Debt-Equity Ratio @	Total Debt	Shareholder's Equity	6.43	4.93	30%
Debt Service Coverage Ratio #	Earnings available for debt service	Debt Service	(13.94)	(11.94)	17%
Return on Equity Ratio #	Net Profits after taxes	Average Shareholder's Equity	(0.10)	(0.11)	-11%
Return on Capital employed#	Earning before interest and taxes	Capital Employed	(0.02)	(0.02)	-24%

Note on variance

^ Variation due to conversion of CWIP to WIP, customer advances

@ Due to additional borrowings from the holding company

Due to ongoing capex and no revenue generation / recognition

AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

(Amounts in Indian Rupees lakhs, unless otherwise stated)

Note 41: Relationship with Struck off Companies

The company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

Note 42: Events after reporting period

According to the management's evaluation of events subsequent to the balance sheet date, there were no significant adjusting events that occurred till the date of approval of these Financial Statements.

Note 43:

Previous year's figures have been regrouped / reclassified wherever considered necessary to make them comparable with those of the current year.

As per our attached report of even date

For G. D. Apte & Co.
Chartered Accountants

Firm Registration Number: 100515W

Sd/-

Umesh S Abhyankar
Partner

Membership Number: 113053
Pune, 25 April 2023

For and on behalf of the Board of Directors

Sd/-

Vinesh Kumar Jairath
Managing Director

DIN : 00391684

Sd/-

Tejas Deshpande
Director

DIN : 01942507
Pune, 25 April 2023