AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

ANNUAL REPORT

2021-22

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)

Annual Report for the year ended on 31 March 2022

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
HDFC Bank Limited, ICICI Bank Limited and DBS 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

Day & Date : Wednesday, 08 June 2022

Time : 11.00 a.m.

Venue : Through Video Conferencing

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)

NOTICE

Notice is hereby given that the 2nd Annual General Meeting ('AGM') of the Members of Avante Spaces Limited ('the Company') will be held on Wednesday, 8 June 2022, 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 and 21/2021 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021 and 14 December 2021, 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 2022 and the Reports of the Board of Directors and Auditors thereon.

ITEM NO. 2:

To appoint a director in place of Mr. Tejas Deshpande (holding DIN 01942507), who retires by rotation and being eligible, offers himself for re-appointment.

ITEM NO. 3:

To appoint a director in place of Mr. Satish Jamdar (holding DIN 00036653), who retires by rotation and being eligible, offers himself for re-appointment.

By Order of the Board of Directors

Avante Spaces Limited
Pune

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Place: Pune
Date: 26.04.2022

Regd. Office: Office No. 801, 8th Floor, Cello Platina, Fergusson College Road, Shivajinagar, Pune 411005. (India)
• Phone: +91-(0)20 - 2970 4374 • Telefax: +91-(0)20 – 2970 4374 • Email: wsdpl.pune@gmail.com
CIN: U45202PN2020PLC192070

NOTES:

i. In view of the COVID-19 Pandemic, the Ministry of Corporate Affairs, ("MCA") issued General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021 and 21/2021 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021 and 14 December 2021, respectively, ("MCA Circulars") allowing, *inter-alia*, conduct of AGM through Video Conferencing / Other Audio-Visual Means ("VC / OAVM") facility on or before 30 June 2022, in accordance with the requirements provided in paragraphs 3 and 4 of the MCA General Circular No. 20/2020.

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 detailed procedure for accessing and participating in the AGM through VC / OAVM, please refer point no. 'vii'.

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. 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.

iv. 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 in the Notice and is annexed and forms part of this Notice.

v. 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.

vi. 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.

vii. **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.

viii. 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.

ix. 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.

x. 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.

xi. 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

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Avante Spaces Limited
Pune

Place: Pune
Date: 26.04.2022

AVANTE SPACES LIMITED

(Formerly known as Wellness Space Developers Limited)

ANNEXURE TO THE NOTICE

STATEMENT OF MATERIAL FACTS ANNEXED TO THE NOTICE PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2 OF THE NOTICE

Mr. Tejas Deshpande (holding DIN 01942507) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Tejas Deshpande (Aged 41 years) passed out of ILS, Law College, Pune, and has been practicing law for the last 18 years. He predominantly has a litigation practice in various courts, with focus on the High Court, Mumbai and the Supreme Court of India. He specializes in real estate, infrastructure and company law related cases.

Mr. Tejas Deshpande assisted in writing and researching book 'Kuler – Indian Contract Act' on Indian Contract Act published in 2003. He also assisted in researching book 'Pollock & Mulla – Indian Contract Act and Specified Relief Acts' which was edited and republished in 2004.

Mr. Tejas Deshpande is also a Director in the following other companies:

Name of the Company	Board position held	Committee membership
Valecha Engineering Limited	Director	1. Audit Committee – Member 2. Nomination and Remuneration Committee – Member 3. Stakeholders Relationship Committee – Member
Kirloskar Industries Limited	Director	1. Audit Committee – Member 2. Risk Management Committee – Member
Kirloskar Pneumatic Company Limited	Director	-

Mr. Tejas Deshpande 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 six meetings of the Board of Directors held during the Financial Year 2021-2022.

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

Save and except, Mr. Tejas Deshpande 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 at Item No. 2 of the Notice for approval by the members.

ITEM NO. 3 OF THE NOTICE

Mr. Satish Jamdar (holding DIN 00036653) retires by rotation and being eligible, offers himself for re-appointment.

Mr. Satish Jamdar, (Aged 69 years), BE (Mech.) from the IIT, Mumbai, with a vast experience of 43 years, has held leadership positions in several organisations. Mr. Satish Jamdar completed his management studies in USA and UK. Mr. Satish Jamdar was Executive Director on the Board of Blue Star for 13 years of which last 7 years was as the Managing Director. Mr. Satish Jamdar retired from Blue Star as the Managing Director in March and as Special Advisor in May 2016.

During his overall 20 years with Blue Star, India's leading air conditioning and refrigeration company, Mr. Satish Jamdar was instrumental in setting up an enhanced product development, AC&R technology and manufacturing footprint for Blue Star. This also included design, manufacture and servicing of products for OEM customers for the Middle East and European markets.

Mr. Satish Jamdar helped to grow the customer service business with a host of new offerings related to technology upgrades with remote monitoring and energy efficiency, among others. Mr. Satish Jamdar also helped to set up a strong global supply chain, including procurement from China and strategic technology partnerships with global suppliers.

Prior to this, Mr. Satish Jamdar was with Siemens, Voltas, GEC Alstom, and BPL Sanyo. During his long corporate stint, he oversaw a wide range of activities related to manufacturing, product development, supply chain, product service, EPC contracts, international business operations, HR, Finance, corporate governance and general management.

Mr. Satish Jamdar had been actively involved with CII (India's largest corporate body) as Chairman of CII Maharashtra State Council and subsequently, as Chairman of CII Western Region Sub-Committees for inclusive growth and ease of doing business. Mr. Satish Jamdar was a member of the CII National Manufacturing Council, as well.

Mr. Satish Jamdar is currently associated with a few select start-up companies as their Investors, Chief Mentor and Business Advisor. Mr. Satish Jamdar is also engaged with a few social initiatives and programs to help needy to realise their full potential.

