AVANTE SPACES LIMITED

ANNUAL REPORT

2024 - 2025

Annual Report for the year ended on 31 March 2025

BOARD OF DIRECTORS

Mr. Vinesh Kumar Jairath	(DIN 00391684)	Managing Director (upto 31 December 2024)
Ms. Gauri Kirloskar	(DIN 03366274)	Director
Mr. Tejas Deshpande	(DIN 01942507)	Director
Mr. Satish Jamdar	(DIN 00036653)	Director
Ms. Swati Salgaocar	(DIN 03500612)	Director
Mr. Rahul Kirloskar	(DIN 00007319)	Additional Director (with effect from 27 January 2025)
Mr. Akshay Sahni	(DIN 00791744)	Additional Director (with effect from 25 April 2025)

CHIEF EXECUTIVE OFFICER

Mr. Deepak Porayath (with effect from 3 February 2025)

CHIEF FINANCIAL OFFICER

Mr. Anandh Baheti

COMPANY SECRETARY

Ms. Pratiksha Kadam

STATUTORY AUDITORS

G. D. Apte & Co., Chartered Accountants

BANKERS

ICICI Bank Limited
Axis Bank Limited
IndusInd Bank Limited
Kotak Mahindra Bank Limited

REGISTERED OFFICE

One Avante, Level 14, Karve Road,
Kothrud, Pune - 411 038
Tel.: +91 (20) 020 69065008
E mail: admin@avantespaces.com
CIN: U45202PN2020PLC192070

INFORMATION FOR SHAREHOLDERS
Annual General Meeting (AGM)
Day & Date : Tuesday, 17 June 2025

Time : 11.00 a.m. (IST)

Venue : Through Video Conferencing

NOTICE

Notice is hereby given that the 5th Annual General Meeting ('AGM') of the Members of **Avante Spaces Limited** ('the Company') will be held on Tuesday, 17 June 2025, 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 dated 8 April 2020, 17/2020 dated 13 April 2020, 20/2020 dated 5 May 2020, 02/2021 dated 13 January 2021, 10/2021 dated 23 June 2021, 20/2021 dated 8 December 2021, 10/2022 dated 28 December 2022 dated 09/2023 dated 25 September 2023, and 09/2024 dated 19 September 2024 and respectively, issued by the Ministry of Corporate Affairs (hereinafter referred to as 'MCA Circulars'), to transact the following businesses:

ORDINARY BUSINESS:

ITEM NO. 1:

To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 March 2025 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.

SPECIAL BUSINESS:

ITEM NO. 3:

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

APPOINTMENT OF MR. RAHUL KIRLOSKAR (HOLDING DIN 00007319) AS DIRECTOR OF THE COMPANY

"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Rahul Kirloskar (holding DIN 00007319), who was appointed as an Additional Director of the Company by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and who holds office up to the date of the ensuing Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, whose office is liable to retire by rotation."

ITEM NO. 4:

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

APPOINTMENT OF MR. AKSHAY SAHNI (HOLDING DIN 00791744) AS DIRECTOR OF THE COMPANY

AVANTE

"**RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Akshay Sahni (holding DIN 00791744), who was appointed as an Additional Director of the Company by the Board of Directors as per Section 161(1) of the Companies Act, 2013 and who holds office up to the date of the ensuing Annual General Meeting, be and is hereby appointed as a Non-Executive Director of the Company, whose office is liable to retire by rotation."

By Order of the Board of Directors

P. Kadam

AVANTE SPACES LIMITED PUNE-38

Pratiksha Kadam
Company Secretary

Place: Pune
Date: 25.04.2025

NOTES:

i. The Ministry of Corporate Affairs, ("MCA") has allowed the Companies to conduct their Annual General Meeting (AGM) through Video - Conferencing (VC) or other Audio-Visual Means (OAVM) and dispensed the personal presence of the Members at the meeting.

In this regard, the MCA has already issued the General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021, 02/2022, 10/2022, 09/2023 and 09/2024 dated 8 April 2020, 13 April 2020, 5 May 2020, 13 January 2021, 8 December 2021, 14 December 2021, 5 May 2022, 28 December 2023, 25 September 2023, and 19 September 2024 respectively, ("MCA Circulars").

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

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

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

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

iii. Corporate / Institutional Member(s) intending to appoint their authorised representative(s) to attend the AGM through VC / OVAM are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the AGM, pursuant to the provisions of Section 113 of the Act and the Rules made thereunder including amendments thereof, by email at pratiksha.kadam@avantespaces.com from the registered e-mail address.

iv. The attendance of the members attending the AGM through VC / OAVM facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act and the Rules made thereunder, including amendments thereof.

v. The Statement setting out the material facts pursuant to the provisions of Section 102(1) of the Act, and Rules made thereunder, including amendments thereof, relating to the Ordinary Business No. 4 and Special Business Nos. 5 and 6 in the Notice, and is annexed and forms part of this Notice.

vi. In case members wish to ask for any information about accounts and operations of the Company, they are requested to send their queries by providing full name, Folio Number and contact number in writing at least 7 days in advance of the date of the meeting so that the information can be made available at the time of the meeting.

vii. Members may join the AGM through VC / OAVM facility by following the procedure as mentioned below, 15 minutes before the time scheduled to start the AGM and will be closed 15 minutes after the scheduled time to start the AGM.

viii. **General instructions for accessing and participating in the AGM through VC / OAVM facility:**

1. AGM Invite will be sent through a separate email to the members of the Company, which contains 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 and tablets. Further, Members will be required to allow the camera and use the 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 hotspots may experience Audio / Video loss due to fluctuations in their respective networks. It is therefore recommended to use a stable Wi-Fi or LAN connection to mitigate any glitches.

4. Members are requested to follow the instructions given before the meeting starts and during the meeting.

5. Members who need technical assistance before or during the meeting may contact the Company on +919623031461.

ix. All documents referred to in the accompanying Notice of the AGM and the Explanatory Statement shall be available at the Registered Office of the Company for inspection without any fee during normal business hours on all working days except Saturday, Sunday and public holidays, between 10.00 a.m. to 12.00 noon, up to and including the date of the AGM of the Company.

x. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act shall be made available at the commencement of the meeting and shall remain open and accessible to the members during the continuance of the AGM.

xi. Details as required under the Secretarial Standards on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at the AGM, forms an integral part of the Notice of the AGM.

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

ANNEXURE TO THE NOTICE

As required by Section 102 (1) of the Companies Act, 2013, (the Act), the following Statement set out all material facts relating to Item Nos. 4 and 5 in the accompanying Notice of the 5th Annual General Meeting of the Company to be held on Tuesday, 17 June 2025, at 11.00_a.m., through Video Conferencing (VC) or Other Audio-Visual Means (OAVM).

ITEM NO. 2 OF THE NOTICE

Mr. Tejas Deshpande (Aged 44 years) passed out of ILS, Law College, Pune, and has been practicing law for the last 22 years. He predominantly has a litigation practice in various courts, with a 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
Kirloskar Industries Limited	Director	1. Audit Committee – Member 2. Risk Management Committee – Member
Kirloskar Pneumatic Company Limited	Director	1. Audit Committee – Member 2. Nomination and Remuneration Committee – Member 3. Stakeholder Relationship Committee – Member
Crescent Legal Associates LLP	Designated Partner	-

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

He attended all five meetings of the Board of Directors held during the Financial Year 2024-2025.

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

The Board of Directors based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company, pursuant to the provisions of Section 161 (1) of the Companies Act, 2013, (the Act) and the Articles of Association of the Company, considered the appointment of Mr. Rahul Kirloskar (holding DIN 00007319) as an Additional Director in the capacity of Non-Executive Director with effect from 27 January 2025.

In terms of the provisions of Section 161 (1) of the Act, Mr. Rahul Kirloskar would hold office up to the date of this Annual General Meeting.

He is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013, and Rules thereunder, including amendments thereto and has given his consent to act as director.

Mr. Rahul Kirloskar (DIN 000007319) (Aged 61 years) has been associated with the Kirloskar Group of companies for more than 37 years at senior levels in different capacities. He started his career in the then Kirloskar Cummins Limited and later joined a family-owned small-scale unit where he worked for a period of three years. In 1989, he joined erstwhile Kirloskar Pneumatic Company Limited (KPCL) as Sr. Manager Operations for the Air Compressors Division. He was promoted as Joint Managing Director of KPCL in July 1991. He was also appointed as a Director on K. G. Khosla Compressors Limited in September 1993 with which KPCL was amalgamated in 2002. He continued to be a Director of the amalgamated company which was renamed as Kirloskar Pneumatic Company Limited. In December 1993, he was appointed as the Managing Director of KPCL and thereafter in September 1998, he took over as the Chairman of KPCL. In June 2001 (till January 2012), he was appointed as the Director Exports of the Kirloskar Oil Engines Limited (KOEL). He has participated in an intensive course for Management Professionals on Total Quality Management. He has played a pivotal role in focusing KPCL on its Compression and Transmission Segments.

Mr. Kirloskar took over as Executive Chairman of the Company from 2012. Mr. Kirloskar has also been the Chairman of the Confederation of Indian Industry (CII) Pune Council as well as the Maharashtra State CII Council.

He was appointed as Director of Kirloskar Ferrous Industries Limited on 28 October 2013, and in 2024, he took over as Chairman.

Mr. Rahul Kirloskar is also a Director in the following other companies:

Name of the Company	Board position held	Committee membership
Kirloskar Oil Engines Limited	Non-Executive Non-Independent Director	Corporate Social Responsibility – Chairman
Kirloskar Pneumatic Company Limited	Executive Chairman	1. Stakeholders' Relationship Committee - Member 2. Corporate Social Responsibility Committee - Member

AVANTE

Name of the Company	Board position held	Committee membership
Kirloskar Proprietary Limited	Director	-
Kirloskar Ferrous Industries Limited	Chairman	1. Stakeholders Relationship Committee – Chairman 2. Nomination and Remuneration Committee - Member 3. Corporate Social Responsibility Committee - Member - Chairman
J.K. Fenner (India) Limited	Director	-
Alpak Investments Private Limited	Chairman	-
Asara Sales And Investments Private Limited	Director	-
GreenTek Systems (India) Private	Chairman	-
Kirloskar Energen Private Limited	Director	-
Kirloskar Solar Technologies Private Limited	Director	-
Samarth Udyog Technology Forum	Director	-
Kairi Investments LLC, USA	Manager	-
KITN Energy LLC, USA	Manager	-
Kirloskar Americas Corporation (Previously known as KOEL Americas Corp.)	Director	-

Mr. Rahul Kirloskar is holding NIL (0.00%) equity shares of the Company.

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

A copy of the draft letter for the appointment of Mr. Rahul Kirloskar as a Director, setting out the terms and conditions, is available for inspection.

Save and except Mr. Rahul Kirloskar and his relatives, to the extent of their shareholding interest, if any, in the Company, none of 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 as set out at Item No. 3 of the Notice for approval by the members.

ITEM NO. 4 OF THE NOTICE

The Board of Directors based on recommendation of the Nomination and Remuneration Committee and subject to the approval of the members of the Company, pursuant to the provisions of Section 161 (1) of the Companies Act, 2013, (the Act) and the Articles of Association of the Company, considered the appointment of Mr. Akshay Sahni (holding DIN 00791744) as an Additional Director in the capacity of Non-Executive Director with effect from 25 April 2025.

In terms of the provisions of Section 161 (1) of the Act, Mr. Akshay Sahni would hold office up to the date of this Annual General Meeting.

He is not disqualified from being appointed as director in terms of Section 164 of the Companies Act, 2013, and Rules thereunder, including amendments thereto and has given his consent to act as director.

Mr. Akshay Sahni completed his Bachelor's degree in Economics and Business from the University of Southern California. Post graduation, he worked as a Management Trainee at East West Bank in Pasadena, California.

