PenBrook Capital Advisors Private Limited

Financial Statements
together with the
Independent Auditor's Report
for the year ended 31 March 2018

PenBrook Capital Advisors Private Limited
Financial statements together with the Independent Auditor's Report
for the year ended 31 March 2018

Contents

B S R & Associates LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of PenBrook Capital Advisors Private Limited

Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of PenBrook Capital Advisors Private Limited (formerly known as Peninsula Brookfield Investment Managers Private Limited) ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

B S R & Associates LLP, 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011, India. Chartered Accountants

Independent Auditor's Report *(Continued)*

PenBrook Capital Advisors Private Limited

Auditor's Responsibility *(Continued)*

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act;

B S R & Associates LLP ★ Chartered Accountants ★ 5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011 India.

Independent Auditor's Report *(Continued)*

PenBrook Capital Advisors Private Limited

Report on Other Legal and Regulatory Requirements ***(Continued)***

e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;

f) The Company has been exempted from the requirement of its auditor reporting on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of Section 143(3));

g) 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, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 32 to the standalone Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 32 to the standalone Ind AS financial statements;

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

   iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No. 109503

Mumbai
21 May 2018

PenBrook Capital Advisors Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2018

(Referred to in our report of even date)

i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not hold immovable properties and accordingly, said clause is not applicable.

ii. The Company is a service company primarily rendering investment management services. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv. The Company has neither granted any loans to any director or any person in whom director is interested nor made investment in any Company as specified in Sections 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly, directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or other relevant provisions of the Act and rules framed there under are not applicable to the Company.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any of the services rendered by the Company.

vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of provident fund, employee's state insurance fund, sales tax, wealth tax, excise duty, value added tax, cess and customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, goods and service tax and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of income tax, service tax, goods and service tax and other material statutory dues which have not been deposited by the Company on account of disputes.

viii. According to information and explanations given to us, the Company did not have any dues to any financial institution, bank, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by initial public offer or further public offer (including debt instruments) and term loans.

PenBrook Capital Advisors Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2018 *(Continued)*

x. In our opinion and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi. Since the Company is a private limited company, Section 197 of the Act is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

xii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. Since the Company is a private limited company, Section 177 of the Act is not applicable to the Company. All transactions entered into with the related parties are in compliance with Section 188 of the Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

xvi. According to the information and explanations given to us, the Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No. 109503

Mumbai
21 May 2018

PenBrook Capital Advisors Private Limited
(formerly known as Peninsula Brookfield Investment Managers Private Limited)

Balance sheet
as at 31 March 2018

(Amount in INR)

Particulars	Note	As at 31 March 2018	As at 31 March 2017
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	**189,827**	191,442
(b) Other intangible assets	5	**68,935**	-
(c) Financial assets			
(i) Investments	6	**43,218,883**	36,656,776
(ii) Loans and advances	7	**4,669,083**	6,161,826
(d) Deferred tax assets (net)	24	**63,651,337**	67,394,900
(e) Other non-current assets	8	**890,917**	5,464,320
Total non-current assets		**112,688,982**	115,869,264
(2) Current assets			
(a) Financial assets			
(i) Trade and other receivables	9	**16,404,989**	19,980,704
(ii) Cash and cash equivalents	10	**32,807,541**	18,643,717
(iii) Loans and advances	11	**22,580**	41,091
(iv) Other financial assets	12	**8,391,992**	1,851,038
(b) Current tax assets (net)	13	**10,022,058**	10,060,792
(c) Other current assets	14	**-**	4,191,681
Total current assets		**67,649,160**	54,769,023
TOTAL ASSETS		**180,338,142**	170,638,287
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	**332,875,600**	332,875,600
(b) Other equity			
(i) Retained earnings (including items of other comprehensive income)		**(170,196,068)**	(182,533,555)
Equity attributable to equity holders of the company		**162,679,532**	150,342,045
Total equity		**162,679,532**	150,342,045
(2) Non-current liabilities			
(a) Provisions	16	**1,710,969**	3,521,572
Total non current liabilities		**1,710,969**	3,521,572
(3) Current liabilities			
(a) Financial liabilities			
(i) Trade and other payables	17	**9,996,918**	15,629,003
(b) Other current liabilities	18	**5,746,356**	910,851
(c) Provisions	19	**204,367**	234,816
Total current liabilities		**15,947,641**	16,774,670
Total liabilities		**17,658,610**	20,296,242
TOTAL EQUITY AND LIABILITIES		**180,338,142**	170,638,287

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of
PenBrook Capital Advisors Private Limited
(formerly known as Peninsula Brookfield Investment Managers Private Limited)
CIN : U74120MH2011PTC224370

Ashwin Suvarna
Partner
Membership No: 109503

Rajeev Piramal
Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
Date: 21-05-2018

Mumbai
Date: 21-05-2018

PenBrook Capital Advisors Private Limited

(formerly known as Peninsula Brookfield Investment Managers Private Limited)