Mr. Satish Jamdar is also a Director in the following other companies:

Name of the Company	Board position held	Committee membership
Kirloskar Oil Engines Limited	Director	1. Nomination and Remuneration Committee – Chairman 2. Audit Committee – Member 3. Risk Management Committee – Member
Kirloskar Industries Limited	Director	1. Nomination and Remuneration Committee – Member 2. Audit Committee – Chairman 3. Risk Management Committee – Chairman
V-Nova Business Growth Services Private Limited	Director	-
Prolynx Foundation	Director	-

Mr. Satish Jamdar 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 six meetings of the Board of Directors held during the Financial Year 2021-2022.

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

Save and except, Mr. Satish Jamdar 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 at Item No. 3 of the Notice for approval by the members.

By Order of the Board of Directors

Vinesh Kumar Jairath
Managing Director
DIN: 00391684

Avante Spaces Limited Pune

Place: Pune
Date: 26.04.2022

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)

Board's Report for Financial Year 2021-2022

To the Members,

Your Directors have pleasure in presenting the 2nd Annual Report with the Audited Annual Accounts of the Company for the period ended 31 March 2022.

1. **FINANCIAL PERFORMANCE:**

(₹ in lakhs)

Particulars	2021-2022	2020-2021
Total Income	114	20
Total Expenditure	539	124
Net Profit / (Loss) for the year before extraordinary items and taxation	(425)	(104)
Less: Provision for tax (Income Tax)	(57)	(6)
Profit / (Loss) after tax	(368)	(98)
Add: Excess / (Short) Provision for taxation	-	-
Less: Previous Year Adjustment	-	-
Profit / (Loss) for the period	(368)	(98)
Add: Balance of Profit / (Loss) brought forward from previous year	(102)	-
Less: Other Comprehensive Income	(16)	(4)
Balance available for appropriation	(486)	(102)
Appropriations	-	-
Balance carried to Balance Sheet	(486)	(102)

2. **DIVIDEND:**

The period under review is the second year of operations of the Company. Since the Company is in the initial stage of its operations and there are no profits, the Board of Directors does not recommend dividend.

3. **OPERATIONS:**

During the year under review, your Company has changed its name from "Wellness Space Developers Limited" to "Avante Spaces Limited" with effect from 29 June 2021.

Kirloskar Industries Limited (KIL), the holding company of the Company, transferred its 'Real Estate Business Undertaking at Kothrud' on a going concern basis by way of a 'Slump Sale' to the Company, for a lump sum consideration of ₹ 75 crores, by executing the Business Transfer Agreement (BTA) by and between the Company and KIL dated 19 December 2020. In terms of the BTA, the said purchase consideration should be payable to the Company, on or before 30 June 2021 or any other date as may be mutually agreed. Accordingly, the Company allotted 6,00,00,000 Unsecured Optionally Convertible Debentures of ₹ 10 each to KIL, for a consideration other than cash amounting to ₹ 60,00,00,000. The balance consideration of ₹ 15,00,00,000 out of the total payable of ₹ 75,00,00,000, was paid in cash by the Company on 24 June 2021.

The Board of Directors of the Company in its meeting held on 23 July 2021, had approved a revised plan in respect of mixed-use development on land parcels bearing Survey Numbers 13/A, 13/B/C/D, 156A, 156B, 156C/2, 12/2 and 12/5 at Kothrud, Pune, of approximately 1.8 million sq. ft. leasable area, as per the revised Concept Design Drawings and strategies presented before the Board. This has been done pursuant to the Unified Development Control Regulation notified on 2 December 2020, which has had a positive impact on the project development for Floor Space Index (FSI) and leasable area.

In furtherance of the same, the Company has taken various measures for the development of the land parcels at Kothrud.

During the year, the Company has spent ₹ 11,971 lakhs on real estate activities.

4. **COMPANY PERFORMANCE:**

During the year under review, your Company earned a loss of ₹ 384 lakhs. The loss before tax is ₹ 425 lakhs after providing for depreciation of ₹ 72 lakhs.

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 2022, the Company had 12 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 which includes risk identification, its 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 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 reviews 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. An Internal Auditor has been appointed for this purpose. The Audit Committee of the Board reviews the Internal Audit Report and the adequacy and effectiveness of internal controls periodically.

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:

In terms of the Provisions of Section 92(3) read with Section 134(3) (a) of the Companies Act, 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014, including amendments thereunder, the Annual Return filed with the Ministry of Corporate Affairs (MCA), for the Financial Year 2020-2021.

II. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, 6 (Six) Board Meetings were convened and held on 30 April 2021, 26 May 2021, 24 June 2021, 23 July 2021, 21 October 2021 and 20 January 2022. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

III. DIRECTOR'S RESONSIBILITY STATEMENT:

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

a) in the preparation of the Annual Financial Statements for the year ended 31 March 2022, 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 2022 and of the loss of the Company for the year ended on that date;

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 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 2022.

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.

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 or made any investments during the year.

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. Hence, no particulars are being provided in Form AOC-2. Related party disclosures as per the Indian Accounting Standard 24 (Ind AS 24) have been provided in the Note No. 34 to the Financial Statements.

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 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 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 conservation of energy, technology absorption as required under Section 134 (3) (m) of the Act, read with Rules made thereunder.

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 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.

During the year under review, the Risk Management Committee has formulated a detailed Risk Management Policy.

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 2021-2022, 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. Gauri Kirloskar (holding DIN 03366274) retired by rotation and was re-appointed in the Annual General Meeting held on 26 May 2021.