He returned to India in 2006 to lead the diversification of his family business into hospitality. He spearheaded the design, construction, and operations of two boutique hotels in New Delhi and Mussoorie. Under his leadership, both properties were profitable and ranked among the top 5 hotels on Tripadvisor.com in their respective city listings.

In 2011, Akshay joined the family's core business in apparel manufacturing and exports. In this role, he was responsible for Operations and Finance and played an instrumental role in modernising the company's systems and processes, enabling the company to grow 3X over a period of 10 years.

Since 2021, Akshay has been working with the Kirloskar Group. Initially, he joined Kirloskar Management Services Pvt Ltd and was involved in the post-acquisition integration of La-Gajjar Machineries Pvt Ltd with Kirloskar Oil Engines Ltd. In 2023, Akshay joined the new real estate venture of the Kirloskar Group called Avante Spaces Ltd as Vice President – Asset Management. At present, he is serving as the Chief Operating Officer of Kirloskar Industries Ltd and is part of the core team responsible for building Avante Spaces Ltd. into a prominent real estate player.

Mr. Akshay Sahni is also a Director in the following other companies:

Name of the Company	Board position held	Committee membership
La-Gajjar Machineries Private Limited	Director	Corporate Social Responsibility Committee

AVANTE

Mr. Akshay Sahni is holding NIL (0.00%) equity shares of the Company.

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

A copy of the draft letter for the appointment of Mr. Akshay Sahni as a Director, setting out the terms and conditions, is available for inspection.

Save and except Mr. Akshay Sahni and his relatives, to the extent of their shareholding interest, if any, in the Company, none of 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 as set out at Item No. 4 of the Notice for approval by the members.

By Order of the Board of Directors

P. Kadam

Pratiksha Kadam
Company Secretary

AVANTE SPACES LIMITED PUNE-38

Place: Pune
Date: 25.04.2025

AVANTE

Board's Report for Financial Year 2024-2025

To the Members,

Your Directors have the pleasure in presenting the 5th Annual Report with the Audited Annual Accounts of the Company for the period ended 31 March 2025.

1. FINANCIAL PERFORMANCE:

Key highlights of the Company's standalone performance during the financial year ended March 31, 2025, as compared to the previous financial year, are summarised below:

(₹ in Crores)

Particulars	2024-2025	2023-2024
Total Income	5.18	236.44
Total Expenditure	11.51	148.35
Net Profit / (Loss) for the year before extraordinary items and taxation	(0.19)	88.09
Less: Provision for tax (Income Tax)	1.71	12.70
Profit / (Loss) after tax	(1.90)	75.39
Add: Excess / (Short) Provision for taxation	-	-
Less: Previous Year Adjustment	-	-
Profit / (Loss) for the period	(1.90)	75.39
Add: Balance of Profit / (Loss) brought forward from previous year	-	(8.19)
Less: Other Comprehensive Income	0.46	(0.18)
Balance available for appropriation	65.60	67.02
Appropriations	-	-
Balance carried to Balance Sheet	65.60	67.02

2. COMPANY PERFORMANCE:

During the year under review, the Company achieved a significant milestone with the successful delivery of its maiden commercial project, 'One Avante' (the Project), situated in Kothrud, Pune. The Project received the Occupancy Certificate (OC) for all floors, marking the formal completion and readiness of the development. This achievement reflects the Company's commitment to timely execution and quality delivery in its foray into real estate. One Avante is now the headquarters of Kirloskar Group.

The loss before tax for the year stood at ₹ 0.19 Crores (previous year profit ₹ 88.09 Crores).

3. DIVIDEND:

The Company is developing a large project and is in investment mode, and there is no profit during the year. The Board of Directors has not recommended any dividend on equity shares and 8.25 % Non-Convertible Compulsorily Redeemable Cumulative Preference Shares for the financial year ended March 31, 2025.

4. OPERATIONS:

Project Update – One Avante

Building on the progress shared in the previous year, your Company has successfully delivered its first commercial project, 'One Avante' (the Project), located in Kothrud, Pune. The Project was completed well within the estimated cost, marking a major milestone in the Company's commercial real estate journey. 'One Avante' is an IGBC Platinum and LEED Gold pre-certified building, highlighting our focus on sustainability as one of the core pillars of the business.

The Company has moved its Registered Office to 'One Avante'.

The asset and facility operations for the building is being managed by Colliers International (India) Property Services Private Limited under the supervision of Avante Management. The focus for the team is to operate the asset safely, efficiently and sustainably. Efforts are being made to increase occupant satisfaction, optimise operating costs and prolong asset lifecycle. The team is deeply committed to sustainability, integrating eco-friendly practices across all operations.

The Company provides various amenities and facilities to group companies on various floors and will earn revenue from the services.

Ongoing Development – Mixed-Use Project, Kothrud

The Company is currently focused on the construction and timely delivery of its second project, a mixed-use development of approximately 2 million sq.ft. built-up area located on the same campus in Kothrud, Pune.

Despite facing challenges such as labour shortages and construction restrictions imposed by the Pune Municipal Corporation, the Company is making satisfactory progress on this development.

The project is targeting to achieve prestigious sustainability certifications - IGBC Platinum and LEED Gold. On completion, this project is envisioned to redefine Kothrud by transitioning it from a prime residential locality into a dynamic Business District for commercial spaces.

Commitment to Quality, Sustainability and Governance

Your Company continues to uphold its commitment to environmental and social responsibility, striving to create world-class, sustainable spaces that enhance the surrounding urban environment. Through stringent adherence to quality, safety, and sustainability standards across all phases of development, the Company remains focused on delivering excellence.

The Company also remains dedicated to strong corporate governance and full compliance with all applicable statutory and regulatory requirements. With agile leadership, a disciplined execution strategy, and a robust governance framework, your Company is well-positioned to create long-term value for all stakeholders and establish a strong footprint in the real estate sector.

5. PERFORMANCE OF SUBSIDIARIES, ASSOCIATE AND JOINT VENTURES:

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

6. HUMAN RESOURCES:

The Company has an experienced and visionary leadership team driving the employees to achieve its objectives and continue on the growth path. At present, the Company has 18 employees on its rolls.

7. CONCERNS AND THREATS:

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

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

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

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

8. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has in place an adequate internal controls system to ensure operational efficiency, accuracy and promptness in financial reporting and compliance with 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. AUDITORS:

a. 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.

b. Cost Auditors:

Pursuant to the Companies (Cost Records and Audit) Rules, 2014 dated 31 December 2014, the Company was required to audit of cost accounting records for the Financial Year 2024-2025. Accordingly, the Board of Directors, had on the recommendation of the Audit Committee, appointed M/s Nawal Barde Devdhe and Associates, Cost Accountants (Registration No. 001711) to audit the cost accounts of the Company for the Financial Year 2024-25 on a remuneration of ₹ 1,50,000 per annum.

c. Secretarial Auditors:

Pursuant to the provisions of Section 204 of the Companies Act, 2013, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company was not required to appoint Secretarial Auditors for the Financial Year 2024-2025.

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, and Rule 12 of the Companies (Management and Administration) Rules, 2014 (including any amendments thereto), the Annual Return for the Financial Year 2023–2024 has been filed with the Ministry of Corporate Affairs. As the Company does not have a website, the Annual Return could not be uploaded online.

II. NUMBER OF MEETINGS OF THE BOARD:

During the year under review, 6 (Six) Board Meetings were convened and held on 22 April 2024, 24 July 2024, 24 October 2024, 27 January 2025 and 5 March 2025. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

III. DIRECTOR'S RESPONSIBILITY STATEMENT:

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

a) in the preparation of the Annual Financial Statements for the year ended 31 March 2025, the applicable accounting standards have been followed and there are 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 2025 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, on the recommendation of the Nomination and Remuneration Committee, has adopted a policy for the selection and appointment of Directors, Key Managerial Personnel, and Senior Management Personnel, as well as for determining their remuneration.

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

V. MAINTENANCE OF COST RECORDS:

The Company has maintained cost accounts and records as specified by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013.

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

i. Statutory Auditors:

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditor in their Audit Report for the year ended 31 March 2025.

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 loans or guarantees.

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

Pursuant to the provisions of Section 134 of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of all contracts or arrangements entered into by the Company with related parties have been done at arm's length and are in the ordinary course of business.

The details of the related party transactions in Form AOC-2 are enclosed to this report as '**Annexure II**'.

X. STATE OF COMPANY'S AFFAIRS:

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

XI. AMOUNTS PROPOSED TO BE CARRIED TO RESERVES:

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

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

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

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

A. Conservation of Energy and Technology Absorption:

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

B. Foreign exchange earnings and Outgo:

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

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

The Company has established a robust mechanism to identify, assess, monitor, and mitigate various risks that may impact the achievement of key business objectives. Major risks are systematically addressed through appropriate risk-mitigation measures on an ongoing basis.

These risks and the corresponding mitigation strategies are reviewed periodically by the Risk Management Committee, the Audit Committee, and the Board of Directors.

The risk management framework operates at multiple levels across the organisation and is embedded into day-to-day business processes. It is a continuous and evolving process that remains a critical area of management focus.

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

The Company has been carrying out Corporate Social Responsibility (CSR) activities. These activities are carried out in terms of Section 135 read with Schedule VII of the Companies Act, 2013, and the Companies (CSR Policy) Rules, 2014.

The Annual Report on CSR activities includes details about the CSR policy developed and implemented by the Company. CSR initiatives taken during the year are annexed as '**Annexure III**' to this Report.

XVI. BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out a performance evaluation of its own performance and that of its committees and individual Directors. Performance evaluation has been carried out as per the criteria prescribed by the Nomination and Remuneration Committee of the Board of Directors of the Company.

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

In the Financial Year 2024-2025, there was no change in the nature of the business of the Company.

XVIII. 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) and Ms. Satish Jamdar (holding DIN 00036653) retired by rotation and were re-appointed at the Annual General Meeting held on 28 May 2024.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on 27 January 2025 and 25 April 2025 respectively, co-opted Mr. Rahul Kirloskar (DIN 00007319) and Mr. Akshay Sahni (DIN: 00791744) as an Additional Directors in the capacity of Non-Executive Directors of the Company.

II. Key Managerial Personnel appointed during the year:

During the year under review, pursuant to the provisions of Section 203 of the Companies Act, 2013, the Board of Directors has appointed Mr. Deepak Porayath as the Chief Executive Officer and Key Managerial Personnel of the Company, with effect from 3 February 2025.

Directors and Key Managerial Personnel resigned during the year 2024-2025:

During the year under review, Mr. Vinesh Kumar Jairath, the then Managing Director of the Company, ceased to be the Managing Director of the Company with effect from 01 January 2025, on completion of his tenure as the Managing Director. He also ceased to be a Director of the Company with effect from 01 January 2025.

During the year under review, Ms. Gauri Kirloskar ceased to be the Director of the Company with effect from 18 April 2024.

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

Mr. Tejas Deshpande (DIN: 01942507), who retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, at its meeting held on 27 January 2025, co-opted Mr. Rahul Kirloskar (DIN 00007319) as an Additional Director in the capacity of Non - Executive Director of the Company. Mr. Rahul Kirloskar holds office upto the date of the ensuing Annual General Meeting and is eligible for appointment as a Director.

The Company has received requisite disclosures and declarations from Mr. Tejas Deshpande and Mr. Rahul Kirloskar in accordance with applicable provisions of the Companies Act, 2013. The Brief resumes and other details in relation to Mr. Tejas Deshpande and Mr. Rahul Kirloskar, who are proposed to be appointed, form part of the statement setting out material facts annexed to the Notice of the Annual General Meeting.

The resolutions seeking approval of the members of the re-appointment of Mr. Tejas Deshpande and the appointment of Mr. Rahul Kirloskar as a Non–Executive Director form part of the Notice of the forthcoming Annual General Meeting.

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

None

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

None

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

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

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

Regular management oversight and rigorous periodic testing of internal controls make the internal controls environment strong at the Company. The Audit Committee and the Board along with the management oversee the results of the internal audit and review implementation on a regular basis.