Statement of profit and loss

for the year ended 31 March 2018

(Amount in INR)

Particulars	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue from operations	20	80,190,378	68,050,091
Other income	21	5,768,448	10,001,079
Total income		**85,958,826**	78,051,170
Expenses			
Employee benefits expenses	22	27,789,292	32,050,529
Depreciation and amortization expenses	4	122,149	225,857
Other expenses	23	37,262,977	22,705,808
Total expenses		**65,174,419**	54,982,194
Profit before tax		**20,784,407**	23,068,977
Tax expense:			
Current tax	24	4,122,694	4,703,499
Deferred tax charge	24	3,514,519	2,480,927
Profit for the year		**13,147,194**	15,884,551
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit (asset)/liability		(809,707)	185,589
Other comprehensive income, net of tax		**(809,707)**	185,589
Total comprehensive income for the year		**12,337,487**	16,070,140
Earnings per equity share of par value Rs.10 each (31 March 2017: Rs.10 each)	25		
Basic		438.24	529.49
Diluted		3.92	4.73

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
Date: 21-05-2018

For and on behalf of the Board of Directors of
PenBrook Capital Advisors Private Limited
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CIN : U74120MH2011PTC224370

Rajeev Piramal
Director
DIN: 00044983

Mumbai
Date: 21-05-2018

Sridhar Rengan
Director
DIN: 03139082

Sugandha Vaidya
Company Secretary
ACS No. 29610

PenBrook Capital Advisors Private Limited
(formerly known as Peninsula Brookfield Investment Managers Private Limited)

Statement of changes in equity
for the year ended 31 March 2018

(Amount in INR)

A. Equity share capital

Balance as at 1 April 2016	**332,875,600**
Changes in equity share capital during the year	-
Balance as at 31 March 2017	**332,875,600**
Balance as at 1 April 2017	**332,875,600**
Changes in equity share capital during the year	-
Balance as at 31 March 2018	**332,875,600**

B. Other equity

Particulars	**Reserves & Surplus**		**Items of OCI**	**Total equity attributable to equity holders of the Company**
	Retained earnings	**Total**	**Other items of OCI**	
Balance at 31 March 2016	(197,627,356)	(197,627,356)	(976,339)	(198,603,695)
Balance at the beginning of the reporting period	(197,627,356)	(197,627,356)	(976,339)	(198,603,695)
Profit for the year	15,884,551	15,884,551	-	15,884,551
Other comprehensive income for the year:				
(a) Remeasurement of defined benefit plan - gratuity (net of tax)	-	-	112,382	112,382
(b) Remeasurement of defined benefit plan - leave encashment (net of tax)	-	-	73,207	73,207
Total comprehensive income for the year	15,884,551	15,884,551	185,589	16,070,140
Balance at 31 March 2017	**(181,742,805)**	**(181,742,805)**	**(790,750)**	**(182,533,555)**
Balance at the beginning of the reporting period	(181,742,805)	(181,742,805)	(790,750)	(182,533,555)
Profit for the year	13,147,194	13,147,194		13,147,194
Other comprehensive income for the year:				
(a) Remeasurement of defined benefit plan - gratuity (net of tax)	-	-	(502,438)	(502,438)
(b) Remeasurement of defined benefit plan - leave encashment (net of tax)	-	-	(307,268)	(307,268)
Total comprehensive income for the year	13,147,194	13,147,194	(809,706)	12,337,488
Balance at 31 March 2018	**(168,595,611)**	**(168,595,611)**	**(1,600,456)**	**(170,196,067)**

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
Date: 21-05-2018

For and on behalf of the Board of Directors of
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DIN: 03139082

Mumbai
Date: 21-05-2018

Sugandha Vaidya
Company Secretary
ACS No. 29610

PenBrook Capital Advisors Private Limited

(formerly known as Peninsula Brookfield Investment Managers Private Limited)

Statement of cash flows

for the year ended 31 March 2018

(Amount in INR)

Cash flow from operating activities	For the year ended 31 March 2018	For the year ended 31 March 2017
Profit before tax	20,784,407	23,068,977
Adjustments for		
Remeasurement of defined benefit plans	(580,662)	231,602
Financial asset at FVTPL - net change in fair value	2,370,285	(4,115,170)
Depreciation and amortisation	122,149	225,857
Interest income	(618,400)	(369,634)
	22,077,780	19,041,632
Working capital adjustments		
Decrease/(Increase) in trade and other receivables	3,575,715	(16,295,450)
(Decrease)/Increase in trade and other payables	(2,637,632)	2,961,377
(Increase)/Decrease in loans and advances	3,735,384	6,117,282
	4,673,467	(7,216,791)
Income tax paid (Net of income tax refund)	(4,083,960)	(7,059,440)
Net cash flows generated from operating activities	22,667,287	4,765,401
Cash flow from investing activities		
Purchase of property, plant and equipment	(189,469)	(86,162)
Investment made		
- Units in Alternative Investment Fund at FVTPL	11,666,607	(691,495)
- Investment in Limited Liability Partnership	(20,599,000)	-
Interest received	618,400	369,634
Net cash flows used in investing activities	(8,503,462)	(408,023)
Cash flow from financing activities		
Proceeds from issue of share capital	-	-
Net cash flows from financing activities	-	-
Net increase in cash and cash equivalents	14,163,825	4,357,378
Cash and cash equivalents at the beginning of the year	18,643,717	14,286,339
Cash and cash equivalents at the end of the year	32,807,541	18,643,717
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet [Note 10]	32,807,541	18,643,717
Cash and Cash equivalents as at the year end	32,807,541	18,643,717

