EON-Hinjewadi Infrastructure Private Limited

Balance sheet as at March 31, 2024

(All amounts are in Rupees lakhs unless otherwise stated)

	Notes	As at March 31, 2024	As at March 31, 2023
Assets			
Non-current assets			
Property, plant and equipment	3	3,489.70	3,642.71
Capital work-in-progress	3	41.31	-
Investment property	4	2,865.25	2,961.73
Intangible assets	5	-	-
Investments	6	2,500.00	2,500.00
Financial assets			
Other financial assets	8	243.35	232.69
Income tax assets (net)	9	-	-
Other non-current assets	11	168.36	22.27
Deferred tax assets (net)	10	138.58	114.40
Total non current assets		9,446.55	9,473.00
Current assets			
Inventories	12	69.41	57.60
Financial assets			
Investments	6	-	0.82
Loans	7	6,749.77	5,199.77
Trade receivables	13	234.11	408.01
Cash and cash equivalents	14	483.92	781.63
Other bank balances	14.1	122.73	230.63
Other financial assets	8	4,613.32	4,629.80
Other current assets	11	128.53	162.25
Total current assets		**12,401.79**	**11,470.51**
Total assets		**21,848.34**	**20,944.31**
Equity and liabilities			
Equity			
Equity share capital	15	1,020.40	1,020.40
Other equity	16	11,704.32	10,162.68
Total equity		**12,724.72**	**11,183.08**
Non-current liabilities			
Financial liabilities			
Borrowings	17	5,466.48	6,919.63
Other financial liabilities	18	63.92	152.66
Deferred revenue	21	10.21	19.09
Provisions	22	40.42	33.59
Total Non-current liabilities		**5,581.03**	**7,124.97**
Current liabilities			
Financial liabilities			
Borrowings	17	2653.14	1649.62
Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	19	17.70	21.38
- Total outstanding dues of creditors other than micro enterprises and small enterprises	19	320.13	527.87
Other financial liabilities	18	350.72	225.97
Other current liabilities	20	72.61	157.50
Deferred revenue	21	8.88	13.16
Provisions	22	14.77	18.34
Current tax liabilities (net)	23	104.64	22.42
Total Current liabilities		**3,542.59**	**2,636.26**
Total liabilities		**9,123.62**	**9,761.23**
Total equity and liabilities		**21,848.34**	**20,944.31**

Summary of material accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no.324982E/E300003

per Mustafa Saleem
Partner
Membership No: 136969
Place: Pune
Date: August 22, 2024

For and on behalf of the Board of Directors of
EON-Hinjewadi Infrastructure Private Limited
CIN : U70102PN2005PTC139080

Paresh Batra
Additional Director
DIN: 02033179
Place: Pune
Date: August 22, 2024

Farookh Khan
Additional Director
DIN: 01323080
Place: Pune
Date: August 22, 2024

Ganesh Nanaware
Company Secretary
Membership No: A56381
Place: Pune
Date: August 22, 2024

EON-Hinjewadi Infrastructure Private Limited

Statement of profit and loss for the year ended March 31, 2024

(All amounts are in Rupees lakhs unless otherwise stated)

	Notes	Year ended March 31, 2024	Year ended March 31, 2023
Income			
Revenue from operations	25	5,996.05	5,664.18
Other income	26	798.63	789.15
Total income (I)		6,794.68	6,453.33
Expenses			
Cost of food and beverages consumed	27	403.09	409.64
Employee benefits expense	28	830.73	735.26
Finance costs	30	792.26	771.13
Depreciation and amortisation expense	31	379.64	395.41
Other expenses	29	2,386.36	2,127.48
Total expenses (II)		4,792.08	4,438.92
Profit before tax (I - II)		2,002.60	2,014.41
Tax expenses:			
Current tax	24	495.38	488.10
Deferred tax charge/(credit)	24	(26.76)	72.47
Total tax expenses		468.62	560.57
Profit for the year		1,533.98	1,453.84
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods :			
Re-measurement gain/(loss) on defined benefit plans		10.23	(11.48)
Deferred tax effect		(2.57)	2.89
Net other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax)		7.66	(8.59)
Total comprehensive income for the year, net of tax		1,541.64	1,445.25
Earnings per equity share [nominal value of share Rs. 10 each (March 31, 2023: Rs. 10 each)]			
Basic and diluted (Amount in Rupees)	32	15.03	14.25
Summary of material accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no.324982E/E300003

per Mustafa Saleem
Partner
Membership No: 136969
Place: Pune
Date: August 22, 2024