The entity-level controls include key elements such as a Whistle Blower Policy/Vigil Mechanism, rigorous management reviews, a comprehensive Management Information System (MIS), and a strong internal audit mechanism. Process-level controls are implemented

XXIII COMPOSITION OF THE AUDIT COMMITTEE:

The Board of Directors has constituted the Audit Committee. It comprises four Non-Executive Directors, viz., Mr. Satish Jamdar, Mr. Tejas Deshpande, Ms. Gauri Kirloskar and Ms. Swati Salgaocar.

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

XXIV COMPOSITION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors has constituted the Nomination and Remuneration Committee (the Committee.

During the year under review, Mr. Vinesh Kumar Jairath ceased to be a member of the Committee with effect from 1 January 2025 and Ms. Gauri Kirloskar was appointed as a member of the Committee with effect from 27 January 2025.

Accordingly, the Committee has been reconstituted. It comprises three Directors, viz., Mr. Tejas Deshpande, Mr. Satish Jamdar and Ms. Gauri Kirloskar, Non-Executive Directors.

XXV. VIGIL MECHANISM / WHISTLE BLOWER POLICY:

The Company has a Whistle Blower Policy / Vigil Mechanism (the Policy) to deal with instances of fraud, unethical behaviour, etc. The Policy provides a mechanism for Directors and employees of the company and other persons dealing with the Company to report genuine concerns, including but not limited to unethical behaviours, actual or suspected fraud, or any other instances, to the Chairman of the Audit Committee of the Board of Directors of the Company.

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

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 the 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 the Rules made thereunder, the Board's Report is being sent to the members without the Annexure. The members interested in obtaining a copy of this Annexure may write to the Company at the Company's Registered Office.

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

During the year under review, the Company has complied with the provisions relating to the constitution of the 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 5 April 2024, 9 July 2024, 8 October 2024 and 10 January 2025.

The Company has in place a Policy for the Prevention of Sexual Harassment at the workplace. This would, *inter alia*, provide a mechanism for the resolution, settlements or prosecution of acts or instances of sexual harassment at the 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 2025 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.

16. DISCLOSURES UNDER ENVIRONMENT, SOCIAL AND GOVERNANCE

The Company has adopted an Environmental, Social, and Governance (ESG) framework aligned with that of Kirloskar Industries Limited (KIL), the holding company of the Company. The ESG framework was formally adopted in the Financial Year 2023, with group-level targets for ESG parameters being considered from the Financial Year 2024 onwards. Since then, the Company has made significant progress in operational performance, marked by the commencement of operations at its first building. The building has been thoughtfully designed to incorporate key elements of environmental stewardship, including low water consumption, responsible waste management, energy-efficient systems such as optimized natural lighting and motion-sensor-based lighting. A waste audit was conducted last month by Mission City Chakra, and it is worth highlighting that many potential waste streams were already mitigated through thoughtful design. The findings of this audit have been presented to the Board.

The Company remains committed to driving improvements across all ESG pillars while upholding the highest standards of governance in alignment with the adopted ESG framework.

17. DISCLOSURE WITH RESPECT TO BENEFICIAL INTEREST IN SHARES OF THE COMPANY PURSUANT TO COMPANIES (MANAGEMENT AND ADMINISTRATION) SECOND AMENDMENT RULES, 2023

The Board of Directors of the Company authorised Ms. Pratiksha Kadam, Company Secretary of the Company, to furnish, and extend co-operation for providing, information to the Registrar or any other authorised officer with respect to beneficial interest in shares of the Company.

18. CHANGE IN THE REGISTERED OFFICE OF THE COMPANY

During the year under review, the Registered Office of the Company was shifted from Office No. 801, 8th Floor, Cello Platina, Fergusson College Road, Shivajinagar, Pune – 411 038 to One Avante, Level 14, Karve Road, Kothrud, Pune – 411 038.

AVANTE

ACKNOWLEDGMENTS:

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

For and on behalf of the Board of Directors

AVANTE SPACES LIMITED
PUNE-38

Mr. Rahul Kirloskar
Director
DIN: 00007319

Mr. Tejas Deshpande
Director
DIN: 01942507

Date: 25.04.2025
Place: Pune

Annexure I

AVANTE SPACES LIMITED

THE NOMINATION AND REMUNERATION POLICY

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

I. PHILOSOPHY:

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

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

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

II. OBJECTIVE:

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

III. COVERAGE:

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

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

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

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

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

B. Guidelines of determining remuneration of:

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

IV. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

A. DIRECTORS

i. Managing Director:

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

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

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

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

The remuneration components shall include *inter alia*:

a. Fixed salary:

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

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

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

b. The Whole-time Director including Managing Director shall be paid variable incentive on *'annually or any other term as may be decided by the Board on the recommendation of Nomination and Remuneration Committee' based on the performance evaluation carried out by the Board, on the recommendation of the NRC.

c. Commission:

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

d. Non-monetary benefits:

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

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

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

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

**The word quarterly substituted with the word 'annually or any other term as may be decided by the Board on the recommendation Nomination and Remuneration Committee' vide board resolution passed in the board Meeting held on 25 July 2023 on the recommendation of Nomination and Remuneration Committee.*

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

g. Separation / Retirement benefits:

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

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

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

i. Non-Executive Directors:

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

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

a. Sitting fees:

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

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

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

b. Commission

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

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

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

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

d. Professional fees:

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

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

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

EXCESS REMUNERATION:

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

B. SENIOR MANAGEMENT PERSONNEL (SMP)

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

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

The remuneration components payable to SMP may be:

a. Fixed salary:

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

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

b. Variable pay:

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

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

c. Non-monetary benefits:

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

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

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

e. Separation / Retirement benefits:

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

DIRECTORS AND OFFICERS LIABILITY INSURANCE:

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

CONSULTANTS AND ADVISORS:

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

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

AMENDMENT

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

For and on behalf of the Board of Directors
of Avante Spaces Limited

Satish Jamdar
Director

Place: Pune
Date: 25.07.2023

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: avantespaceslimited@gmail.com
CIN: U45202PN2020PLC192070

ANNEXURE-II TO THE BOARD'S REPORT

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to inn sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis: NA

Names of the related party and nature of relationship:	Nature of contracts/ Arrangements / transactions	Duration of the contracts/ arrangements	Salient terms of the contracts or arrangements or transactions including the value, if any:	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NA	NA	NA	NA	NA	NA	NA	NA

2. Details of material contracts or arrangements or transactions at arm's length basis:

Names of the related party and nature of relationship:	Duration of the contracts/ arrangements / transactions	Nature of contracts/ Arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date of approval by the Board	Amount paid as advances, excluding taxes, if any:
Kirloskar Management Services Private Limited	1 year (Omnibus approval for the Financial Year 2024 -2025)	Availing or rendering of any services, as mentioned in item (d) under Sub-Section (1) of Section 188	Availing of certain management and administrative support services.	06.03.2024	-
Indifour Consult Private Limited	NA	Availing or rendering of any services, as mentioned in item (d) under Sub-Section (1) of Section 188	Development of 'Leaderboard Project Tracker' for managing real estate development activities of the Company.	15.05.2024	-

AVANTE

Names of the related party and nature of the relationship:	Duration of the contracts/ arrangements / transactions	Nature of contracts/ Arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date of approval by the Board	Amount paid as advances, excluding taxes, if any:
Kirloskar Industries Limited	1 July 2024 – 31 August 2024	Leasing of property of any kind as mentioned in item (c) under Sub-Section (1) of Section 188	Use and occupy an area admeasuring 700 sq. ft. at Office No. 801, Cello Platina, 8th Floor, Fergusson College Road, Shivajinagar, Pune 411 005, for its office purpose, on a leave and license basis.	26.06.2024	-
Kirloskar Proprietary Limited	NA	Availing or rendering of any services, as mentioned in item (d) under Sub-Section (1) of Section 188	Allowing the Company to use trademark and copyright kirloskar in the tagline / status "A kirloskar Group Company" and pay a royalty for the use of the same at the rate of 0.10 % of the annual sales turnover of the Company.	24.07.2024	-
Kirloskar Industries Limited	1 September 2024 - 30 November 2024	Leasing of property of any kind as mentioned in item (c) under Sub-Section (1) of Section 188	Use and occupy an area admeasuring 700 sq. ft. at Office No. 801, Cello Platina, 8th Floor, Fergusson College Road, Shivajinagar, Pune 411 005, for its office purpose, on a leave and license basis.	27.08.2024	-
Kirloskar Industries Limited	60 months with effect from 1 December 2024	Leasing of property of any kind as mentioned in item (c) under Sub-Section (1) of Section 188	Allowing Kirloskar Industries Limited to use and occupy the building area admeasuring 4,060 sq. ft. situated at One Avante, Level 14, Karve Road, Kothrud, Pune, 411 038, for its office purpose, on a leave and license basis.	24.10.2024	-

AVANTE

Names of the related party and nature of the relationship:	Duration of the contracts/ arrangements / transactions	Nature of contracts/ Arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date of approval by the Board	Amount paid as advances, excluding taxes, if any:
Kirloskar Management Services Private Limited	60 months with effect from 15 November 2024	Leasing of property of any kind as mentioned in item (c) under Sub-Section (1) of Section 188	Allowing Kirloskar Management Services Private Limited to use and occupy an area admeasuring 1,870 sq. ft. situated at One Avante, Level 14, Karve Road, Kothrud, Pune, 411 038, for its office purpose, on a leave and license basis.	24.10.2024	-
Snow Leopard Momentum LLP	60 months with effect from 1 December 2024	Leasing of property of any kind as mentioned in item (c) under Sub-Section (1) of Section 188	Allowing Snow Leopard Momentum LLP to use and occupy an area admeasuring 716 sq. ft. situated at One Avante, Level 14, Karve Road, Kothrud, Pune, 411 038, for its office purpose, on a leave and license basis.	30.11.2024	-
Kirloskar Ferrous Industries Limited, Kirloskar Oil Engines Limited, Kirloskar Pneumatic Company Limited, Kirloskar Chillers Private Limited, and Kirloskar Proprietary Limited	NA	Availing or rendering of any services, as mentioned in item (c) under Sub-Section (1) of Section 188	Charging amenities and facilities fees.	27.01.2025	-

*All transactions are in the Ordinary Course of Business and at Arm's Length basis. All transactions are placed before the Audit Committee of the Company.

For and on behalf of the Board of Directors

AVANTE SPACES LIMITED PUNE-38

Mr. Rahul Kirloskar
Director
DIN: 00007319

Mr. Tejas Deshpande
Director
DIN: 01942507

Date: 25.04.2025
Place: Pune

REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

(Pursuant to Section 135 of the Companies Act, 2013 and Rule 8 (1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, read with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2022)

1. **A brief outline of the Company's Corporate Social Responsibility (CSR) Policy, of the Company:**

   Corporate Social Responsibility (CSR) activities are based on the CSR Policy. The Company's main focus is on education, environment and health.

2. **Composition of CSR Committee:**

Sr. No.	Name of the Director	Designation / Nature of directorship	Number of meetings of CSR Committee held during the period	Number of meetings of CSR Committee attended during the period
1.	Ms. Swati Salgaocar	Chairman of the Committee	2	2
2.	Ms. Gauri Kirloskar	Director	2	0
3.	Mr. Tejas Deshpande (Appointed as a member with effect from 27 January 2025	Director	NA	NA
4.	Vinesh Kumar Jairath (Ceased to be a member with effect from 01 January 2025)	Director	2	2

3. **Provide the web link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are displayed on the website of the Company: NA**

4. **Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of Sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

   Not applicable as the average CSR obligation is less than ₹ 10 crores during the three immediately preceding financial years.