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (IND AS) 7 - "Cash Flow Statements".

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
Date: 21-05-2018

For and on behalf of the Board of Directors of
PenBrook Capital Advisors Private Limited
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Rajeev Piramal
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Sridhar Rengan
Director
DIN: 03139082

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
Date: 21-05-2018

1. Background

PenBrook Capital Advisors Private Limited (formerly known as Peninsula Brookfield Investment Managers Private Limited) ('the Company') was incorporated on 24 November 2011. The principle objective of the Company is to originate, acquire, manage, monitor and dispose of portfolio investments for Venture Capital Fund. The Company is the Investment Manager to Peninsula Brookfield India Real Estate Fund ('Fund') based on an investment management agreement between the Company and Peninsula Brookfield Trustee Private Limited ('Trustee Company') dated 3 October 2012.

2. Basis of preparation

A. *Statement of compliance*

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

B. *Functional and presentation currency*

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded-off to the nearest rupees, unless otherwise indicated.

C. *Current versus non-current classification*

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

An asset is treated as current when it is:

a) Expected to be realised or intended to be sold or consumed in it's normal operating cycle;

b) Held primarily for the purpose of trading;

c) Expected to be realised within twelve months after the reporting period; or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in it's normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to be settled within twelve months after the reporting period; or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. Basis of preparation *(Continued)*

C. *Current versus non-current classification (Continued)*

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.

D. *Basis of measurement*

The statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities	Fair value
Net defined benefit (asset)/ liability	Fair value of plan assets less defined benefit obligations

E. *Use of estimates and judgements*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements for the year ended 31 March 2018 is included in the following notes:

Note 24 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 29 – measurement of defined benefit obligation: key actuarial assumptions;

Note 30 – impairment of financial assets;

Note 32 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

F. *Measurement of fair values*

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

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5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai - 400 011 India.
Chartered Accountants

2. Basis of preparation *(Continued)*

F. Measurement of fair values (Continued)

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in the following notes:

Note 30 – Financial instruments.

3. Significant accounting policies

a. Financial instruments

Investments and other financial assets

i. Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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5th Floor,
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Chartered Accountants

3. Significant accounting policies *(Continued)*

a. Financial instruments *(Continued)*

Investments and other financial assets *(Continued)*

ii. Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Investment in limited liability partnership: Investment made in PenBrook Investment Manager LLP is accounted for and initially recognised at cost which includes transaction costs.

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3. Significant accounting policies *(Continued)*

a. Financial instruments *(Continued)*

Investments and other financial assets *(Continued)*

iii. Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 *Financial Instruments*, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

b. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss.

Class of Fixed Asset	Useful life (years)
Computers	3
Office equipment	5
Furniture and fixture	10

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed of).

3. Significant accounting policies *(Continued)*

c. Intangible assets

i. *Recognition and measurement*

Intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, is recognised in profit or loss as incurred.

iii. *Amortisation*

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

d. Impairment

i. *Impairment of assets*

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non- financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

ii. *Impairment of non-financial assets*

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. Significant accounting policies *(Continued)*

e. Employee benefits

i. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

f. Provisions (other than for employee benefits)

Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for

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Notes to the financial statements *(Continued)*

for the year ended 31 March 2018

(Amount in INR)

3. Significant accounting policies *(Continued)*

g. Revenue

Rendering of services

i. Management fees

Management fees (net of service tax) are recognised on an accrual basis in accordance with the terms of an investment management agreement between the Company and Trustee Company.

ii. Advisory fees

Advisory fees are recognised on an accrual basis in accordance with terms of agreement between the Company and co-investees.

iii. Professional fees

Professional fees are recognised on an accrual basis in accordance with terms of agreement.

iv. Carrying fee

Carrying fee is recognized on an accrual basis in accordance with terms of agreement.

v. Interest income

Interest income is recognised on accrual basis using the effective interest method.

vi. Income from investment

Income from investment is accounted in accordance with contribution agreement.

vii. Recovery of expense

Recovery of expense is initiated and accounted in accordance with contribution agreement.

viii. Capping fee

Capping fee is accounted in accordance with contribution agreement.

h. Income tax

Income tax comprises current and deferred tax. It is recognised in statement of profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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3. Significant accounting policies *(Continued)*

h. Income tax *(Continued)*

i. Current tax *(Continued)*

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

i. Trade receivable and trade payable

Trade receivable are recoginsed at carrying value which is considered to be same as their fair values due to their short term nature. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Trade payable are recoginsed at cost which is considered to be same as their fair values due to their short term nature. Trade payable represents liabilities for goods and services provided to the Company prior to the end of the financials year which are unpaid.