Ms. Swati Salgaocar (holding DIN 03500612) was co-opted as an Additional Director of the Company under category of Independent Director with effect from 8 March 2021 and appointed in the Annual General Meeting held on 26 May 2021.

II. Directors and Key Management Personnel resigned during the year 2021-2022:

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. Satish Jamdar and Mr. Tejas Deshpande 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. Satish Jamdar and Mr. Tejas Deshpande.

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 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 future.

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 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 frauds.

During the year under review, the Company has adopted Standard Operating Procedures (SOPs) and Chart of Authority (COA) for ensuring internal controls and reporting mechanism with respect to the business of the Company. These SOPs have been put in place in order to ensure a robust internal control mechanism.

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 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:

Not applicable

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 at the Company's Registered Office.

12. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSL) 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 16 April 2021, 16 July 2021, 11 October 2021 and 05 January 2022.

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 2022, 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.

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.

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)

ACKNOWLEDGEMENTS:

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, during the year under report.

For and on behalf of the Board of Directors

Avante Spaces Limited
Pune

Vinesh Kumar Jairath	**Gauri Kirloskar**
Managing Director	**Director**
DIN: 00391684	**DIN:03366274**

Date: 26.04.2022
Place: Pune

Regd. Office: Office No. 801, 8th Floor, Cello Platina, Fergusson College Road, Shivajinagar, Pune 411005. (India)
• Phone: +91-(0)20 - 2970 4374 • Telefax: +91-(0)20 – 2970 4374 • Email: wsdpl.pune@gmail.com
CIN: U45202PN2020PLC192070

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, 2022, the Statement of Profit and Loss, 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, 2022, the loss, 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 and the Report on the Corporate Governance 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

5. Auditor's Responsibilities for the Audit of the Standalone 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.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, 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 current year 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.

G.D. APTE & CO. Chartered Accountants

6. Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, 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) The managerial remuneration has been paid and provided in accordance with the provisions of Section 197 and Schedule V of 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.

G.D. APTE & CO. Chartered Accountants

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 or 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 carried out by us, 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.

For G. D. Apte & Co
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 22113053AHUHDY4180

G. D. APTE & CO. ★ Chartered Accountants ★

Umesh S. Abhyankar
Partner
Membership Number: 113 053
Pune, April 26, 2022

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, 2022 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 materials 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 did not hold any inventories during the year and as at March 31, 2022 and as such, the reporting under paragraph 3 (ii)(a) of the Order is not applicable to the Company.

(b) 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 been sanctioned any working capital limits from banks or financial institutions during the year. 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. As such, reporting under paragraph 3 (iii) (a) to (f) of the Order are not applicable to the Company.

G. D. APTE & CO. ★ Chartered Accountants ★

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 unsecured, interest free demand loan of Rs. 13,965 Lakhs and 0% unsecured optionally convertible debentures of Rs. 6,000 Lakhs as at March 31, 2022 from holding company viz. Kirloskar Industries Limited. According to the information and explanations given to us, the holding company has not made any demand for the repayment of loan and the 0% unsecured optionally convertible debentures are not due for repayment during the year.

(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 obtained any loans from banks, financial institutions or Government Authorities and there

G. D. APTE & CO. * Chartered Accountants * has been no default in repayment of loan and 0% Unsecured Optionally Convertible Debentures payable to the Holding company viz. Kirloskar Industries Limited. As such, reporting whether the Company has been declared to be a wilful defaulter by any bank, financial institution or other lender under clause 3(ix)(b) is not applicable.

(c) According to the information and explanations given to us and on the basis of examination of books of account and records, the Company has not availed term loans during the year. As such, reporting under clause 3(ix)(c) shall not be applicable.

(d) During the year, the Company has not raised any loans from banks or financial institutions. The demand loan of Rs. 13,965 Lakhs from the Holding company viz. Kirloskar Industries Limited has been utilised for the real estate project under development.

(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. The Company has made private placement of 0% Unsecured Optionally Convertible Debentures to the holding company during the year and the requirements of Section 42 of the Act, have been complied with. We further report that these funds have been utilised for the real estate project being the purpose for which they were raised.

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.

G. D. APTE & CO. Chartered Accountants

(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 since requirement of establishing a vigil mechanism is not applicable under Section 177 (9) of the Act or SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, reporting under this clause is also not applicable.

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. 247 Lakhs in the current financial year i.e., FY 2021-22 and cash losses of Rs. 66 Lakhs during immediately preceding financial year i.e., FY 2020-21.

G. D. APTE & CO. Chartered Accountants

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: 22113053AHUHDY4180

G. D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, April 26, 2022

Annexure-2 referred to in paragraph 7(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, 2022 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

G. D. APTE & CO. Chartered Accountants

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, 2022, 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: 22113053AHUHDY4180

G. D. APTE & CO. ★ Chartered Accountants ★

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, April 26, 2022

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
BALANCE SHEET AS AT 31 MARCH 2022
(Amounts in Indian Rupees lakhs, unless otherwise stated)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
	ASSETS			
1	**Non-Current Assets**			
(a)	Property, plant and equipment	6	600	735
(b)	Capital work-in-progress	7	19,625	7,967
(c)	Right-of-use assets	6	23	36
(d)	Intangible assets	6	25	33
(e)	Intangible assets under development	8	36	30
(f)	Other financial assets	9	9	9
(g)	Deferred tax Assets (Net)	10	-	8
			20,318	**8,818**
2	**Current Assets**			
(a)	Financial assets			
i)	Cash and cash equivalents	11	39	115
ii)	Other financial assets	12	-	2
(b)	Current tax assets	13	10	2
(c)	Other current assets	14	1,512	309
			1,561	**428**
	TOTAL ASSETS		**21,879**	**9,246**
1	**EQUITY & LIABILITIES**			
	Equity			
(a)	Equity Share capital	15	751	1
(b)	Other equity	16	2,665	(258)
			3,416	**(257)**
2	**Non-current liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	17	2,871	-
(ia)	Lease Liability	18	3	19
(b)	Deferred tax liabilities (Net)	10, 30	787	-
(c)	Provisions	19	55	24
			3,716	**43**