5. a. **Average net profit of the Company as per Section 135(5):** ₹ 265.5 Lakhs.

   b. **Two percent of average net profit of the company as per Section 135(5) as on 31 March 2023:** ₹ 53.11 Lakhs.

c. **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

d. **Amount required to be set off for the financial year:** Nil

e. **Total CSR obligation for the Financial Year (b+c+d):** ₹ 53.11 Lakhs

6. **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** ₹ 54 Lakhs

a. **Amount spent in Administrative Overheads:** Nil

b. **Amount spent on Impact Assessment, if applicable:** Not applicable

c. **Total amount spent for the Financial Year (a+b+c):** ₹ 54 Lakhs

d. **CSR amount spent or unspent for the Financial Year:**

Total amount spent for the Financial Year (₹ in lakhs)	**Amount unspent (₹ in Lakhs)**				
	Total amount transferred to unspent CSR amount as per Section 135(6)		**Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)**		
	Amount	**Date of transfer**	**Name of the fund**	**Amount**	**Date of transfer**
₹ 54 Lakhs	NA	NA	NA	NA	NA

e. Excess amount for set off, if any: Nil

Sr. No.	**Particular**	**Amount (₹ in Lakhs)**
(i)	Two percent of average net profit of the company as per Section 135(5) as on 31 March 2024	53.11
(ii)	Total amount spent for the Financial Year 2024-2025	54.00
(iii)	Excess amount spent for the Financial Year 2024-2025 [(ii)-(i)]	0.89
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Year 2024-2025, if any	Nil
(v)	Amount available for set off in succeeding Financial Year i.e., 2025-2026[(iii)-(iv)]	0.89

7. **Details of unspent CSR amount for the preceding three financial year: Nil**

(₹ in Lakhs)

Sr. No.	Preceding financial year	Amount transferred to unspent CSR Account under Section 135(6) (in ₹)	Balance Amount in unspent CSR Account under sub-section (6) of Section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of Section 135, if any.		Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (in Rs)	Date of transfer		
	NA	NA	NA	NA	NA	NA	NA	NA

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** ~~Yes~~ / No.

If yes, enter the number of Capital assets created / acquired: NA

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) (Including complete address and location of the property)	Pincode of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details on entity / Authority / beneficiary of the registered owner		
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered address
NA	NA	NA	NA	NA	NA	NA	NA

(All the fields should be captures as appearing in the revenue record, flat no, house no, Municipal Office / Municipal Corporation / Gram Panchayat are to be specified and also the area of the immovable property as well as boundaries)

9. **Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per Section 135(5): Not applicable**

Deepak Porayath
Chief Executive Officer

AVANTE SPACES LIMITED PUNE-38

Swati Salgaocar
Chairman
CSR Committee

AVANTE SPACES LIMITED PUNE-38

Anandh Baheti
Chief Financial Officer

Date: 25 April 2025

INDEPENDENT AUDITOR'S REPORT

To the Members of Avante Spaces Limited

Report on the Audit of the Standalone Financial Statements

1. Opinion

We have audited the accompanying Standalone Financial Statements of **Avante Spaces Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the Financial Statements including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2025, the net loss, the total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

2. Basis for Opinion

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

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

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

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

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

G. D. APTE & CO. Chartered Accountants

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

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

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

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the financial year ended March 31, 2025 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, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1," a statement on the matters specified in paragraphs 3 and 4 of the said Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, (including other comprehensive income) the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2025, and taken on record by the Board of Directors, none of the director is disqualified as on March 31, 2025, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report.

(g) As required by the section 197 (16) of the Act, in our opinion and according to information and explanation provided to us, the managerial remuneration has been paid and provided by the company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations which would impact its financial position.

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

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company.

iv.

a. The management has represented that to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities (intermediaries) with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The management has represented that to the best of its knowledge and belief no funds have been received by the Company from any other person(s) or entity(ies) including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures considered reasonable and appropriate in the circumstances and according to the information and explanation provided to us by the management in this regard, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatements.

d. The Company has not declared, paid or proposed any dividend on the equity shares during the year. The pro-rata dividend on 8.25% Non-Convertible Compulsorily Redeemable Cumulative Preference Shares declared and paid by the company during the year in respect of the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend. The Company has not proposed any dividend on 8.25% Non-Convertible Compulsorily Redeemable Cumulative Preference Shares for the year.

v. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of the audit trail feature being

G. D. APTE & CO. Chartered Accountants

tampered with and the audit trail has been preserved by the company as per the statutory requirements for record retention.

For G. D. Apte & Co.
Chartered Accountants
Firm Registration Number: 100515W
UDIN: 25113053BMONJG3228

Umesh S. Abhyankar
Partner
Membership Number: 113 053
Pune, April 25, 2025

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, 2025 of Avante Spaces Limited

i. (a)

(A) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, plant and equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible assets.

(b) The Company has carried out physical verification of significant items of its property, plant and equipment during the year and no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(d) Based on the audit procedures conducted by us and according to the information and explanations given to us we report that, the Company has not revalued its property, plant and equipment or intangible assets during the year.

(e) Based on the audit procedures conducted by us and according to the information and explanations given to us, we report that no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

ii.

(a) The Company did not hold any inventory during the year. Accordingly, reporting under sub-clause (a) of clause 3(ii) 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 during the year the Company has not been sanctioned any working capital limits from banks or financial institutions in excess of Rs. 5 crores in aggregate on the basis of security of current assets. As such, reporting under paragraph 3 (ii)(b) of the Order is not applicable to the Company.

iii. Based on the audit procedures conducted by us and according to the information and explanations provided to us, during the year the Company has not made any investments in or has not provided any guarantee or security or has not granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties except investments in Mutual funds which in our opinion are not prejudicial to the company's interest. As such, reporting under paragraph 3 (iii) (a) and (c) to (f) of the Order are not applicable to the Company.

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. We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

vii.

(a) According to the information and explanations given to us and on the basis of our examination of records of the company, we report that the company is regular in depositing the undisputed statutory dues including provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues as applicable with appropriate authorities. According to the information and explanations given to us and on the basis of examination of the books of account and the records of the Company, we report that there were no undisputed statutory dues as at the last day of the financial year which were outstanding for a period of more than six months from the date, they became payable.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the company, we report that there are no dues in respect of provident fund, income tax, employees state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services Tax, cess and other material statutory dues which have not been deposited on account of any dispute.

viii. According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that there are no transactions, which were not recorded in the books of account but have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix.

(a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon.

(b) According to the information and explanations given to us and on the basis of examination of books of account and records of the Company, we report that the Company has not been declared to be a wilful defaulter by any bank, financial institution or other lender.

(c) According to the information and explanations given to us and on the basis of examination of books of account and records, the term loan has been applied for the purpose for which the loan was obtained.

(d) According to the information and explanations given to us and on the basis of examination of books of account and records we report that funds raised on short term basis have not been utilised for long term purposes.

(e) The Company does not have any subsidiaries, associates or joint ventures and as such reporting on the clause 3 (ix) (e) whether the Company has taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures is not applicable.

(f) The Company does not have any subsidiaries, associates or joint ventures and as such reporting on the clause 3 (ix) (f) whether the Company has raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies is not applicable.

x.

(a) During the year, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). As such, reporting under clause 3(x)(a) is not be applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x) (b) of the Order is not applicable.

xi.

(a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the management, we report that no fraud by the Company or any fraud on the Company has been noticed or reported during the year.

(b) No report under Sub-section (12) of Section 143 of the Act has been filed by the Auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and as per the information and explanations given by the Company, we report that during the year, there were no whistle blower complaints received by the company.

G. D. APTE & CO. Chartered Accountants

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. 556 Lakhs in the current financial year i.e. FY 2024-25. However, the company had not incurred cash losses during immediately preceding financial year i.e. FY 2023-24.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3 (xviii) is not applicable.

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

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. On the basis of examination of books of account and records of the Company, we report that there is no unspent amount in respect of Corporate Social Responsibility which was due for transfer during the year to a Fund specified in Schedule VII to the Act or to special account in compliance with provision of sub section (6) of section 135 of the said Act.

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: 25113053BMONJG3228

G. D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, April 25, 2025

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

To the Members of Avante Spaces Limited

We have audited the internal financial controls over financial reporting of **Avante Spaces Limited** ("the Company") as of March 31, 2025 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

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

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, 2025, 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: 25113053BMONJG3228

G. D. APTE & CO. Chartered Accountants

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, April 25, 2025

AVANTE SPACES LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

	Particulars	Note No.	Year Ended 31 March 2025	Year Ended 31 March 2024
1	**Income**			
(a)	Revenue from Operation	29	3.19	233.11
(b)	Other income	30	1.99	3.33
2	**Total Income**		**5.18**	**236.44**
3	**Expenses**			
(a)	Cost of project	31	-	137.05
(b)	Employee benefits expenses	32	1.34	3.60
(c)	Finance costs	33	2.10	1.21
(d)	Depreciation and amortisation expenses	34	0.79	0.43
(e)	Other expenses	35	7.27	6.06
4	**Total expenses**		**11.50**	**148.35**
5	**Profit/(Loss) before exceptional items and tax**		**(6.32)**	**88.09**
6	**Exceptional Items - (Expenses) / Income**	36	6.14	-
7	**Profit/(Loss) after exceptional items and before tax (5+6)**		**(0.18)**	**88.09**
8	**Tax expenses**			
	Current tax		-	21.60
	Deferred tax expense / (credit)	37	1.71	(8.90)
9	**Total tax expenses**		**1.71**	**12.70**
10	**Profit/(loss) for the year (7-9)**		**(1.89)**	**75.39**
11	**Other Comprehensive Income /(Loss)**			
	Items that will not be reclassified to Profit and Loss			
	a) Gain/(loss) on remeasurements of defined benefit plan		0.62	(0.24)
	b) Income tax reversal / (expenses) relating to items that will not be reclassified to profit or loss		(0.16)	0.06
12	**Total Other Comprehensive Income/ (Loss)**		**0.46**	**(0.18)**
13	**Total Comprehensive Income/ (Loss) for the year**		**(1.43)**	**75.21**
14	**Earnings / (loss) per equity share**			
	(Nominal value of share ₹ 10)			
	Basic & Diluted (₹)	38	(1.85)	78.82

Notes forming part of the Financial Statements: Note No. 1 to 48

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, 25 April 2025

Deepak Porayath
Chief Executive Officer

For and on behalf of the Board of Directors

Mr. Tejas Deshpande
Director
DIN : 01942507

Mr. Rahul C. Kirloskar
Director
DIN : 00007319

Anandh Baheti
Chief Financial Officer

P.Kadam

Pratiksha Kadam
Company Secretary
ACS 67722
Pune, 25 April 2025

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

AVANTE SPACES LIMITED PUNE-38

AVANTE SPACES LIMITED
BALANCE SHEET AS AT 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

	Particulars	Note No.	As at 31 March 2025	As at 31 March 2024
	ASSETS			
1	**Non-Current Assets**			
(a)	Property, plant and equipment	6	79.19	5.30
(b)	Capital work-in-progress	7	361.31	324.84
(c)	Right of use assets	6	-	-
(d)	Intangible assets	6	0.35	0.44
(e)	Financial Assets			-
i)	Investments	8	-	-
ii)	Other financial assets	9	1.12	0.36
(f)	Deferred tax Assets (Net)	21		1.86
(g)	Other non-current assets	10	57.27	24.76
			499.24	**357.56**
2	**Current Assets**			
(a)	Inventories	11	-	-
(b)	Financial assets			
(i)	Investments	12	2.71	42.93
(ii)	Cash and cash equivalents	13	0.16	11.91
(iii)	Other Financial assets	14	0.48	15.71
(c)	Current tax assets	15	0.15	0.58
(d)	Other current assets	16	0.06	26.74
			3.56	**97.87**
	TOTAL ASSETS		**502.80**	**455.43**
1	**EQUITY & LIABILITIES**			
	Equity			
(a)	Equity Share capital	17	10.23	10.23
(b)	Other equity	18	144.44	153.37
			154.67	**163.60**
2	**Non-current liabilities**			
(a)	Financial liabilities			
(i)	Borrowings	19	292.49	217.65
(ii)	Other financial liabilities	20	13.56	5.13
(b)	Deferred tax liabilities (Net)	21	0.01	-
(c)	Provisions	22	0.43	0.83
(d)	Other non-current liabilities	23	0.05	-
			306.54	**223.61**