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3. Significant accounting policies *(Continued)*

j. Lease payment

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

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Notes to the financial statements *(Continued)*

as at 31 March 2018

(Amount in INR)

4 Property, plant and equipment

Reconciliation of carrying amount

	Plant and equipment-computer	Furniture and fixtures	Office equipment	Total
Cost or deemed cost (gross carrying amount)	-	-	-	-
Balance at 1 April 2017	826,381	33,523	87,566	947,470
Additions	86,500	-	28,381	114,881
Disposals	-	-	-	-
Balance at 31 March 2018	**912,881**	**33,523**	**115,947**	**1,062,351**
Accumulated depreciation				
Balance at 1 April 2017	685,934	16,662	53,432	756,028
Depreciation for the year	80,680	2,646	33,170	116,495
Balance at 31 March 2018	**766,614**	**19,308**	**86,601**	**872,524**
Carrying amounts (net)				
At 31 March 2017	140,447	16,861	34,134	191,442
At 31 March 2018	**146,267**	**14,215**	**29,345**	**189,827**

	Plant and equipment-computer	Furniture and fixtures	Office equipment	Total
Cost or deemed cost (gross carrying amount)	-	-	-	-
Balance at 1 April 2016	983,719	33,523	87,566	1,104,808
Additions	86,162	-	-	86,162
Disposals	243,500	-	-	243,500
Balance at 31 March 2017	**826,381**	**33,523**	**87,566**	**947,470**
Accumulated depreciation				
Balance at 1 April 2016	734,036	10,226	31,754	776,016
Depreciation for the year	-48,101	6,436	21,678	-19,988
Balance at 31 March 2017	**685,934**	**16,662**	**53,432**	**756,028**

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Notes to the financial statements *(Continued)*
as at 31 March 2018

(Amount in INR)

5 Other intangible assets

Reconciliation of carrying amount

	Computer Software	Total
Cost or deemed cost (gross carrying amount)		
Balance at 1 April 2017	118,651	118,651
Additions	74,589	74,589
Disposals	-	-
Balance at 31 March 2018	**193,240**	**193,240**
Accumulated amortisation		
Balance at 1 April 2017	118,651	118,651
Depreciation for the year	5,654	5,654
Balance at 31 March 2018	**124,305**	**124,305**
Carrying amounts (net)		
At 31 March 2017	-	-
At 31 March 2018	**68,935**	**68,935**

	Computer Software	Total
Cost or deemed cost (gross carrying amount)		
Balance at 1 April 2016	228,302	228,302
Additions	-	-
Disposals	-	-
Balance at 31 March 2017	**228,302**	**228,302**
Accumulated amortisation		
Balance at 1 April 2016	30,242	30,242
Depreciation for the year	-	-
Balance at 31 March 2017	**30,242**	**30,242**

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Notes to the financial statements *(Continued)*
as at 31 March 2018

(Amount in INR)

	Particulars	As at 31 March 2018	As at 31 March 2017
6	**Investments**		
	Non current investments		
	Units in Alternative Investment Fund at FVTPL		
	149.6682 (Previous year: 238.3546) class A units of Rs. 1,00,000 each in Peninsula Brookfield India Real Estate Fund	**17,326,830**	28,079,090
	45.5134 (Previous year: 72.8133) class B units of Rs. 1,00,000 each in Peninsula Brookfield India Real Estate Fund	**5,293,053**	8,577,685
	Investment in Limited Liability Partnership		
	Investment in fixed capital of PenBrook Investment Manager LLP	**20,599,000**	-
		43,218,883	36,656,776
7	**Loans**		
	Unsecured considered good		
	Interest free loan to Peninsula Brookfield Employee Benefit Trust	**4,669,083**	6,161,826
	Loss allowance	**-**	-
	Net loans	**4,669,083**	6,161,826
8	**Other non-current assets**		
	Service tax credit receivable	**-**	3,866,146
	Deferred asset on loan to Peninsula Brookfield Employee Benefit Trust	**890,917**	1,598,174
		890,917	5,464,320
9	**Trade receivables**		
	Unsecured and considered good	**16,404,989**	19,980,704
	Loss allowance	**-**	-
	Net trade receivables	**16,404,989**	19,980,704
10	**Cash and cash equivalents**		
	Balance with banks:		
	(i) In current account	**5,301,941**	18,628,692
	(ii) Balances with banks in deposit account (original maturity less than three months)	**27,500,000**	-
	Cash in hand	**5,600**	15,025
		32,807,541	18,643,717
11	**Loans and advances**		
	Advance to staff	**22,580**	41,091
	Net loans and advances	**22,580**	41,091