For and on behalf of the Board of Directors of
EON-Hinjewadi Infrastructure Private Limited
CIN : U70102PN2005PTC139080

Paresh Bafna
Additional Director
DIN: 02033179
Place: Pune
Date: August 22, 2024

Farookh Khan
Additional Director
DIN: 01323080
Place: Pune
Date: August 22, 2024

Ganesh Nanaware
Company Secretary
Membership No: A56391
Place: Pune
Date: August 22, 2024

EON-Hinjewadi Infrastructure Private Limited
Cash flow statement for the year ended March 31, 2024
(All amounts are in Rupees lakhs unless otherwise stated)

	Year ended March 31, 2024	Year ended March 31, 2023
A. Cash flows from operating activities		
Profit before tax	2,002.60	2,014.41
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expense	380.74	395.96
Profit on sale of investment	(6.02)	(1.21)
Provision for doubtful receivables and advances	89.60	17.62
Provision or credit balance written back	(40.32)	(4.81)
Profit on sale of fixed assets	-	(20.72)
Interest expenses	790.46	763.45
Interest Income	(613.73)	(575.60)
Operating profit before working capital changes	**2,603.33**	**2,589.10**
Movements in working capital :		
(Increase) in other financial assets	(6.64)	(7.25)
(Increase) in inventories	(11.81)	(19.97)
(Increase)/decrease in trade receivables	84.30	(273.19)
Decrease in other assets	27.80	78.80
Increase /(decrease) in other financial liabilities	6.06	(9.99)
Increase in provisions	13.49	8.43
Increase/(decrease) in trade payables	(171.10)	(327.08)
Increase/(decrease) in deferred revenue	(13.16)	7.68
Increase/(decrease) in other liabilities	(84.89)	28.04
Cash generated from operations	**2,447.38**	**2,074.57**
Income taxes paid (net of refunds)	(413.15)	(76.75)
Net cash flow from operating activities (A)	**2,034.23**	**1,997.82**
B. Cash flows from investing activities		
Purchase of property, plant and equipment, capital work in progress and investment properties	(312.73)	(156.97)
Proceeds from sale of property, plant and equipment	-	27.20
Proceeds on redemption / sale of investment in units of mutual funds	587.65	260.40
Purchase of investment in units of mutual funds	(580.81)	(190.00)
(Increase)/decrease in loans	(1,550.00)	181.23
Investment in fixed deposits	(218.64)	(0.44)
Movement in fixed deposits having remaining maturity of more than 3 months	107.90	(158.43)
Interest received	844.83	87.33
Net cash flow generated (used) in investing activities (B)	**(1,121.80)**	**50.32**
C. Cash flows from financing activities		
Proceeds from borrowings	1,200.00	470.00
Repayments of borrowings	(1,649.63)	(1,363.01)
Interest paid	(760.51)	(761.40)
Net cash flow used in financing activities ('C)	**(1,210.14)**	**(1,654.41)**
Net (decrease) / increase in cash and cash equivalents (A + B + C)	**(297.71)**	**393.72**
Cash and cash equivalents at the beginning of the year	781.63	387.91
Cash and cash equivalents at the end of the year	**483.92**	**781.63**

Components of cash and cash equivalents as at

	As at March 31, 2024	As at March 31, 2022
Cash on hand	2.23	2.30
Balances with banks:		
- on current accounts	481.69	779.33
– Deposits	-	-
Total cash and cash equivalents (note 14)	**483.92**	**781.63**