G. D. APTE & CO. Chartered Accountants

Particulars		Note No.	As at 31 March 2025	As at 31 March 2024
3	**Current liabilities**			
(a)	Financial liabilities			
(i)	Trade and other payable	24		
	- Dues to micro and small enterprises		4.46	1.92
	- Dues to creditors other than micro and small enterprises		2.60	3.52
(ii)	Other financial liabilities	25	32.37	55.93
(b)	Other current liabilities	26	0.93	4.18
(c)	Current tax liabilities	27	0.92	1.83
(d)	Provisions	28	0.31	0.84
			41.59	**68.22**
	TOTAL EQUITY AND LIABILITIES		**502.80**	**455.43**

Notes forming part of the Financial Statements: Note No. 1 to 48

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, 25 April 2025

G. D. APTE & CO. Chartered Accountants

For and on behalf of the Board of Directors

Mr. Tejas Deshpande
Director
DIN : 01942507

Mr. Rahul C. Kirloskar
Director
DIN : 00007319

Anandh Baheti
Chief Financial Officer

Pratiksha Kadam
Company Secretary
ACS 67722
Pune, 25 April 2025

AVANTE SPACES LIMITED PUNE-38

Deepak Porayath
Chief Executive Officer
Pune, 25 April 2025

AVANTE SPACES LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
A. Cash flow from operating activities				
Net Profit / (Loss) before tax		(0.18)		88.09
Adjustments for:				
Depreciation and amortization expense	0.79		0.43	
Stock option expenses/(reversal)	(6.14)		1.51	
Interest income	(0.68)		(0.95)	
Income on Fair Valuation of Financial Assets	(0.02)		(0.73)	
Gain on sale of Mutual Funds	(1.21)		(1.61)	
Profit on sale of assets	(0.01)		(0.01)	
Finance cost	2.10	(5.17)	1.19	(0.17)
Operating profit / (loss) before working capital changes		(5.35)		87.92
Changes in working capital:				
(Increase) / Decrease in Inventories (to the extent of cash flows during the year)	-		73.74	
(Increase) / Decrease in trade receivable	15.23		(15.71)	
(Increase) / Decrease in other current assets	26.68		(7.27)	
(Increase) / Decrease in other non-current assets	(32.51)		(24.76)	
Increase / (Decrease) in trade and other payable	1.62		(3.45)	
(Increase) / Decrease in other Financial assets	(0.76)		(0.01)	
Increase / (Decrease) in current financial liabilities	(23.56)		51.82	
Increase / (Decrease) in Other financial liabilities	8.48		5.13	
Increase / (Decrease) in other current liabilities	(3.79)		(62.30)	
Increase / (Decrease) in provisions	(0.38)	(8.99)	0.09	17.28
Cash generated from operations		(14.34)		105.20
Net income tax (paid) / refunds		(0.48)		(19.72)
NET CASH FLOW FROM / (USED IN) OPERATING ACTIVITIES		**(14.82)**		**85.48**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Payment for Real estate project under development	(69.51)		(74.89)	
Payment for acquisition of Property, plant and equipment	(24.70)		(0.29)	
Liquidation/ (Placement) of fixed deposits-With Banks	-		0.14	
Liquidation/(Investment) in Mutual funds (Net)	41.44		(22.91)	
Interest received	0.68		0.81	
NET CASH FLOW FROM / (USED IN) INVESTING ACTIVITIES		**(52.09)**		**(97.14)**

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C. CASH FLOW FROM FINANCING ACTIVITIES				
Borrowings from holding company	69.20		10.00	
Dividend paid on Preference shares	(1.17)		-	
Payment of Finance cost to holding company	(12.87)		(15.60)	
Payment of lease liability	-		(0.13)	
Expenses on issue of shares	-		(0.95)	
Issue of Preference shares to holding company	-		25.00	
NET CASH FLOW FROM / (USED IN) FINANCING ACTIVITIES		**55.16**		**18.32**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(11.75)**		**6.66**
Cash and cash equivalents at the beginning of the year		11.91		5.25
Cash and cash equivalents at the end of the year		**0.16**		**11.91**

(* Value less than Rupees fifty thousand)

Notes:

1. The above Cash- Flow Statement has been prepared under the indirect method setout in Indian Accounting Standard (IND AS) -7, 'Statement of Cash Flow' as specified in the Companies (Indian Accounting Standards) Rules, 2015.

2. Direct Tax paid is treated as arising from operating activities and are not bifurcated between investment and financing activities.

3. All figures in brackets indicate outflow.

Notes forming part of the Financial Statements: Note No. 1 to 48

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, 25 April 2025

For and on behalf of the Board of Directors

Mr. Tejas Deshpande
Director
DIN : 01942507

Mr. Rahul C. Kirloskar
Director
DIN : 00007319

Anandh Baheti
Chief Financial Officer

P. Kadam

Pratiksha Kadam
Company Secretary
ACS 67722
Pune, 25 April 2025

AVANTE SPACES LIMITED PUNE-38

Deepak Porayath
Chief Executive Officer
Pune, 25 April 2025

AVANTE SPACES LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

A. Equity Share Capital

Equity shares of ₹ 10 each issued, subscribed and fully paid	As at 31 March 2025		As at 31 March 2024	
	No.	₹ Crores	No.	₹ Crores
At the beginning of the year	1,02,34,868	10.23	75,10,000	7.51
Changes in Equity Share Capital due to prior period	-	-	-	-
Restated balance at the beginning of the year	1,02,34,868	10.23	75,10,000	7.51
Add: Shares issued during the year		-	27,24,868	2.72
Less : Shares bought back during the year	-	-	-	-
Outstanding at the end of the year	**1,02,34,868**	**10.23**	**1,02,34,868**	**10.23**

B. Other Equity

Particulars	Reserves and surplus					Total
	Securities Premium Account	Capital reserve	Equity Component of OCD	Deemed Equity on ESAR issued by holding company	Surplus/ (Deficit) in the Statement of Profit and Loss	
As at 31 March 2023	**7.39**	**(2.65)**	**24.40**	**4.62**	**(8.19)**	**25.57**
Profit/(Loss) for the year	-	-	-	-	75.39	**75.39**
Contribution by holding company	-	-	-	11.55	-	**11.55**
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	(0.18)	**(0.18)**
Conversion of optionally covertible debenture	66.39	-	(24.40)	-	-	**41.99**
Share issue costs	(0.95)	-	-	-	-	**(0.95)**
As at 31 March 2024	**72.83**	**(2.65)**	**-**	**16.17**	**67.02**	**153.37**
Profit/(Loss) for the year	-	-	-	-	(1.89)	**(1.89)**
Contribution by holding company - ESAR	-	-	-	10.24	-	**10.24**
Reversal by holding company - ESAR	-	-	-	(17.74)		**(17.74)**
Remeasurement of defined benefit plans (net of taxes)	-	-	-	-	0.46	**0.46**
Conversion of optionally covertible debenture	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-
As at 31 March 2025	**72.83**	**(2.65)**	**-**	**8.67**	**65.59**	**144.44**

Notes forming part of the Financial Statements: Note No. 1 to 48

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, 25 April 2025

G. D. APTE & CO. Chartered Accountants

For and on behalf of the Board of Directors

Mr. Tejas Deshpande
Director
DIN : 01942507

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Pratiksha Kadam
Company Secretary
ACS 67722
Pune, 25 April 2025

AVANTE SPACES LIMITED PUNE-38

Deepak Porayath
Chief Executive Officer
Pune, 25 April 2025

NOTE 1: CORPORATE INFORMATION

Avante Spaces 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 2025 were authorised for issue by the Board of Directors on 25 April 2025.

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.

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- 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 crores (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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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 42.

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 39.

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.

G. D. APTE & CO. Chartered Accountants

NOTE 4: SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

a) Fair value measurement:

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

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

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

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

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

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

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

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

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

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

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

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

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b) Property, plant and equipment

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

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

Capital work-in-progress

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

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

i. Depreciation and amortisation

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

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

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

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

ii. Disposals/ derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

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c) Intangible assets

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

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

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

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

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

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

d) Leases
Company as a Lessee:

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

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

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

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

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

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

Company as a Lessor:

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

e) Revenue recognition

I. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

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

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

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

G. D. APTE & CO. Chartered Accountants

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

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

III. Interest on fixed deposits with banks is recognised on a time proportion basis taking into account the amount outstanding and rate applicable. In case of significant uncertainty of receiving interest, the same is not recognised though accrued and is recognised only when received.

IV. Other incomes are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

f) Income taxes

i. Current Income Tax

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

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

ii. Deferred tax

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

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

G. D. APTE & CO. Chartered Accountants

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 up to the date of capitalisation of such asset, is added to the cost of the assets. Borrowing costs that are not directly attributable to qualifying asset are recognised in the Statement of Profit and Loss using effective interest method.

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

h) Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the Company expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

i) Contingent liabilities

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

j) Retirement and other employee benefits

a) Short term Employee Benefits

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

G. D. APTE & CO. Chartered Accountants

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

b) Other employment benefits

(i) Defined contribution plan

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

The Company recognize contribution payable as an expenditure, when an employee renders the related services. If the contribution payable to the scheme for services received before balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then the excess recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or cash refund.

(ii) Defined benefit plan

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

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

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

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

(iii) Benefits for long term compensated absences:

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

G. D. APTE & CO. Chartered Accountants

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

k) Financial instruments

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

a) Financial assets

Initial recognition and measurement of financial assets

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Interest income from these financial assets is included in finance income using the effective interest rate method.

Equity investments

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

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

G. D. APTE & CO. Chartered Accountants

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

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

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

Derecognition

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

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

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

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

Impairment of financial assets

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

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

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

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

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

G. D. APTE & CO. Chartered Accountants

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

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

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

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

b) Financial liabilities

Initial recognition and measurement

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

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

Financial liabilities at amortised cost

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

G. D. APTE & CO. Chartered Accountants

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Compound Financial Instruments

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

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

De-recognition of financial liability

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

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

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

Inventories

Related to contractual and real estate activity

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

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

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

G. D. APTE & CO. Chartered Accountants

Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects /units or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.
Finished goods – Residential Flats, Commercial Units and Plots: Valued at lower of cost and net realisable value.
Land inventory - Valued at lower of cost and net realisable value.

l) Cash Flow Statement

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

m) Dividend:

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

n) Cash and cash equivalents

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

o) Earnings per share (EPS)

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

p) **Segment reporting**

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

Note 5: Recent Accounting pronouncements

The Ministry of Corporate Affairs has not notified any new Indian Accounting Standard effective from April 1, 2024 which would impact the financial statements of the company.