G. D. APTE & CO. Chartered Accountants

Avante Spaces Limited Pune

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
BALANCE SHEET AS AT 31 MARCH 2022
(Amounts in Indian Rupees lakhs, unless otherwise stated)

	Particulars	Note No.	As at 31 March 2022	As at 31 March 2021
3	**Current liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	20	13,965	1,500
(ia)	Lease Liability	21	15	13
(ii)	Other financial liabilities	22	695	7,916
(b)	Other current liabilities	23	46	23
(c)	Provisions	24	26	8
			14,747	**9,460**
	TOTAL EQUITY AND LIABILITIES		**21,879**	**9,246**

Notes forming part of the Financial Statements: Note No. 1 to 42

As per our attached report of even date

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

G. D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune : 26 April 2022

For and on behalf of the Board of Directors

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Gauri Kirloskar
Director
DIN : 03366274
Pune : 26 April 2022

Avante Spaces Limited Pune

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022
(Amounts in Indian Rupees lakhs, unless otherwise stated)

	Particulars	Note No.	For the year ended 31 March 2022	For the year ended 31 March 2021
1	**Income**			
(a)	Other income	25	114	20
2	**Total Income**		**114**	**20**
3	**Expenses**			
(a)	Employee benefits expenses	26	78	15
(b)	Finance costs	27	4	4
(c)	Depreciation and amortisation expenses	28	72	23
(d)	Other expenses	29	385	82
4	**Total expenses**		**539**	**124**
5	**Profit/(loss) before tax**		**(425)**	**(104)**
6	**Tax expenses**			
	Current tax		-	-
	Deferred tax	30	(57)	(6)
7	**Total tax expenses**		**(57)**	**(6)**
8	**Profit/(loss) for the year**		**(368)**	**(98)**
9	**Other Comprehensive Income /(Loss)**			
	Items that will not be reclassified to Profit and Loss			
	a) Gain/(loss) on remeasurements of defined benefit plan		(22)	(6)
	b) Income tax expenses / (reversal) relating to items that will not be reclassified to profit or loss		(6)	(2)
10	**Total Other Comprehensive Income/ (Loss)**		**(16)**	**(4)**
11	**Total Comprehensive Income/ (Loss) for the year**		**(384)**	**(102)**
12	**Earnings / (loss) per equity share**			
	(Nominal value of share ₹ 10)			
	Basic & Diluted (₹)	31	(6.36)	(980.00)

Notes forming part of the Financial Statements: Note No. 1 to 42

As per our attached report of even date

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

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune : 26 April 2022

For and on behalf of the Board of Directors

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Gauri Kirloskar
Director
DIN : 03366274
Pune : 26 April 2022

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022
(Amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(425)		(104)
Adjustments for:				
Depreciation and amortization expense	72		23	
Stock option expenses	17		11	
Loss on demolition of assets	84		-	
Sale of scrap from demolition of assets	(99)		-	
Interest income	(2)		(1)	
Finance cost	4	76	4	37
Operating profit / (loss) before working capital changes		(349)		(67)
Changes in working capital:				
(Increase) / Decrease in non current financial assets	-		(9)	
(Increase) / Decrease in current financial assets	2		(2)	
(Increase) / Decrease in other current assets	(610)		(248)	
Increase / (Decrease) in current financial liabilities	279		227	
Increase / (Decrease) in other current liabilities	12		23	
Increase / (Decrease) in provisions	25		26	
		(292)		17
Cash generated from operations		(641)		(50)
Net income tax (paid) / refunds		(8)		(2)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		**(649)**		**(52)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Real estate project under development	(11,971)		(631)	
Payment to Holding Company for Purchase of Real Estate business Undertaking	(1,500)		-	
Payment for acquisition of Property, plant and equipment	-		(693)	
Payment for acquisition of Intangible assets under development	(6)		-	
Receipt on sale of scrap of assets	99		-	
Interest on fixed deposit with bank	2		1	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		**(13,376)**		**(1,323)**

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2022
(Amounts in Indian Rupees lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2022		For the year ended 31 March 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings from holding company	12,465		1,500	
Payment of lease Liability	(16)		(11)	
Issue of equity shares	1,500		1	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		**13,949**		**1,490**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(76)**		**115**
Cash and cash equivalents at the beginning of the year		115		-
Cash and cash equivalents at the end of the year		**39**		**115**

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 42

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

G.D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune : 26 April 2022

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Gauri Kirloskar
Director
DIN : 03366274
Pune : 26 April 2022

Avante Spaces Limited Pune

AVANTE SPACES LIMITED
(Formerly known as Wellness Space Developers Limited)
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022
(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 2022		As at 31 March 2021	
	No.	₹ lakhs	**No.**	₹ lakhs
At the beginning of the year	10,000	1	-	-
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	10,000	1	-	-
Add: Shares issued during the year	75,00,000	750	10,000	1
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	**75,10,000**	**751**	**10,000**	**1**

B. Other Equity

Particulars	**Reserves and surplus**						**Total**
	Securities Premium Account	**Capital reserve**	**Other Compre-hensive Income**	**Equity Compo-nent of OCD**	**Deemed Equity on ESAR issued by holding company**	**Surplus/ (Deficit) in the Statement of Profit and Loss**	
As at 17 July 2020	-	-	-	-	-	-	-
Profit/(Loss) for the year	-	-	-	-	-	(98)	(98)
Contribution by holding company	-	-	-	-	109	-	109
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	-	(4)	(4)
Arising on acquisition of business undertaking (Refer Note 32)	-	(265)	-	-	-	-	(265)
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**

Notes forming part of the Financial Statements: Note No. 1 to 42

As per our attached report of even date

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

G. D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune : 26 April 2022

For and on behalf of the Board of Directors

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Gauri Kirloskar
Director
DIN : 03366274
Pune : 26 April 2022

Avante Spaces Limited

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 2022 were authorised for issue by the Board of Directors on 26 April 2022.