Summary of material accounting policies 2
The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no.324982E/E300003

per Mustafa Saleem
Partner
Membership No: 136969
Place: Pune
Date: August 22, 2024

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
EON-Hinjewadi Infrastructure Private Limited
CIN : U70102PN2005PTC139080

Paresh Bafna
Additional Director
DIN: 02033179
Place: Pune
Date: August 22, 2024

Farookh Khan
Additional Director
DIN: 01323080
Place: Pune
Date: August 22, 2024

Ganesh Nanaware
Company Secretary
Membership No: A55381
Place: Pune
Date: August 22, 2024

EON-HINJEWADI INFRASTRUCTURE PVT. LTD. *

EON-Hinjewadi Infrastructure Private Limited
Statement of changes in equity for the year ended March 31, 2024
(All amounts are in Rupees lakhs unless otherwise stated)

A. Equity share capital

Equity shares of Rs. 10 each issued, subscribed and fully paid-up	No. of shares (in lakhs)	Amount
As at April 1, 2022	102.04	1,020.40
As at March 31, 2023	102.04	1,020.40
As at March 31, 2024	102.04	1,020.40

B. Other equity

	Attributable to the equity holders		
	Securities premium	Retained earnings	Total
Balance as at April 01, 2022	6,471.98	2,245.45	8,717.43
Profit for the year	-	1,453.84	1,453.84
Other comprehensive Loss	-	-8.59	-8.59
Total comprehensive income	-	**1,445.25**	**1,445.25**
Balance as at March 31, 2023	**6,471.98**	**3,690.70**	**10,162.68**
Profit for the year	-	1,533.98	1,533.98
Other comprehensive income	-	7.66	7.66
Total comprehensive income	-	**1,541.64**	**1,541.64**
Balance as at March 31, 2024	**6,471.98**	**5,232.34**	**11,704.32**

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration no 324982E/E300003

per Mustafa Saleem
Partner
Membership No: 136969
Place: Pune
Date: August 22, 2024

For and on behalf of the Board of Directors of
EON-Hinjewadi Infrastructure Private Limited
CIN : U70102PN2005PTC139080

Paresh Bafna
Additional Director
DIN: 02033179
Place: Pune
Date: August 22, 2024

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DIN: 01323080
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Date: August 22, 2024

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Company Secretary
Membership No: A56381
Place: Pune
Date: August 22, 2024

S R B C & CO LLP CHARTERED ACCOUNTANTS

EON-HINJEWADI INFRASTRUCTURE PVT. LTD.

1. Corporate Information

EON-Hinjewadi Infrastructure Private Limited ("the Company") is a private company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of hotel operations and real estate development and sale.

The financial statements of the Company for the year ended March 31, 2024 were approved for issue in accordance with a resolution of the Board of Directors on August 22, 2024.

2. Summary of material accounting policies

2.1 Basis of Preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2016 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable.

The financial statements have been prepared on a historical cost basis, except for certain financial instruments which have been measured at fair value or revalued amount at the end of each reporting period, as explained under accounting policy 2.3.

The financials statements are presented in INR and all values are rounded to nearest lakhs('00,000) except when otherwise indicated.

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

The financial statements provide comparative information in respect of the previous period.

2.2 Current versus non-current

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

An asset is classified as a current asset when it is either:

- Expected to be realised or intended to sold or consumed in the 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 equivalent unless it is 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 assets.

A liability is classified as a current liability when either:

- It is expected to be settled in the 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.

All other liabilities are classified as non-current. Deferred tax assets/ (liabilities) are classified as non-current assets / (liabilities).

The Operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalent. The Company has identified twelve months as its operating cycle.

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EON-HINJEWADI INFRASTRUCTURE PVT. LTD. *

2.3 Fair value measurement

The Company measures financial instruments, such as non-current and current investments, at fair value, at each balance sheet date.