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

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

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

Particulars	Property, plant and equipment (A)								Right of Use Assets (B)	Intangible Assets (C)		
	Land	Building	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computers & Peripherals	Total (A)	Building	Trademark	Computer Software	Total (C)
Gross Block												
Balance as at 31 March 2023	4.95	-	-	-	1.06	-	0.03	**6.04**	0.39	0.36	0.36	**0.72**
- Additions*	-	-	-	-	0.32	0.00	0.07	**0.39**	-	-	-	-
- (Disposals)/ (Adjustments)	-	-	-	-	-	-	(0.03)	**(0.03)**	-	-	-	-
Balance as at 31 March 2024	**4.95**	-	-	-	**1.38**	**0.00**	**0.07**	**6.40**	**0.39**	**0.36**	**0.36**	**0.72**
- Additions*	-	54.34	-	16.76	-	3.40	0.11	**74.61**	-	-	-	-
- (Disposals)/ (Adjustments)	-	-	-	-	-	(0.00)	(0.03)	**(0.03)**	-	-	-	-
Balance as at 31 March 2025	**4.95**	**54.34**	-	**16.76**	**1.38**	**3.40**	**0.15**	**80.98**	**0.39**	**0.36**	**0.36**	**0.72**
Accumulated Depreciation												
Balance as at 31 March 2023	-	-	-	-	0.86	-	0.03	0.89	0.29	-	0.19	**0.19**
- Depreciation charge for the year	-	-	-	-	0.22	0.00	0.02	**0.24**	0.10	0.02	0.07	**0.09**
- On (Disposals)/ (Adjustments)	-	-	-	-	-	-	(0.03)	**(0.03)**	-	-	-	-
Balance as at 31 March 2024	-	-	-	-	**1.08**	**0.00**	**0.02**	**1.10**	**0.39**	**0.02**	**0.26**	**0.28**
- Depreciation charge for the year	-	0.35	-	0.15	0.10	0.06	0.04	0.70	-	0.02	0.07	**0.09**
- On (Disposals)/ (Adjustments)	-	-	-	-	-	-	(0.01)	(0.01)	-	-	-	-
Balance as at 31 March 2025	-	**0.35**	-	**0.15**	**1.18**	**0.06**	**0.05**	**1.79**	**0.39**	**0.04**	**0.33**	**0.37**
Net Block												
Balance as at 31 March 2024	**4.95**	-	-	-	**0.30**	**0.00**	**0.05**	**5.30**	**0.00**	**0.34**	**0.10**	**0.44**
Balance as at 31 March 2025	**4.95**	**53.99**	-	**16.61**	**0.20**	**3.34**	**0.10**	**79.19**	**0.00**	**0.32**	**0.03**	**0.35**

* Value less than Rupees fifty thousand

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.

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

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 7 : Capital work-in-progress		
Balance as at beginning of the year	324.84	228.33
Add: Additions during the year#	117.49	96.51
Less: Transferred to Inventory (Work in progress)	-	-
Less: Capitalised during the year	(69.43)	-
Less: Reversal of ESAR Contribution (Refer Note 36)	(11.59)	-
Balance as at the end of the year	**361.31**	**324.84**

#Borrowing Cost of Rs.18.19 Cr (previous year Rs. 18.58 Cr) has been included in Capital work in progress as per Ind AS 23, "Borrowing Costs."

Ageing schedule of Projects in progress		
Less than 1 year	94.29	96.51
More than 1 year and less than 2 years	64.09	32.08
More than 2 year and less than 3 years	83.86	116.58
More than 3 years	119.07	79.67
Total	**361.31**	**324.84**

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

** There are no projects under capital work-in-progress where activities has been suspended as at 31 March 2025

Note 8 : Investments		
Unquoted equity instruments, fully paid		
Kirloskar Proprietary Limited (Face Value Rs 100)*	-	-
[No of equity shares 1]		
Total	-	-

(* Value less than Rupees fifty thousand)

Note 9 : Other financial assets		
Measured at amortised cost		
(Unsecured, considered good)		
Security deposits	0.83	0.09
Balances with banks	0.29	0.27
Total	**1.12**	**0.36**

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 10 : Other non-current assets		
Capital Advances	24.90	-
Balances with government authorities	32.37	24.76
	57.27	**24.76**

	As at 31 March 2025	As at 31 March 2024
Note 11 : Inventories : Work In Progress		
At Lower of cost and net realisable value		
Balance as at Beginning of the Year	-	56.03
Add: Transferred from Capital Work in Progress*	-	-
Add: Cost of Construction incurred during the year	-	81.02
Add: Transferred from Property, Plant and Equipment (Land)		-
Less: Cost of Construction transferred to Statement of Profit & Loss consequent to Sale during the year	-	137.05
Balance as at the end of the Year	-	-

	As at 31 March 2025	As at 31 March 2024
Note 12 : Investments		
Measured at fair value through profit and loss		
Investments in Overnight fund		
Investments in Money Market mutual funds		
- ABSL Money Manager Fund - Direct (G) (Face value of Rs 100 each)	0.45	5.00
[No of Units: 12,327.600 (Previous year 146793.762)]		
- Nippon India Money Market Fund - Direct (G) (Face value of Rs 1000 each)	0.35	3.74
[No of Units: 856.319 (Previous year 9,789.701)]		
- Tata Money Market Fund - Direct (G) (Face value of Rs 1000 each)	-	5.11
[No of Units: Nil (Previous year 11,707.642)]		
- Kotak Money Market Fund (G) - Direct Plan	-	6.68
[No of Units: Nil (Previous year 16,203.64)]		
- ICICI Prudential Money Market Fund - Direct -Growth	-	1.51
[No of Units: Nil (Previous year 43,096.922)]		
- Axis Money Manager Fund - Direct (G) (Face value of Rs 100 each)	0.35	20.89
[No of Units: 2,435.754 (Previous year 1,59,229.044)]		
- UTI Money Market Fund - Direct (G) (Face value of Rs 100 each)	0.40	-
[No of Units: 1,293.893 (Previous year Nil)]		
- Mirae Asset Money Market Fund - Direct - Growth	0.35	-
[No of Units: 2,826.663 (Previous year Nil)]		
- HDFC Money Market Fund - Direct - Growth	0.41	-
[No of Units: 707.496 (Previous year Nil)]		
- Bandhan Money Manager Fund - Direct - Growth	0.40	-
[No of Units: 94,221.158 (Previous year Nil)]		
Total	**2.71**	**42.93**

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Aggregate book value of quoted investment	2.69	42.19
Aggregate market value of quoted investment	2.71	42.93
Aggregate carrying value of unquoted investment	-	-
Aggregate amount of impairment in value of investment	-	-

Note 13 : Cash and cash equivalents

Cash on hand*	-	-
Balances with banks:		
– On current accounts	0.16	1.02
– On deposit accounts	-	10.89
Total	**0.16**	**11.91**

(* Value less than Rupees fifty thousand)

Note 14 : Other Financial assets

Note 14 (a) : Trade Receivable

Trade receivables shall be sub-classified as:		
(a) Trade receivables – Considered Good Secured;	0.39	15.53
(b) Trade receivables – Considered Good Unsecured;	-	-
(c) Trade receivables which have significant increase in credit risk	-	-
(d) Trade Receivables – Credit impaired.	-	-
Total	**0.39**	**15.53**

Note 14 (b) : Deposits

Deposits	0.09	0.18
Total	**0.09**	**0.18**

Note 15 : Current tax assets

Current tax assets	0.15	0.58
Total	**0.15**	**0.58**

Note 16 : Other current assets

(Unsecured, considered good)

Balances with government authorities	-	-
Advance to service providers	0.04	26.62
Prepaid expenses	0.02	0.12
Total	**0.06**	**26.74**

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 14 (a) : Trade Receivable

FY 2023-24						
Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	15.53	-	-	-	-	15.53
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

FY 2024-25						
Particulars	**Outstanding for following periods from due date of payment**					
	Less than 6 months	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	0.39	-	-	-	-	0.39
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

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

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 17 : Share Capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	(₹ in Crores)	Nos.	(₹ in Crores)
AUTHORISED				
Equity shares of Rs.10/- each	1,50,00,000	15.00	1,50,00,000	15.00
Preference Shares of Rs. 1,000 each	10,00,000	100.00	10,00,000	100.00
ISSUED AND SUBSCRIBED				
Equity shares of Rs.10/- each	1,02,34,868	10.23	1,02,34,868	10.23
8.25% Non-Convertible Compulsory Redeemable Cumulative Preference Shares	2,50,000	25.00	2,50,000	25.00
CALLED UP AND PAID UP				
Equity shares of Rs.10/- each	1,02,34,868	10.23	1,02,34,868	10.23
8.25% Non-Convertible Compulsory Redeemable Cumulative Preference Shares	2,50,000	25.00	2,50,000	25.00
Total	**1,04,84,868**	**35.23**	**1,04,84,868**	**35.23**

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	(₹ in Crores)	Nos.	(₹ in Crores)
At the beginning of the year	1,02,34,868	10.23	75,10,000	7.51
Changes in Equity Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	1,02,34,868	10.23	75,10,000.00	7.51
Add: Issued during the year*	-	-	27,24,868	2.72
Outstanding at the end of the year	**1,02,34,868**	**10.23**	**1,02,34,868**	**10.23**

**During previous year, the Optionally convertible debentures aggregating to Rs. 60 crores have been converted into 27,24,868 equity shares of Rs.10 each.*
Except above, there are no shares allotted pursuant to contract(s) without payment being received in cash during year.

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	(₹ in Crores)	Nos.	(₹ in Crores)
At the beginning of the year	2,50,000	25.00	-	-
Changes in Preference Share Capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	-	-	-	-
Add: Issued during the year	-	-	2,50,000	25.00
Outstanding at the end of the year	**2,50,000**	**25.00**	**2,50,000**	**25.00**

(c) 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.

(d) Terms/ rights attached to preference shares

Non-Convertible, Compulsorily Redeemable Cumulative Preference Shares are redeemable at the option of the company not later than 20 years from the date of allotment.

Preference Shares shall carry voting rights as per the provisions of Section 47(2) of the Companies Act,2013 read with the relevant rules framed thereunder as amended from time to time.

(e) Shares held by Promoters

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	(₹ in Crores)	Nos.	(₹ in Crores)
Kirloskar Industries Limited* Equity shares of Rs.10 each fully paid **(The holding Company through its nominees holds 6 equity shares of Company.)*	1,02,34,868	10.23	1,02,34,868	10.23
Preference Shares				
Kirloskar Industries Limited Preference shares of Rs.1,000 each fully paid	2,50,000	25.00	2,50,000	25.00
Total	**1,04,84,868**	**35.23**	**1,04,84,868**	**35.23**

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

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

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

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	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.*	1,02,34,868	100%	1,02,34,868	100%
Total	**1,02,34,868**	**100%**	**1,02,34,868**	**100%**

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

Name of the shareholder	As at 31 March 2025		As at 31 March 2024	
	Nos.	% holding in the class	Nos.	% holding in the class
Kirloskar Industries Limited	2,50,000	100%	2,50,000	100%
Total	**2,50,000**	**100%**	**2,50,000**	**100%**

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

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 18 : Other equity		
(a) Capital Reserve		
Balance as at the beginning of the year	(2.65)	(2.65)
Add : Addition/Deletion during the year	-	-
Balance as at the end of the year	**(2.65)**	**(2.65)**
(b) Securities Premium Account		
Balance as at the beginning of the year	72.83	7.39
Add : Proceeds of issue of equity shares	-	-
Add : Increase on conversion of optionally convertible debentures	-	66.39
Less: Share issue costs	-	(0.95)
Balance as at the end of the year	**72.83**	**72.83**
(c) Deemed Equity on ESAR issued by holding company		
Balance as at the beginning of the year	16.17	4.62
Add : Contribution made by Holding Company	10.24	11.55
Less: Reversal made by Holding Company	(17.74)	-
Balance as at the end of the year	**8.67**	**16.17**
(d) Surplus/ (Deficit) in the statement of profit and loss		
Balance as at the beginning of the year	67.02	(8.19)
Add: Net Profit/(loss) transferred from the Statement of Profit and Loss	(1.89)	75.39
Add/(Less): Remeasurement of defined benefit plans (net of taxes)	0.46	(0.18)
Net surplus/ (deficit) in the Statement of Profit and Loss	**65.59**	**67.02**
(e) Equity Component of OCD		
Balance as at the beginning of the year	-	24.40
Add : Issued during the year	-	-
Less : Conversion of OCD's into equity shares		(24.40)
Balance as at the end of the year	-	-
Total	**144.44**	**153.37**

Note:

1) Capital Reserve

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

2) Securities Premium

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

3) Deemed Equity on ESAR by holding company

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

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

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

5) Equity Component of OCD

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

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 19 (a) : Borrowings		
(Unsecured, considered good)		
(Measured at amortised cost)		
Loan from Holding Company*	265.43	191.45
Preference Share Capital issued to Holding Company**	25.00	25.00
Provision for dividend on cumulative compulsorily redeemable preference shares #	2.06	1.20
Total	**292.49**	**217.65**

During the previous year , the Optionally convertible debentures have been converted into 27,24,868 equity shares of Rs.10 each on the basis of valuation carried out by independent valuers.