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

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.

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Avante Spaces Limited Pune

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 36.

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 33.

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.

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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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Spaces Limited

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

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) 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.

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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 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

G. D. APTE & CO. Chartered Accountants

Avante Spaces Limited Pune

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. 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.

II. 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.

G.D. APTE & CO. Chartered Accountants

Avante Spaces Limited

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 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.

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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 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.

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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.

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) Business Combinations

Business combinations involving entities under common control are accounted for using the pooling of interest's method as follows:

(i) The assets and liabilities of the acquired undertaking are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee or is adjusted against general reserve.

(iv) The identity of the reserves is preserved and the reserves of the transferor become the reserves of transferee.

(v) The difference, if any, between the amounts recorded as consideration in the form of cash or other assets and the amount of net assets is transferred to capital reserve and is presented separately from other capital reserves

l) 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.

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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 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.

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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 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.

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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.

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.

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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.

m) 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 of future cash receipts or payments. The cash flows from regular operating, investing and financing activities of the Company are segregated.

n) 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.

o) 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.

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p) 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.

q) **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.

5) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 –

Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

Ind AS 16 –

Proceeds before intended use:

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

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Ind AS 37 –

Onerous Contracts - Costs of Fulfilling a Contract-

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification.

Ind AS 109 –

Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

The Company does not expect above stated the amendments to have any significant impact on its financial statements.

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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	Computer Software	
Gross Block												
Balance as at 17 July 2020	-	-	-	-	-	-	-	-	-	-	-	-
- Additions*	542	80	3	2	106	15	3	1	752	39	36	827
- (Disposals)/ (Adjustments)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	**542**	**80**	**3**	**2**	**106**	**15**	**3**	**1**	**752**	**39**	**36**	**827**
- Additions**	-	-	-	-	-	-	-	-	-	-	-	-
- (Disposals)/ (Adjustments) #	-	**80**	**3**	**2**	-	**15**	-	**1**	**101**	-	-	**101**
Balance as at 31 March 2022	**542**	-	-	-	**106**	-	**3**	-	**651**	**39**	**36**	**726**
Accumulated Depreciation												
Balance as at 17 July 2020	-	-	-	-	-	-	-	-	-	-	-	-
- Depreciation charge for the year	-	4	-	-	10	2	1	-	17	3	3	23
- On (Disposals)/ (Adjustments)	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2021	-	**4**	-	-	**10**	**2**	**1**	-	**17**	**3**	**3**	**23**
- Depreciation charge for the year	-	6	-	-	38	5	2	-	51	13	8	72
- On (Disposals)/ (Adjustments) #	-	10	-	-	-	7	-	-	17	-	-	17
Balance as at 31 March 2022	-	-	-	-	**48**	-	**3**	-	**51**	**16**	**11**	**78**
Net Block												
Balance as at 31 March 2021	**542**	**76**	**3**	**2**	**96**	**13**	**2**	**1**	**735**	**36**	**33**	**804**
Balance as at 31 March 2022	**542**	-	-	-	**58**	-	-	-	**600**	**23**	**25**	**648**

*Additions during the previous year include additions on account of acquisition of business undertaking in respect of Land Rs 3 Lakhs , Building Rs 19 Lakhs, Plant and machinery Rs 3 lakhs, Furniture and fixture Rs 2 lakhs, Vehicle Rs 12 lakhs, office equipment's Rs 15 lakhs, Computer and peripherals Rs 3 lakhs, Electrical installation Rs 1 Lakh, Computer software Rs 36 lakhs (Refer Note no. 32)

** Value less than Rupees fifty thousand

During the year pursuant to ongoing real estate activity, company has demolished its assets resulting into said disposal. (Refer note 25 for income from sale of scrap & note no 29 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.

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	As at 31 March 2022	As at 31 March 2021
Note 7 : Capital work-in-progress		
Balance as at beginning of the year	7,967	-
Add: Additions during the year*	11,658	7,967
Less: Capitalised during the year	-	-
Balance as at the end of the year	**19,625**	**7,967**

*Addition during the previous year includes addition on acquisition of business undertaking amounting to Rs 7,060 Lakhs.

	As at 31 March 2022	As at 31 March 2021
Ageing schedule of Projects in progress		
Less than 1 year	11,658	7,967
1-2 years	7,967	-
Total	**19,625**	**7,967**

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

	As at 31 March 2022	As at 31 March 2021
Note 8 : Intangible assets under development		
Balance as at beginning of the year	30	-
Add: Additions during the year*	6	30
Less: Capitalised during the year	-	-
Balance as at the end of the year	**36**	**30**

*Addition during the previous year represent addition on acquisition of business undertaking amounting to Rs 30 Lakhs .