PenBrook Capital Advisors Private Limited
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Notes to the financial statements *(Continued)*
as at 31 March 2018

(Amount in INR)

	Particulars	As at 31 March 2018	As at 31 March 2017
12	**Other financial assets**		
	Interest accrued on investments and deposits	**2,657,603**	1,437,714
	Amounts recoverable for expenses incurred - from related parties (refer note 26)	**5,418,537**	-
	Advances recoverable in cash or in kind	**315,852**	413,324
		8,391,992	1,851,038
13	**Current tax assets (net)**		
	Advance payment of income tax (net of provision for tax Rs. 8,826,193; 31 March 2017: Rs. 4,703,499)	**10,022,058**	10,060,792
		10,022,058	10,060,792
14	**Other current assets**		
	Advances recoverable in cash or in kind	**-**	4,191,681
		-	4,191,681

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Notes to the financial statements *(Continued)*
as at 31 March 2018

(Amount in INR)

		As at 31 March 2018	As at 31 March 2017
15	**Share Capital**		
a	**Authorised :**		
	50,000 (Previous year: 50,000) equity shares (Class A, B and C) of Rs. 10 each	**500,000**	500,000
	3,657,500 (Previous year: 3,657,500) 0.01% cumulative compulsorily convertible preference shares of Rs. 100 each	**365,750,000**	365,750,000
	TOTAL	**366,250,000**	366,250,000
b	**Issued and Subscribed and Paid up:**		
	30,000 (Previous year: 30,000) equity shares (Class A, B and C) of Rs. 10 each fully paid up	**300,000**	300,000
	3,325,756 (Previous year: 3,325,756) 0.01% cumulative compulsorily convertible preference shares of Rs. 100 each	**332,575,600**	332,575,600
	TOTAL	**332,875,600**	332,875,600

c There has been no change in the number of equity shares and CCPS issued,subscribed and paid up during the year.

d Terms / Rights attached to each classes of shares

1 Terms / Rights attached to Equity shares

"Class A Shares" means a class of equity shares of the Fund Manager with face value of Rs. 10 (Rupees Ten) with, (i) the right of one vote per share; (ii) no rights to any dividend or other form of returns from the Company; and (iii) a pari-passu right to all the residual assets of the Fund Manager at the time of liquidation or winding up of the Fund Manager after the dues of all the creditors and preference shares are settled;

"Class B Shares" means a class of equity shares of the Fund Manager with face value of Rs. 10 (Rupees Ten) with (i) no voting rights attached to such shares; (ii) rights as to dividend from the profits of the Company; and (iii) a pari-passu right to all the residual assets of the Fund Manager at the time of liquidation or winding up of the Fund Manager after the dues of all the creditors and preference shares are settled; and

"Class C Shares" means a class of equity shares of the Fund Manager with face value of Rs. 10 (Rupees Ten) with (i) no voting rights attached to such shares; (ii) rights as to dividend from the profits of the Company; and (iii) a pari-passu right to all the residual assets of the Fund Manager at the time of liquidation or winding up of the Fund Manager after the dues of all the creditors and preference shares are settled.

2 Terms / Rights attached to Cumulative Compulsorily Convertible Preference shares (CCPS)

CCPS shall be entitled to cumulative preferential dividend at the rate of 0.01% (Zero Point Zero One percent) per annum, to be paid in cash, in accordance with applicable law. CCPS shall have no voting rights attached to them. CCPS shall rank senior to all the Equity Shares issued by the Company from time to time. Accordingly, the dividend due and amounts payable to the holder of CCPS (under the relevant provision of the Joint Venture Agreement in terms of which any buy-back occurs) shall be paid by the Company in priority to all other payments to any other shareholder (including in case of the liquidation of the Company). It is clarified that no other kind of Equity Shares issued by the Company (including Class A Shares or Class B Shares or Class C Shares) would have a right to be repaid the capital or paid any dividend thereon until the payment of the amounts due on the buy back of the CCPS together with all dividends thereon is made. CCPS shall be subject to the transfer restrictions contained in the Articles of Association of the Fund Manager and the Joint Venture Agreement.

(a) Peninsula shall have the right, to be exercised at its discretion, to convert the Peninsula CCPS into Class C Shares. Each Peninsula CCPS shall convert to 1 (One) Class C Share.

(b) Brookfield shall have the right, to be exercised at its discretion, to convert the Brookfield CCPS into Class B Shares any time after the issue of the Brookfield CCPS. Each Brookfield CCPS shall convert to 1 (One) Class B Share.

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Notes to the financial statements *(Continued)*
as at 31 March 2018

(Amount in INR)

15 Share Capital *(Continued)*

e Shares held by holding company and/or their subsidiaries/associates.