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

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, 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 financial information are categorised within the fair value hierarchy, 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 financial information at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarizes accounting policy for fair value.
- Significant accounting judgements, estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Financial instruments (including those carried at amortized cost)
- Investment properties Refer - Note 2.8

The Company's management determines the policies and procedures for both recurring fair value measurement, such unquoted financial assets measured at fair value, and for non-recurring measurement, such as non-current assets held for sale.

External valuation experts are involved for valuation of significant assets and liabilities. Involvement of external valuation experts is decided upon annually by the management.
For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

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EON-HINJEWADI INFRASTRUCTURE PVT. LTD. ★

2.4 Revenue from contracts with customers

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless when the payment is received on transfer of control of the goods or services to the customer. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

(i) Hotel Operations

Rooms, Food, Beverage and other allied hotel services including banquet services:

Revenue is recognised at the transaction price that is allocated to the performance obligation. Revenue includes room revenue, food and beverage sale and banquet services which is recognised once the rooms are occupied, food and beverages are sold and banquet services have been provided as per the contract with the customer.

In relation to other allied hotel services, the revenue has been recognized by reference to the time of service rendered.

(ii) Rendering of services

Rental income from investment property:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. 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. The Company collects goods and service tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Maintenance and service charge

Maintenance and service charges arising from operating leases are recognised as and when the services are rendered. The Company collects goods and service tax on behalf of the government and therefore, it is not an economic benefit flowing to the Company. Hence, it is excluded from revenue.

Other operating revenue

Other operating revenue arising from operating lease is recognized as and when the services are rendered and are shown net of expenses i.e. electricity expenses.

(iii) Sale of construction material and interior fit-outs

Revenue from sale of construction materials and interior fit-outs is recognized when control of the goods have been transferred to the customer.

The Company collects goods and service tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(iv) Interest Income

For all financial instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

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EON-HINJEWADI INFRASTRUCTURE PVT. LTD. *

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policy no. 2.16 Financial instruments – Financial assets at amortised cost.

Contract liabilities

A contract liability is the obligation to render services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company renders services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

2.5 Foreign currencies

The Company's financial statements are presented in Indian Rupees ('INR'), which is its functional currency.

2.5.1 Transactions and balances

Initial recognition: Transactions in foreign currency are initially recorded at the functional currency spot rate of exchange at the date the transaction first qualifies for recognition.

2.5.2 Translation and exchange differences

Monetary items: Monetary assets and liabilities denominated in foreign currencies are translated at their respective functional currency exchange rate prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in statement of profit or loss.

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

2.6 Taxes

2.6.1 Current income tax

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities; on the basis of the taxable profits computed for the current accounting period in accordance with Income Tax Act, 1961. The tax rates used to compute the amount is the effective tax rate applicable to the Company for the period.

Current income tax relating to items recognised in other comprehensive income or directly in equity is recognised in other comprehensive income or in equity, respectively, and not in the Profit or Loss. The Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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EON-HINJEWADI INFRASTRUCTURE PVT. LTD. *

2.6.2 Deferred Tax

Deferred tax is provided using the liability method on 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, except:

- when the deferred tax liability arises from the initial recognition of goodwill or 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 and does not give rise to equal taxable and deductible temporary differences; in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, 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 and does not give rise to equal taxable and deductible temporary differences.

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

2.7 Property, plant and equipment and capital work in progress

Property, plant and equipment and capital work in progress, are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price, directly attributable cost of bringing the asset to its working condition for the intended use and borrowing costs, if the recognition criteria are met.

When significant parts of property, plant and equipment are required to be replaced at intervals; the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

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

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EON-HINJEWADI INFRASTRUCTURE PVT. LTD. *

Depreciation is calculated on a written down value basis using the rates arrived at, based on the management's estimated useful lives. The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of the principal asset. The Company has used the following useful lives to provide depreciation on is property, plant and equipment.