	As at 31 March 2022	As at 31 March 2021
Ageing schedule Projects in progress		
Less than 1 year	6	30
1-2 years	30	-
Total	**36**	**30**

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

	As at 31 March 2022	As at 31 March 2021
Note 9 : Other financial assets		
Measured at amortised cost		
(Unsecured, considered good)		
Security deposits	9	9
Total	**9**	**9**

	As at 31 March 2022	As at 31 March 2021
Note 10: Deferred Tax assets / (liabilities)		
Deferred tax assets (Net)	-	8
Deferred tax liabilities (Net)	(787)	-
	(787)	**8**

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	As at 31 March 2022	As at 31 March 2021
Note 11 : Cash and cash equivalents		
Cash on hand*	-	-
Balances with banks:		
– On current accounts	39	115
Total	**39**	**115**
(* Value less than Rupees fifty thousand)		
Note 12 : Other financial assets		
Measured at amortised cost		
(Unsecured, considered good)		
Other receivables	-	2
Total	**-**	**2**
Note 13 : Current tax assets		
Current tax assets (Net)	10	2
Total	**10**	**2**
Note 14 : Other current assets		
(Unsecured, considered good)		
Balances with government authorities	912	306
Advance to service providers	597	-
Prepaid expenses	3	3
Total	**1,512**	**309**

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Note 15 : Equity Share capital

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	(₹ in lakhs)	Nos.	(₹ in lakhs)
AUTHORISED				
Equity shares of Rs.10/- each	1,00,00,000	1,000	50,000	5
ISSUED AND SUBSCRIBED				
Equity shares of Rs.10/- each	75,10,000	751	10,000	1
CALLED UP AND PAID UP				
Equity shares of Rs.10/- each	75,10,000	751	10,000	1
Total	**75,10,000**	**751**	**10,000**	**1**

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Nos.	(₹ in lakhs)	Nos.	(₹ in lakhs)
At the beginning of the year	10,000	1	-	-
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	10,000	1	-	-
Add: Issued during the year	75,00,000	750	10,000	1
Outstanding at the end of the year	**75,10,000**	**751**	**10,000**	**1**

(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 2022		As at 31 March 2021	
	Nos.	(₹ in lakhs)	Nos.	(₹ in lakhs)
Kirloskar Industries Limited* Equity shares of Rs.10 each fully paid **(The holding Company through its nominees holds 6 equity shares of Company.)*	75,10,000	751	10,000	1
Total	**75,10,000**	**751**	**10,000**	**1**

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

Name of the shareholder	As at 31 March 2022		As at 31 March 2021	
	Nos.	% holding in the class	Nos.	% holding in the class
Kirloskar Industries Limited* Equity shares of Rs.10 each fully paid **The holding Company through its nominees holds 6 equity shares of Company.*	10,000	100%	10,000	100%
Total	**10,000**	**100%**	**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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	As at 31 March 2022	As at 31 March 2021
Note 16 : Other equity		
(a) Capital Reserve		
Balance as at the beginning of the year	(265)	-
Add : On account of acquisition of business undertaking (Refer note no. 32)	-	(265)
Balance as at the end of the year	**(265)**	**(265)**
(b) Securities Premium Account		
Balance as at the beginning of the year	-	-
Add : Proceeds of issue of equity shares	750	-
Less: Share issue costs	(11)	-
Balance as at the end of the year	**739**	-
(c) Deemed Equity on ESAR issued by holding company		
Balance as at the beginning of the year	109	-
Add : Contribution made by Holding Company	128	109
Balance as at the end of the year	**237**	**109**
(d) Surplus/ (Deficit) in the statement of profit and loss		
Balance as at the beginning of the year	(102)	-
Add: Net Profit/(loss) transferred from the Statement of Profit and Loss	(368)	(98)
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	(16)	(4)
Net surplus/ (deficit) in the Statement of Profit and Loss	**(486)**	**(102)**
(e) Equity Component of OCD		
Balance as at the beginning of the year	-	-
Add : Issued during the year	2,440	-
Balance as at the end of the year	**2,440**	-
Total	**2,665**	**(258)**

Note:

1) Capital Reserve

Capital reserve represents an amount being excess of Purchase Consideration over Net Assets acquired being recognised as negative Capital Reserve

2) Securities Premium

Securities Premium represents 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 2022	As at 31 March 2021
Note 17 : Borrowings		
(Unsecured, considered good)		
Optionally Convertible Debentures*	2,871	-
Total	**2,871**	**-**

* Represents debt portion of Unsecured Optionally Convertible Debentures (OCDs) carrying nil interest rate aggregating to Rs 6000 lakhs cosisting 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	2,871	
Equity component of OCDs (Note no 16e)	2,440	
Deferred tax liability thereon	857	
Finance cost on OCDs capitalised under Capital work in progress	168	

Note 18 : Lease Liability		
(Measured at Amortised Cost)		
Lease liability	3	19
Total	**3**	**19**
Note 19 : Provisions		
Gratuity	50	21
Compensated Absences	5	3
Total	**55**	**24**
Note 20 : Borrowings		
(Measured at amortised cost)		
(Unsecured, considered good)		
Loan from Holding Company*	13,965	1,500
Total	**13,965**	**1,500**

*The borrowings are unsecured, non-interest bearing and repayable on demand.