Equity shares	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Peninsula Investment Management Company Limited	14,900	149,000	14,900	149,000
BPG India LLC	600	6,000	600	6,000
Brookfield Capital Partners (Bermuda) Ltd	14,300	143,000	14,300	143,000

Cumulative Compulsorily Convertible Preference Shares	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Peninsula Investment Management Company Limited	1,662,878	166,287,800	1,662,878	166,287,800
Brookfield Capital Partners (Bermuda) Ltd	1,662,878	166,287,800	1,662,878	166,287,800

f Particulars of shareholders holding more than 5% of a class of shares:

Equity shares	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	No of shares %	No. of Shares	No of shares %
Peninsula Investment Management Company Limited	14,900	50.00%	14,900	50.00%
Brookfield Capital Partners (Bermuda) Ltd	14,300	47.99%	14,300	47.99%

Cumulative Compulsorily Convertible Preference Shares	As at 31 March 2018		As at 31 March 2017	
	No. of Shares	No of shares %	No. of Shares	No of shares %
Peninsula Investment Management Company Limited	1,662,878	50.00%	1,662,878	50.00%
Brookfield Capital Partners (Bermuda) Ltd	1,662,878	50.00%	1,662,878	50.00%

g No shares have been allotted without payment being received in cash or by way of bonus shares during the period of five years immediately preceding the Balance Sheet date.

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Notes to the financial statements *(Continued)*

as at 31 March 2018

(Amount in INR)

	Particulars	As at 31 March 2018	As at 31 March 2017
16	**Provisions**		
	Provision for employee benefits		
	- Gratuity	**901,852**	2,146,311
	- Compensated absences	**809,117**	1,375,261
		1,710,969	3,521,572
17	**Trade and other payables**		
	Total oustanding dues of micro and small enterprises (refer note 33)	**-**	-
	Total oustanding dues of creditors other than micro and small enterprises	**3,076,233**	8,711,357
	Other payables	**6,920,685**	6,917,646
		9,996,918	15,629,003
	(The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 30)		
18	**Other current liabilities**		
	Statutory dues payables	**5,746,356**	910,851
		5,746,356	910,851
19	**Provisions**		
	Provision for employee benefits		
	- Gratuity	**16,300**	56,749
	- Compensated absences	**59,669**	82,922
	Provision for dividend	**128,398**	95,145
		204,367	234,816

Notes to the financial statements *(Continued)*
for the year ended 31 March 2018

(Amount in INR)

		For the year ended 31 March 2018	For the year ended 31 March 2017
20	**Revenue from operations**		
	Management fee	**33,432,438**	45,007,091
	Advisory fee	**7,196,478**	10,109,276
	Professional fee	**495,000**	1,739,130
	Carry fee	**2,483,297**	11,194,594
	Capping fee (Refer note 3 (g) (viii))	**3,868,959**	-
	Recovery of expenses (Refer note 3 (g) (vii))	**32,714,206**	-
		80,190,378	68,050,091
21	**Other income**		
	Income from investment	**4,377,476**	4,457,458
	Excess provision written back	**65,314**	170,872
	Interest on:		
	- Deposits with bank	**618,400**	369,634
	- Loan to Peninsula Brookfield Employee Benefit Trust	**707,258**	874,445
	Profit on sale / disposal of assets (net)	**-**	13,500
	Financial asset at FVTPL - net change in fair value	**-**	4,115,170
		5,768,448	10,001,079
22	**Employee benefit expenses**		
	Salaries, bonus and wages	**26,813,986**	31,137,357
	Contribution to provident and other funds	**436,068**	372,899
	Staff welfare expenses	**539,238**	540,273
		27,789,292	32,050,529
23	**Other expenses**		
	Payment to auditors		
	- Audit fees	**448,544**	200,000
	- Reimbursement of expenses	**7,456**	6,000
	Travelling and conveyance	**3,639,371**	5,578,792
	Legal and professional charges	**23,624,391**	11,609,458
	Printing and stationery expenses	**603,134**	451,579
	Interest expense on loan to Peninsula Brookfield Employee Benefit Trust	**707,258**	874,445
	Financial asset at FVTPL - net change in fair value	**2,370,285**	-
	Office expenses	**2,427,206**	1,949,232
	Expense on investment income	**583,030**	435,608
	Service tax credit written off	**1,433,764**	-
	Miscellaneous expenses	**1,418,539**	1,600,693
		37,262,977	22,705,808