Finance cost on Optionally convertible debentures capitalised under Capital work in progress	-	8.49

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

**During the previous year, the Company has issued 2,50,000 '8.25% Non-Convertible Compulsorily Redeemable Cummulative Preference Shares' of Rs. 1,000 each aggregating to Rs. 25 Crores to its Holding Company i.e. Kirloskar Industries Limited.

Dividend @ 8.25% has been provided for Preference Share Capital.

#The Board of Directors, on approval of the members of the company have paid a dividend on 8.25 % Non-Convertible Compulsorily Redeemable Cumulative Preference Share (on a pro-rata basis for the issuances made during the year) of face value of Rs. 1000 each of the Company, during the previous year.

	As at 31 March 2025	As at 31 March 2024
Note 20 : Other financial liabilities		
(Measured at amortised cost)		
Security and retention deposits	13.56	5.13
Total	**13.56**	**5.13**
Note 21 : Deferred Tax assets / (liabilities)		
Deferred tax assets (Net)	-	1.86
Deferred tax liabilities (Net)	0.01	-
Total	**0.01**	**1.86**
Note 22 : Provisions		
Gratuity	0.34	0.79
Compensated Absences	0.09	0.04
Total	**0.43**	**0.83**

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 23 : Other non-current liabilities		
Lease Rental Received in Advance- Non Current	0.05	-
Total	**0.05**	**-**
Note 24 : Trade and other payable		
(Measured at amortised cost)		
- Dues to micro and small enterprises	4.46	1.92
- Dues to creditors other than micro and small enterprises	2.60	3.52
Total	**7.06**	**5.44**

Dues of small enterprises and micro enterprises

The disclosure pursuant to the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED Act) for dues to micro enterprises and small enterprises as at March 31, 2025 and 2024 is as under:

	As at 31 March 2025	**As at 31 March 2024**
Dues remaining unpaid to any supplier		
-Principal	4.46	1.92
-Interest on the above	-	-
Amount of interest paid in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of MSMED Act, 2006	-	-

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

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 24 : Trade and other payable

FY 2023-24						
Particulars	**Outstanding for following periods from due date of payment**					
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)MSME	1.92	-	-	-	-	1.92
(ii)Others*	3.52	-	-	-	0.00	3.52
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-

FY 2024-25						
Particulars	**Outstanding for following periods from due date of payment**					
	Not Due	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i)MSME	4.46	-	-	-	-	4.46
(ii)Others*	2.60	-	-	-	0.00	2.60
(iii)Disputed dues – MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
(* Value less than Rupees fifty thousand)						

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 25 : Other financial liabilities		
(Measured at amortised cost)		
Payable to holding company		
- In respect of other liabilities	-	-
Expenses and other payable	-	-
Retention Payable	2.32	5.16
Security deposits	0.36	0.01
Employee benefits	1.13	3.45
Commission payable to directors	-	0.22
Creditor for expenses CWIP	28.56	47.09
Total	**32.37**	**55.93**

	As at 31 March 2025	As at 31 March 2024
Note 26 : Other current liabilities		
Advance from customers	-	-
Statutory liabilities	0.91	4.18
Lease Rental Received in Advance- Current	0.02	-
Total	**0.93**	**4.18**

	As at 31 March 2025	As at 31 March 2024
Note 27 : Current tax liabilities		
Provision for Tax	0.92	1.83
Total	**0.92**	**1.83**

	As at 31 March 2025	As at 31 March 2024
Note 28 : Provisions		
Gratuity	0.27	0.34
Compensated absences	0.04	0.50
Provision for Expenses	-	-
Total	**0.31**	**0.84**

	As at 31 March 2025	As at 31 March 2024
Note 29 : Revenue from Operation		
Sale of Commercial Office Spaces	-	233.11
Amenities and Facilities Fees	2.89	-
Property Licensing Fees	0.30	-
Total	**3.19**	**233.11**

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 30 : Other income		
Interest received	0.68	0.95
Sale of scrap from demolition of assets	0.02	0.02
Income on Fair Valuation of Financial Assets	0.02	0.73
Profit on sale of Mutual funds	1.21	1.61
Dividend Income - Kirloskar Proprietary Limited*	-	-
Profit on Sale of Asset	0.01	0.01
Other Income	0.05	0.01
Total	**1.99**	**3.33**

*(Value less than Rupees fifty thousand)

	As at 31 March 2025	As at 31 March 2024
Note 31 : Cost of project		
Opening work in progress	-	56.03
Add : Project expenses incurred during the year	-	81.02
Cost of construction	-	**137.05**

	As at 31 March 2025	As at 31 March 2024
Note 32 : Employee benefits expenses		
Salaries, wages and bonus	1.21	3.52
Employee stock option expenses	-	-
Gratuity	0.11	0.06
Contribution to provident and other funds	0.02	0.02
Total	**1.34**	**3.60**

	As at 31 March 2025	As at 31 March 2024
Note 33 : Finance costs		
On Unsecured Loan KIL	1.82	0.71
On Optionally convertible debentures	-	0.41
On Preference shares	0.20	-
Other	-	0.03
On financial liability measured at amortised cost		
Lease liability*	-	-
On provision		
Net Interest on net defined benefit liability	0.08	0.06
Total	**2.10**	**1.21**

(* Value less than Rupees fifty thousand)

	As at 31 March 2025	As at 31 March 2024
Note 34 : Depreciation and amortisation expenses		
On property, plant and equipment	0.70	0.24
On right of use assets	-	0.10
On intangible assets	0.09	0.09
Total	**0.79**	**0.43**

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

(Amounts in Indian Rupees Crores, unless otherwise stated)

	As at 31 March 2025	As at 31 March 2024
Note 35 : Other expenses		
Note 35 (a) : Other expenses		
Business facilitation expenses	0.22	2.78
Security expenses	0.97	0.71
Directors Fees and Expenses	0.19	0.29
Legal & Professional Charges	2.43	1.50
Rates & Taxes	0.30	0.02
Facility Management Expenses	0.36	-
CSR Exp	0.54	-
Repairs and maintenance	1.35	0.22
Electricity charges	0.16	0.03
Payment to auditors :	0.17	0.14
(a) for audit	0.14	0.13
(b) for taxation matters	0.02	-
(c) for other services	0.01	0.01
Miscellaneous Expenses	0.58	0.37
Total	**7.27**	**6.06**

Note 35 (b) : Expenditure on Corporate social responsibility (CSR) activities

Gross amount required to be spent by the Company during the year	0.53	-
Amount approved by the board to be spent during the year	0.54	-
Amount spent during the year on :		-
(i) Construction/Acquisition of any asset		-
(ii) On purpose other than (i) above	0.54	-
The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
The total of previous years' shortfall amounts	-	-
The reason for above shortfalls	NA	-
The nature of CSR activities undertaken by the Company	Refer Note C below	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	-	-

Note 35 (c) : The nature of CSR activities undertaken by the Company

The Company has undertaken CSR activities relating to Environment and Promoting education, including skills development.

Note 36 : Exceptional Items - (Expenses) / Income

The reversal of ESAR charge for unvested options of directors on account of retirement/ superannuation of the directors has resulted in exceptional gain and accordingly Exceptional Item of Rs. 6.14Cr is shown as income in Q4 FY25 and for the year 24-25.

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

(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 37 (a): Income Tax

Particulars	As at 31 March 2025	As at 31 March 2024
(i)The major components of income tax expense are:		
(a)Statement of Profit & Loss		
Current income tax charge	-	21.60
Short/(Excess) provision of earlier years	-	-
Deferred tax	1.71	(8.90)
Income tax expense reported in statement of P&L	**1.71**	**12.70**
(ii)Statement of Other Comprehensive Income		
Income tax reversal / (expenses) relating to items that will not be reclassified to profit or loss	(0.16)	0.06
Income tax charged to OCI	**(0.16)**	**0.06**
(iii)Reconciliation of tax expense & accounting profit		
Accounting profit for the company before income tax	(0.18)	88.09
Enacted tax rates in India	25.168%	25.168%
Computed tax expense	-	22.17
Add/(Less) Net Adjustment on account of:		
Capital Gain on Transfer of Undivided Share in Land consequent to sale of Real Estate Units	-	(0.96)
Tax on brought forward Business Losses	-	(1.32)
Reversal of Deferred Tax Liability on Conversion of Optionally Convertible Debentures into Equity Shares	-	(7.12)
Impact of fair value adjustments under Ind AS and other	1.71	(0.07)
Income Tax Expense	1.71	12.70
Effective Tax Rate	-	**14.41%**
(iv)Movement in Current Tax Asset/Current tax liabilities		
Balance at the beginning of the year Current tax Asset(Net))	(1.25)	0.63
Provision recognized during the year	-	21.60
Current tax paid for the year	0.48	19.77
Refund received during the year	-	0.05
Balance at the end of the year	(0.77)	(1.25)
Current Tax Assets	(0.15)	(0.58)
Current tax liabilities	0.92	1.83
Total(Net)	**0.77**	**1.25**

Note 37 (b): Deferred Tax

Particulars	Balance sheet		Statement of profit and loss	
	As at 31 March 2025	As at 31 March 2024	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax (Assets) / Liabilities relates to the following:				
Deferred tax assets				
Provision for Employee Benefits	(0.18)	(0.42)	0.24	(0.09)
Provision for Expenses	(0.83)	(1.51)	0.68	(1.51)
Security deposit to be unwound	0.02	-	0.02	-
Acturial gain or Loss	0.02	-	0.02	-
Gross deferred tax assets	**(0.97)**	**(1.93)**	**0.96**	**(1.60)**
Deferred tax liabilities				
Property, plant and equipment and intangible assets	0.98	(0.12)	1.10	(0.03)
Optionally Convertible Debentures	-	-	-	(7.51)
Income from fair valuation of financial assets	-	0.19	(0.19)	0.18
Gross deferred tax liabilities	**0.98**	**0.07**	**0.91**	**(7.36)**
Deferred tax (Assets)/Liabilities (net)	**0.01**	**(1.86)**	**1.87**	**(8.96)**
Amount recognised in Statement of Profit and Loss			1.71	(8.90)
Amount recognised in Statement of Other Comprehensive Income			0.16	(0.06)

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 38: 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 2025	As at 31 March 2024
Net profit/ (loss) after tax attributable to equity shareholders of the Company (A)	(1.89)	75.39
Weighted average number of equity shares in calculating Basic EPS (B)	1,02,34,868.00	95,64,818.49
Effect of dilution:		
Potentially convertible shares	-	-
Total number of diluted equity shares in calculating Basic EPS (B)	1,02,34,868.00	95,64,818.49
Basic and Diluted	(1.85)	78.82

Note 39: Employee benefits expense
(a) Defined contribution plans :
The Company has contributed ₹0.21 Crore (Previous Year: ₹ 0.15 Crore) towards Defined Contribution plans i.e. Provident Fund.