Asset description	Useful lives estimated by the Management (years) - Hotel	Useful lives estimated by the Management (years) - IT Park	Useful life as per Schedule II (years)
Building	30	Note 2.8	60
Plant and machinery	13	20	15
Electrical installations	13	20	10
Furniture and fixtures	10	15	08-10
Office equipment	13	20	5
Computers	6	6	6
Vehicles	10	10	10

The Company, based on technical assessment made by technical expert and management estimate, depreciates the assets over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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.

The management undertakes a review of the residual values, useful lives and methods of depreciation of property, plant and equipment at the end of each reporting period and adjustments are made whenever necessary.

2.8 Investment property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for qualifying assets (long-term construction projects) if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in Statement of profit and loss as incurred.

The Company depreciates building component of investment property on written down value basis over 60 years from the date of original purchase.

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment property is derecognised either when it has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of profit and loss in the period of derecognition.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

EON-HINJEWADI INFRASTRUCTURE PVT. LTD. *

2.9 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

The Company amortized intangible assets over their estimated useful life i.e. over its license period i.e. 5 years.

Gains or losses arising from de-recognition 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 or loss when the asset is derecognised.

2.10 Leases

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

2.10.1 Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. 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.

Lease income from operating leases (Lessor accounting): Ind AS 17 did not mandate straight-lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost. No relief under Ind AS 116 like Ind AS 17 from straight lining of lease rentals, so a lessor is required to recognize lease payments from operating leases as income on either a straight-line basis or another systematic basis. Accordingly, the company has followed Ind AS 116.

2.11 Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.12 Inventories

Inventory of food, beverages and tobacco are valued at lower of cost and estimated net realizable value. Cost is determined on a weighted average basis. Cost include cost of purchase including duties and taxes (other than refundable), inward freight, and other expenditure directly attributable to the purchase.

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

2.13 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's cash generating units to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss.

2.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, 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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 Retirement and other employee benefits

Defined contribution plans
Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Defined benefit plans
The Company operates a defined benefit gratuity plan. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method as per payment of gratuity act, 1972.

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

Past service costs are recognised in profit or loss on the earlier of:
- the date of the plan amendment or curtailment, and
- the date that the Company recognises related restructuring costs

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

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

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Provision for compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company recognises the entire changes in the obligation, including remeasurements in the statement of profit and loss for the year. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.16 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.

2.16.1 Financial assets

Classification

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL').

Initial recognition and measurement

Financial assets are recognised initially at fair value plus, in the case of financial assets not classified as fair value through profit or loss ('FVTPL'), transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss. Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets shall be recognised using trade date or settlement date accounting.

Subsequent measurement

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

a) At amortised cost
b) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate ('EIR') method, less impairment. 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 in finance expense/ (income) in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade receivables, security and other deposits receivable by the Company.

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(b) Financial assets classified as measured at FVTPL

A Financial asset shall be measured at FVTPL, unless it is measured at amortised cost . The Company classifies all equity or puttable financial instruments held for trading as measured at FVTPL. Such instruments are measured at fair value at initial recognition as well as at each reporting date. The fair value changes are recognised in the statement of profit and loss eg mutual fund. Further, the Company may make an irrevocable election to designate a financial asset as FVTPL, at initial recognition, to reduce or eliminate a measurement or recognition inconsistency

Equity investments

Investment in equity shares of associates have been measured at cost less impairment allowance as per Ind AS 27.

De-recognition

A financial asset (or, where applicable, a part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) 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.

Impairment of financial assets

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 measured at amortised cost
Trade receivables

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

Financial assets measured at amortised cost, trade receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments based on shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The impairment loss/ (gain) is recognised in the statement of profit and loss, except for impairment loss/ (gain) on financial assets measured at FVOCI, which shall be recognised in the OCI.

2.16.2 Financial liabilities

Classification

Financial liabilities are classified, at initial recognition, as subsequently measured at amortised cost or at fair value through profit or loss ('FVTPL').

Initial recognition and measurement

Financial liabilities are recognised initially at fair value net of, in the case of financial liabilities not classified as fair value through profit or loss ('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.

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