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24 Income tax

Movement in deferred tax balances

	Net balance 1 April 2017 INR	Recognised in profit or loss INR	Recognised in OCI INR	Net balance 31 March 2018 INR	31 March 2018 Deferred tax asset INR	31 March 2018 Deferred tax liability INR
Depreciation on property, plant and equipment and intangible assets	(8,426)	12,578	-	4,152	4,152	-
Provision for employee benefits	1,601,101	(1,707,643)	(229,044)	(335,586)	-	(335,586)
Deferred asset on loan to Peninsula Brookfield Employee Benefit Trust	(528,404)	280,551	-	(247,853)	-	(247,853)
Proposed dividend on CCPS	31,458	(67,178)	-	(35,720)	-	(35,720)
Brought forward business loss and unabsorbed depreciation	66,299,172	(2,692,241)	-	63,606,931	63,606,931	-
Investment Fair value through profit & loss	-	659,413		659,413	659,413	-
Deferred tax assets / (liabilities)	**67,394,900**	**(3,514,519)**	**(229,044)**	**63,651,337**	**64,270,496**	**(619,159)**
Set off tax	-	-	-	-	-	-
Net deferred tax assets	**67,394,900**	**(3,514,519)**	**(229,044)**	**63,651,337**	**64,270,496**	**(619,159)**

	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017	31 March 2017 Deferred tax asset	31 March 2017 Deferred tax liability
Depreciation on property, plant and equipment and intangible assets	(27,404)	18,978	-	(8,426)	-	(8,426)
Provision for employee benefits	1,712,090	(64,976)	(46,013)	1,601,101	1,601,101	-
Deferred asset on loan to Peninsula Brookfield Employee Benefit Trust	(521,282)	(7,122)	-	(528,404)	-	(528,404)
Proposed dividend on CCPS	19,025	12,433	-	31,458	31,458	-
Brought forward business loss and unabsorbed depreciation	68,739,411	(2,440,240)	-	66,299,172	66,299,172	-
Deferred tax assets / (liabilities)	**69,921,840**	**(2,480,927)**	**(46,013)**	**67,394,900**	**67,931,731**	**(536,830)**
Set off tax	-	-	-	-	-	-
Net deferred tax assets	**69,921,840**	**(2,480,927)**	**(46,013)**	**67,394,900**	**67,931,731**	**(536,830)**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the Company operates and the period over which deferred income tax assets will be recovered. The Company has recognised deferred tax assets based on availability of future taxable profit against which tax losses carried fowarded can be used based on substantively enacted tax rates.

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24 Income tax *(Continued)*

		31 March 2018	31 March 2017
A	Profit before tax	**20,784,407**	23,068,977
	Tax using the Company's domestic tax rate	**5,351,985**	7,128,314
	Reduction in tax expenses (due to applicability of MAT)	**(1,114,283)**	-
	Non-deductible expenses	-	141,401
	Tax exempt income	**(8,018)**	(85,051)
	Increase in deferred tax charge due to reduction in tax rate	**3,514,519**	-
	Others	**(106,989)**	(237)
	Effective tax rate	**7,637,213**	**7,184,426**

Deferred tax assets and liabilities have been measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

B	**Tax losses carried forward**				
		31 March 2018	**Expiry date**	**31 March 2017**	**Expiry date**
	Expire	**228,637,422**	2022-25	221,715,522	2022-25
	Never Expire	-	-	742,120	-

The Company has tax losses of INR 228,637,422 (31 March 2017: 221,715,522) that are available for offsetting for eight years against future taxable profits. Majority of these losses will expire in 2022-2023.

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25 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for provision for dividend on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The calculations of profit attributable to equity shareholders and wt. average number of equity shares outstanding for the purpose of basic and diluted earnings per share calculation are as follows.

		31 March 2018	31 March 2017
i.	Profit attributable to equity holders	**13,147,194**	15,884,551
	Provision for Dividend on Convertible preference shares	**33,258**	33,575
	Profit attributable to equity holders of the company	**13,180,452**	15,918,126

ii. **Weighted average number of ordinary shares**

	31 March 2018	31 March 2017
Opening balance	**30,000**	30,000
Change in number of shares	-	-
Weighted average number of ordinary shares for EPS	**30,000**	30,000
Effect of conversion of Cumulative Compulsorily Convertible Preference shares	**3,325,756**	3,325,756
Weighted average number of shares for diluted EPS	**3,355,756**	3,355,756

Basic and diluted earnings per share

	31 March 2018	31 March 2017
Basic earnings per share (in Rs.)	**439.35**	530.60
Diluted earnings per share (in Rs.)	**3.93**	4.74

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26 Related party relationships, transactions and balances

List of related parties and transactions during the year:

a. Controlling entity
(i) BPG India LLC
(ii) Peninsula Land Limited
(iii) Peninsula Investment Management Company Limited
(iv) Brookfield Property Group Company LLC
(v) Brookfield Capital Partners (Bermuda) Ltd

b. Entity under common control
(i) Peninsula Brookfield Trustee Private Limited
(ii) Peninsula Brookfield India Real Estate Fund
(iii) PenBrook India Real Opportunities Fund

c. Subsidiary
(i) PenBrook Investment Manager LLP

d. Companies where key management personnel / their relatives exercise significant influence
(i) Peninsula Investment Management Company Limited

e. Key management personnel
(i) Mr. Rajeev Ashok Piramal
(ii) Mr. Sridhar Rengan
(iii) Ms. Sugandha Vaidya

f. Key management personnel of parent company
(i) Mr. Rajeev Ashok Piramal
(ii) Mr. Subhashchandra Madanlal Kashimpuria
(iii) Mr. Mahesh Shrikrishna Gupta
(iv) Mr. Prakash Mahabala Shetty