	As at 31 March 2025	As at 31 March 2024
- Amount recognised in the Statement of Profit and Loss towards Contribution to employees provident fund	0.01	0.01
- Amount considered under 'Capital Work in Progress & Work in progress'	0.20	0.13
Total	**0.21**	**0.14**

(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

	As at 31 March 2025	As at 31 March 2024
Amount recognised in Statement of Profit and Loss under employee benefit expenses		
Current / Past service cost	0.11	0.06
Interest expenditure on defined benefit liability	0.08	0.06
Total	**0.19**	**0.12**
Amount recognised in statement of other comprehensive income		
Remeasurements of defined benefit plan (gain) /loss	**0.62**	**(0.24)**

G. D. APTE & CO. Chartered Accountants

(Amounts in Indian Rupees Crores, unless otherwise stated)

Reconciliation of liability

Particulars	Present value of Obligation	
	As at 31 March 2025	As at 31 March 2024
Balance at the beginning of the year	1.13	0.78
Current / Past service cost	0.11	0.06
Remeasurements of defined benefit plan ((gain)/loss)	(0.62)	0.24
Net interest (income) / expense	0.08	0.06
Total amount recognised in statement of profit and loss	**(0.43)**	**0.36**
Remeasurement during the year due to:		
Return on plan assets excluding amounts included in interest income	-	-
Change in financial assumptions	-	-
Change in experience adjustments	-	-
Total amount recognised in other comprehensive income	-	-
Transfer In / (Out) from holding company	-	-
Employers Contributions	-	-
Benefit payments	(0.09)	(0.01)
Balance at the end of the year	**0.61**	**1.13**

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

	As at 31 March 2025	As at 31 March 2024
Present value of obligations	0.61	1.13
Fair value of plan assets	NA	NA
(Deficit)/ Surplus of plans	(0.61)	(1.13)
Deficit of Gratuity plan	**(0.61)**	**(1.13)**

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

	As at 31 March 2025	As at 31 March 2024
a. Discount Rate	6.60%	7.20%
b. Rate of increase in compensation cost		
- For first year	10.00%	10.00%
- Thereafter per annum increase	10.00%	10.00%
c. Expected average remaining working lives of employees (in years)*	6.81	6.48
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 2025 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.

	Sensitivity level	Increase / (decrease) in defined benefit obligation (impact)	
		As at 31 March 2025	As at 31 March 2024
Discount rate			
Decrease by	1%	0.03	(0.02)
Increase by	1%	(0.03)	0.02
Future salary increase			
Decrease by	1%	(0.02)	0.02
Increase by	1%	0.02	(0.02)
Withdrawal rate			
Decrease by	1%	0.01	-
Increase by	1%	(0.01)	-

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.

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(Amounts in Indian Rupees Crores, unless otherwise stated)

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

	As at 31 March 2025	As at 31 March 2024
Within the next 12 months (next annual reporting period)	0.27	0.34
Between 2 and 5 years	0.11	0.07
Beyond 5 years	0.21	0.14
Total expected payments	**0.59**	**0.55**

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

	As at 31 March 2025	As at 31 March 2024
Weighted average duration of defined benefit plan obligation (years)	5.00	4.00

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
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

(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
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 40: 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
Subsidiaries of Kirloskar Ferrous Industries Limited
Oliver Engineering Private Limited
ISMT Enterprises SA, Luxembourg
Structo Hydraulics AB, Sweden
ISMT Europe AB, Sweden
Tridem Port and Power Company P Ltd
Nagapattinam Energy P Ltd
Best Exim P Ltd
Success Power and Infraprojects P Ltd
Marshall Microware Infrastructure Development Company P Ltd
Adicca Energy Solutions Private Limited

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(Amounts in Indian Rupees Crores, unless otherwise stated)

(iii) Key management personnel (KMP):

Name of Key Management	Designation	Transactions with Relatives of KMP and relationship
Mr. Deepak Porayath (w.e.f. 3 February 2025)	Chief Executive Officer	None
Ms.Pratiksha Kadam (w.e.f. 30 June 2023)	Company Secretary	None
Mr.Anandh Baheti (w.e.f. 30 June 2023)	Chief financial officer	None
Mr. Vinesh Kumar Jairath (till 31 December 2024)	Managing Director	None

(B) Summary of transactions with related parties

Nature of transaction	Year	Holding Company	Key Management Personnel	Kirloskar Ferrous Industries Limited
Compensation paid#	**2023-24**	--	5.76	--
	2024-25	--	7.21	--
Issue of Equity Share Capital	**2023-24**	2.72	--	--
	2024-25	--	--	--
Borrowings	**2023-24**	10.00	--	--
	2024-25	69.20	--	--
Security deposit paid	**2023-24**	--	--	--
	2024-25	--	--	--
Licensing fees paid	**2023-24**	0.17	--	--
	2024-25	0.10	--	--
Interest paid	**2023-24**	15.60	--	--
	2024-25	18.17	--	--
Purchase of assets from Holding company	**2023-24**	--	--	--
	2024-25	--	--	--
Reimbursement of expenses paid	**2023-24**	1.46	--	--
	2024-25	1.84	--	--
Advance from customers received	**2023-24**	--	--	35.19
	2024-25	--	--	
Issue of Preference shares	**2023-24**	25.00	--	--
	2024-25	--	--	--
Provision for dividend on cumulative compulsorily redeemable preference shares	**2023-24**	1.20	--	--
	2024-25	2.03	--	--
Security deposit received	**2023-24**	--	--	--
	2024-25	0.26	--	--
Licensing fees received	**2023-24**	--	--	--
	2024-25	0.17	--	--
Amenities and facilities fees	**2023-24**	--	--	--
	2024-25	0.30	--	0.54
Reimbursement of expenses received	**2023-24**	--	--	--
	2024-25	0.07	--	0.06
ESAR- Deemed Investment by KIL	**2023-24**	11.54	--	--
	2024-25	10.24	--	--
ESAR Reversal of charges	**2023-24**	--	--	--
	2024-25	17.74	--	--
Outstanding as at 31 March				
Advance from customers	**2024**	--	--	--
	2025	--	--	--
Expenses payable	**2024**	--	--	--
	2025	0.69	--	--
Security deposit	**2024**	0.09	--	--
	2025	--	--	--
0% Optionally Convertible Debentures	**2024**	--	--	--
	2025	--	--	--
Borrowings	**2024**	191.45	--	--
	2025	265.43	--	--
Issue of Preference shares	**2024**	26.20	--	--
	2025	27.06	--	--
Commission Payable	**2024**	--	2.50	--
	2025	--	--	--
Security Deposit payable	**2024**	--	--	--
	2025	0.26	--	--
Deemed Equity issued by KIL	**2024**	16.17	--	--
	2025	8.67	--	--

*(Value less than Rupees fifty thousand)

(Amounts in Indian Rupees Crores, unless otherwise stated)

#Compensation paid to Key Management Personnel

	As at 31 March 2025	As at 31 March 2024
Short-term employee benefits (compensation)	6.46	5.52
Post - employment gratuity benefits	0.14	0.17
Other long-term employment benefits	0.61	0.07
Total	**7.21**	**5.76**

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.

Note 41: Leases

	As at 31 March 2025	As at 31 March 2024
(a) Right of Use Assets		
Opening balance at the beginning of the year	-	0.10
Add : Addition during the year	-	-
Less : Amortisation for the year	-	(0.10)
Closing balance at the end of the year	-	-
(B) Maturity analysis of leases		
Cash Payment of Lease Liability		
Not later than one year	-	-
Later than one year but not later than five years	-	-
Later than 5 years	-	-
Total	-	-

Note 42: 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 2025

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	0.16	-	-	0.16	0.16
Bank balances other than cash and cash equivalents	-	-	-	-	-
Investments Current	-	2.71	-	2.71	2.71
Investments Non Current*	-	-	-	-	-
Security Deposit	0.83	-	-	0.83	0.83
Other financial assets	0.77	-	-	0.77	0.77
Total	**1.76**	**2.71**	-	**4.47**	**4.47**
Financial liabilities					
Optionally Convertible Debentures		-	-	-	-
Borrowings from holding company	292.49	-	-	292.49	292.49
Trade and other payable	7.05	-	-	7.05	7.05
Other financial liabilities	45.93	-	-	45.93	45.93
Total	**345.47**	-	-	**345.47**	**345.47**

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 2024

Particulars	Amortised cost	Financial assets/liabilities at fair value through profit and loss	Financial assets/liabilities at fair value through OCI	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	11.91	-	-	11.91	11.91
Bank balances other than cash and cash equivalents	-	-	-	-	-
Investments Current	-	42.93	-	42.93	42.93
Investments Non Current*	-	-	-	-	-
Security Deposit	0.09	-	-	0.09	0.09
Other financial assets	15.98	-	-	15.98	15.98
Total	**27.98**	**42.93**	-	**70.91**	**70.91**
Financial liabilities					
Optionally Convertible Debentures	-	-	-	-	-
Borrowings from holding company	217.65	-	-	217.65	217.65
Trade and other payable	5.44	-	-	5.44	5.44
Other financial liabilities	61.06	-	-	61.06	61.06
Total	**284.15**	-	-	**284.15**	**284.15**

*(Value less than Rupees fifty thousand)

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

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

i) The fair value of mutual funds are measured using Level 1 hierarchy. There have been no transfers among Level 1, Level 2 and Level 3 during the year.

ii) The management assessed that the fair value of cash and cash equivalents, other bank balances, deposits and other financial assets and liabilities approximate their carrying amounts.

iii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Note 43: 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 8.25% unsecured loan from its Holding company, repayable within period of seven years or as mutually decided by both the parties.

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

Particulars	On demand	Upto 1 year	More tlan 1 year upto 3 years	More than 3 years
Borrowings	-	-	-	222.78
Trade and other payable	5.44	-	-	-
Other financial liabilities*	-	55.93	-	-
As at 31 March 2024	**5.44**	**55.93**	**-**	**222.78**
Borrowings	-	-	-	306.05
Trade and other payable	7.06	-	-	-
Other financial liabilities*	-	32.37	-	-
As at 31 March 2025	**7.06**	**32.37**	**-**	**306.05**

Note 44: 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 2025	As at 31 March 2024
Borrowing from the holding company	265.43	191.45
Optionally Convertible Debentures	-	-
Preference Shares issued to Holding Company	25.00	25.00
Less: Cash and cash equivalents	0.16	11.91
Net debt	290.27	204.54
Total Capital	154.67	163.60

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

G. D. APTE & CO. Chartered Accountants

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 45: Ratio

Particulars	Numerator	Denominator	As at 31 March 2025	As at 31 March 2024	Variation
Current ratio ^	Current Assets	Current Liabilities	0.09	1.43	-94%
Debt-Equity Ratio @	Total Debt	Shareholder's Equity	1.99	1.47	36%
Debt Service Coverage Ratio #	Earnings available for debt service	Debt Service	1.29	74.16	-98%
Return on Equity Ratio #	Net Profits after taxes	Average Shareholder's Equity	(0.01)	1.00	-101%
Return on Capital employed#	Earning before interest and taxes	Capital Employed	0.01	0.25	-97%
Return on investment #	Earning before interest and taxes	Total Equity	0.02	0.61	-97%
Trade payables turnover ratio*	Purchases	Average Trade Payables	21.79	5.32	310%
Trade receivables turnover ratio##	Net Sales	Avg. Accounts Receivable	0.40	15.01	-97%
Net capital turnover ratio##	Net Sales	Average Shareholder's Equity	0.02	3.01	-99%
Net profit ratio#	Net profit	Net sales	(0.59)	0.32	-283%

Note on variance
^ Decrease in current assets was more than decrease in current liabilities.
@ Increase in borrowings in current year.
# Loss during current year.
Decrease in sales in current year.
*Increase in average trade payables.

Note 46: 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

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

AVANTE SPACES LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
(Amounts in Indian Rupees Crores, unless otherwise stated)

Note 47: Events after reporting period

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

Note 48:

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

Umesh S Abhyankar
Partner
Membership Number: 113053
Pune, 25 April 2025

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

For and on behalf of the Board of Directors

Mr. Tejas Deshpande
Director
DIN : 01942507

Mr. Rahul C. Kirloskar
Director
DIN : 00007319

Anandh Baheti
Chief Financial Officer

P. Kadam

Pratiksha Kadam
Company Secretary
ACS 67722
Pune, 25 April 2025

AVANTE SPACES LIMITED PUNE-38

Deepak Porayath
Chief Executive Officer
Pune, 25 April 2025