Note 21 : Lease Liability		
Lease liability	15	13
Total	**15**	**13**
Note 22 : Other financial liabilities		
(Measured at amortised cost)		
Payable to holding company		
- In respect of purchase of business undertaking*	-	7,500
- In respect of other liabilities	-	138
Expenses and other payable	516	193
Security deposits	131	53
Employee benefits	48	32
Total	**695**	**7,916**

* Refer Note no. 32 on Business combination

Note 23 : Other current liabilities		
Statutory liabilities	46	23
Total	**46**	**23**

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	As at 31 March 2022	As at 31 March 2021
Note 24 : Provisions		
Gratuity*	-	-
Compensated absences	26	8
Total	**26**	**8**
(* Value less than Rupees fifty thousand)		

	For the year ended 31 March 2022	For the year ended 31 March 2021
Note 25 : Other income		
Interest on fixed deposit with bank	2	1
Sale of scrap from demolition of assets	99	-
Property Licensing Fees	13	19
Total	**114**	**20**
Note 26 : Employee benefits expenses		
Salaries, wages and bonus	69	14
Employee stock option expenses	2	1
(Stock option extended by the holding company)		
Gratuity	6	-
Contribution to provident and other funds*	1	-
Total	**78**	**15**
(* Value for previous year less than Rupees fifty thousand)		
Note 27 : Finance costs		
On financial liability measured at amortised cost		
Lease liability	3	4
On provision		
Net Interest on net defined benefit liability*	1	-
Total	**4**	**4**
(* Value for previous year less than Rupees fifty thousand)		
Note 28 : Depreciation and amortisation expenses		
On property, plant and equipment	51	17
On right of use assets	13	3
On intangible assets	8	3
Total	**72**	**23**
Note 29 : Other expenses		
Business facilitation expenses	128	42
Security expenses	72	18
Directors Fees and Expenses	21	1
Legal & Professional Charges	12	4
Rates & Taxes	5	-
Loss on demolition of assets	84	-
Repairs and maintenance	24	9
Electricity charges	11	2
Payment to auditors :	-	
(a) for audit	12	5
(b) for taxation matters	-	-
(c) for other services	-	-
Miscellaneous Expenses	16	1
Total	**385**	**82**

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Note 30: Deferred Tax

	Balance sheet		Statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
Deferred tax (Assets) / Liabilities relates to the following:				
Deferred tax assets				
Provision for Employee Benefits	(21)	(9)	(12)	(9)
Property, plant and equipment and intangible assets	(6)	1	(7)	1
Gross deferred tax assets	**(27)**	**(8)**	**(19)**	**(8)**
Deferred tax liabilities				
Optionally Convertible Debentures	814	-	(44)	-
Gross deferred tax liabilities	**814**	**-**	**(44)**	**-**
Deferred tax (Assets)/Liabilities (net)	**787**	**(8)**	**(63)**	**(8)**
Amount recognised in Statement of Profit and Loss			(57)	(6)
Amount recognised in Statement of Other Comprehensive Income			(6)	(2)

Note 31: 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 2022	As at 31 March 2021
Net profit/ (loss) after tax attributable to equity shareholders of the Company (A)	(368)	(98)
Weighted average number of equity shares in calculating Basic EPS (B)	57,83,973	10,000
Effect of dilution:		
Potentially convertible shares	-	-
Total number of diluted equity shares in calculating Basic EPS (B)	57,83,973	10,000
Basic and Diluted earnings per share of face value of 10 each (₹) (A/B)	(6.36)	(980.00)

Note 32: Business Combination

During the previous year, the Company acquired the 'Real Estate Business Undertaking at Kothrud' (a business under common control) from the Holding Company, 'Kirloskar Industries Limited (KIL)', as a going concern on a 'Slump Sale' basis vide Business Transfer Agreement dated December 19, 2020 for consideration of Rs 7,500 lakhs.

During the year purchase consideration of Rs 7,500 Lakhs was discharged by the Company by way of allotment of 6,00,00,000 non-interest bearing Unsecured Optionally Convertible Debentures (OCD) of Rs 10 each, amounting to Rs 6,000 Lakhs. The balance consideration of Rs 1,500 Lakhs has been settled in cash.

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Note 33: Employee benefits expense

(a) Defined contribution plans :
The Company has contributed ₹ 9 Lakhs (Previous Year: ₹ 2 Lakhs) towards Defined Contribution plans i.e. Provident Fund.

Particulars	Year ended 31 March 2022	Year ended 31 March 2021
- Amount recognised in the Statement of Profit and Loss towards Contribution to employees provident fund*	1	-
- Amount considered under 'Capital Work in Progress'.	8	2
Total	**9**	**2**

*(Value for previous year less than Rupees fifty thousand)

(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 2022	Year ended 31 March 2021
Amount recognised in Statement of Profit and Loss under employee benefit expenses		
Current / Past service cost	6	-
Interest expenditure on defined benefit liability*	1	-
Total	**7**	-
Amount recognised in statement of other comprehensive income		
Remeasurements of defined benefit plan (gain) /loss	**22**	**6**

*(Value for previous year less than Rupees fifty thousand)

Reconciliation of liability

Particulars	Present value of Obligation	
	Year ended 31 March 2022	Year ended 31 March 2021
Balance at the beginning of the year	**21**	-
Current / Past service cost	6	-
Remeasurements of defined benefit plan ((gain)/loss)	22	6
Net interest (income) / expense*	1	-
Total amount recognised in statement of profit and loss	**29**	**6**
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	-	**15**
Employers Contributions	-	-
Benefit payments	-	-
Balance at the end of the year	**50**	**21**

*(Value less than Rupees fifty thousand)

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(Amounts in Indian Rupees lakhs, unless otherwise stated)

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021
Present value of obligations	50	21
Fair value of plan assets	NA	NA
(Deficit)/ Surplus of plans	(50)	(21)
Deficit of Gratuity plan	**(50)**	**(21)**

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

Particulars	As at 31 March 2022	As at 31 March 2021
a. Discount Rate	6.70%	6.30%
b. Rate of increase in compensation cost		
- For first year	10.00%	0.00%
- Thereafter per annum increase	10.00%	10.00%
c. Expected average remaining working lives of employees (years)*	6.14	6.33
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 2022 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 2022	31 March 2021
Discount rate			
Decrease by	1%	2	1
Increase by	1%	-	(1)
Future salary increase			
Decrease by	1%	-	(1)
Increase by	1%	2	1
Withdrawal rate			
Decrease by	1%	1	-
Increase by	1%	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	As at 31 March 2022	As at 31 March 2021
Within the next 12 months (next annual reporting period)	20	60
Between 2 and 5 years	2,610	1,010
Beyond 5 years	5,020	3,000
Total expected payments	**7,650**	**4,070**

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

Particulars	As at 31 March 2022	As at 31 March 2021
Weighted average duration of defined benefit plan obligation (years)	10.00	11.31

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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 34: 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 Microware Infrastructure Development Company P Ltd

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(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	Holding Company	Key Management Personnel
Compensation paid#	2020-21	--	77
	2021-22	--	353
Transfer of Real Estate Business Undertaking	2020-21	7,500	--
	2021-22	--	--
Issue of Equity Share Capital	2020-21	--	--
	2021-22	1,500	--
Borrowings	2020-21	1,500	--
	2021-22	12,465	--
Issue of Debentures to settle BTA transaction	2020-21	--	--
	2021-22	6,000	--
Payment to settle BTA transaction	2020-21	--	--
	2021-22	1,500	--
Security deposit paid*	2020-21	8	--
	2021-22	--	--
Licensing fees paid	2020-21	4	--
	2021-22	15	--
Purchase of assets from Holding company	2020-21	94	--
	2021-22	4	--
Reimbursement of expenses to Holding Company	2020-21	418	--
	2021-22	360	--
Capital contribution received from holding company	2021-22	1,500	--
Outstanding as at 31 March			
Other Liabilities	2021	138	--
	2022	--	--
Expenses payable	2021	--	1
	2022	--	--
Security deposit receivable	2021	8	--
	2022	8	--
Purchase consideration payable for acquisition of Business undertaking	2021	7,500	--
	2022	--	--
0% Optionally Convertible Debentures	2021	--	--
	2022	6,000	--
Borrowings	2021	1,500	--
	2022	13,965	--

*(Value less than Rupees fifty thousand)

#Compensation paid to Key Management Personnel

Particulars	As at 31 March 2022	As at 31 March 2021
Short-term employee benefits (compensation)	321	69
Post - employment gratuity benefits	17	4
Other long-term employment benefits	15	4
Total	**353**	**77**

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.

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Note 35: Leases

	As at 31 March 2022	As at 31 March 2021
(a) Right of Use Assets		
Opening balance at the beginning of the year	36	-
Add : Addition during the year	-	39
Less : Amortisation for the year	(13)	(3)
Closing balance at the end of the year	**23**	**36**
(B) Maturity analysis of leases		
Cash Payment of Lease Liability		
Not later than one year	17	16
Later than one year but not later than five years	12	29
Later than 5 years	-	-
Total	**29**	**45**

Note 36: 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 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
Borrowings from holding company	13,965	-	-	13,965	13,965
Optionally Convertible Debentures	2,871	-	-	-	-
Other financial liabilities	695	-	-	695	695
Total	**17,549**	-	-	**14,678**	**14,678**

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 2021

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	115	-	-	115	115
Other financial assets	2	-	-	2	2
Total	**126**	-	-	**126**	**126**
Financial liabilities					
Lease liability	32	-	-	32	32
Borrowings	1,500	-	-	1,500	1,500
Other financial liabilities	7,916	-	-	7,916	7,916
Total	**9,448**	-	-	**9,448**	**9,448**

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

i) 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.

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.

ii) 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.

ii) 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 37: 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 repayable on demand. 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.

(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, being a non-interest bearing loan, repayable on demand.

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
Balance as at 17 July 2020				
Borrowings	1,500	-	-	-
Other financial liabilities*	-	7,929	19	
As at 31 March 2021	**1,500**	**7,929**	**19**	**-**
Borrowings	13,965	-	-	2,871
Other financial liabilities*	-	710	3	-
As at 31 March 2022	**13,965**	**710**	**3**	**2,871**

*Out of above, maturity analyses of Lease liability , being the undiscounted amount of Leases to be paid, has been provided vide note no. 35 (b)

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

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Note 38: 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	As at 31 March 2022	As at 31 March 2021
Borrowing from the holding company	13,965	1,500
Optionally Convertible Debentures	2,871	-
Less: Cash and cash equivalents	39	115
Net debt	16,797	1,385
Total Capital	3,416	(257)

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, polices and processes for managing its capital from this Financial year. The said objectives, policies and processes shall be followed consistently in the future.

Note 39: Ratio

Particulars	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	Variation
Current ratio ^	Current Assets	Current Liabilities	0.11	0.05	134%
Debt-Equity Ratio $ @	Total Debt	Shareholder's Equity	4.93	(5.84)	-184%
Debt Service Coverage Ratio #	Earnings available for debt service	Debt Service	(11.94)	(5.45)	119%
Return on Equity Ratio *	Net Profits after taxes	Average Shareholder's Equity	(0.23)	0.38	-161%
Return on Capital employed*	Earning before interest and taxes	Capital Employed	(0.02)	(0.08)	-75%

Note on variance

^ Variation due to better liquidity position

$ Due to issue of Unsecured Optionally Convertible Debentures & equity shares

Due to increasing in operating loss

* Due to allotment of equity shares by way of rights issue

@ Due to additional borrowings from the holding company

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Note 40: 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 41: 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 other than those disclosed/given effect to, in these Financial Statements as at 31 March 2022

Note 42:

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

G. D. APTE & CO. ★ Chartered Accountants ★

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune : 26 April 2022

For and on behalf of the Board of Directors

Vinesh Kumar Jairath
Managing Director
DIN : 00391684

Gauri Kirloskar
Director
DIN : 03366274
Pune : 26 April 2022

Avante Spaces Limited Pune