Transactions during the year:

	Transaction Value	
	for the year ended 31 March 2018	for the year ended 31 March 2017
Investment in Limited Liability Partnership		
PenBrook Investment Manager LLP	**20,599,000**	-
Redemption of Units in Alternative Investment Fund		
Peninsula Brookfield India Real Estate Fund	**11,666,607**	10,558,505
Management fee		
Peninsula Brookfield India Real Estate Fund	**33,432,438**	45,007,091
Income from investment		
Peninsula Brookfield India Real Estate Fund	**4,377,476**	4,457,458
Capping fee		
Peninsula Brookfield India Real Estate Fund	**3,868,959**	-
Recovery of expenses		
Peninsula Brookfield India Real Estate Fund	**25,572,251**	-
PenBrook India Real Opportunities Fund	**1,450,000**	-
PenBrook Investment Manager LLP	**350,350**	-
Peninsula Land Limited	**655,864**	-

Outstanding balances as at the year end:

	Balance outstanding	
	as at 31 March 2018	as at 31 March 2017
Investment in Limited Liability Partnership		
PenBrook Investment Manager LLP	**20,599,000**	-
Units in Alternative Investment Fund at FVTPL		
Peninsula Brookfield India Real Estate Fund	**22,619,883**	36,656,776
Other financial assets		
Interest accrued on investments and deposits		
Peninsula Brookfield India Real Estate Fund	**2,657,603**	1,437,714
Expenses and other recoverables		
Peninsula Brookfield India Real Estate Fund	**3,533,874**	-
PenBrook India Real Opportunities Fund	**1,450,000**	-
PenBrook Investment Manager LLP	**378,378**	-
Peninsula Land Limited	**253,738**	-
Trade and other payables		
Peninsula Brookfield India Real Estate Fund	**-**	(1,443,834)

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27 Specified bank notes

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made since the requirement does not pertain to financial year ended 31 March 2018. Corresponding amounts as appearing in the audited financial statements for the year ended 31 March 2017 have been disclosed as below:

Particulars	SBNs	Other denomination notes	Total Rs.
Closing cash in hand as on 08 November 2016	60,000	1,867	**61,867**
(+) Permitted receipts	-	235,000	**235,000**
(-) Permitted payments	-	216,000	**216,000**
(-) Amount deposited in banks	60,000	-	**60,000**
Closing cash in hand as on 30 December 2016	-	**20,867**	**20,867**

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28 Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents.
The Company's adjusted net debt to equity ratio was as follows:

	As at March 31, 2018	As at March 31, 2017
Total liabilities	**17,658,610**	20,296,242
Less : Cash and cash equivalents	**32,807,541**	18,643,717
Adjusted net debt	**(15,148,931)**	1,652,525
Total equity	**162,679,532**	150,342,045
Adjusted net debt to adjusted equity ratio	**(0.09)**	0.01

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29 Employee Benefits

The Company contributes to the following post-employment defined benefit plans in India.

(i) **Defined Contribution Plans:**

Provident Fund:

The Company contributes to the recognised provident fund, which is a defined contribution scheme for all the employees. Provident fund dues are recognized as expenditure when the liability to contribute to the provident fund arises under the Provident Fund Act.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The following table represents the amounts contributed and recognised in the Company's financial statements for the year:

	For the year ended 31 March 2018	For the year ended 31 March 2017
Contribution to provident and other funds	**436,068**	372,899

Gratuity:

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2018	31 March 2017
Defined benefit obligation	**918,152**	2,203,060
Fair value of plan assets	**-**	-
Net defined benefit (obligation)/assets	**(918,152)**	(2,203,060)

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29 Employee Benefits *(Continued)*

(ii) Defined Benefit Plan: Gratuity *(Continued)*

A. Movement in net defined benefit (asset)/liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Opening balance	2,203,060	1,691,252	-	-	2,203,060	1,691,252
Current service cost	545,302	522,273	-	-	545,302	522,273
Past service cost	-	-	-	-	-	-
Interest cost	158,752	129,653	-	-	158,752	129,653
	2,907,114	2,343,178	-	-	2,907,114	2,343,178
Included in OCI	-	-			-	-
Financial assumptions	(55,922)	89,977	-	-	(55,922)	89,977
Experience adjustment	422,477	(230,095)	-	-	422,477	(230,095)
	366,555	(140,118)	-	-	366,555	(140,118)
Other						
Benefits paid	(2,355,517)	-	-	-	(2,355,517)	-
Closing balance	918,152	2,203,060	-	-	(1,988,962)	(140,118)
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					918,152	2,203,060
					918,152	2,203,060

B. Plan assets

The defined benefit plan for gratuity is unfunded.

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(Amount in INR)

29 Employee Benefits *(Continued)*

(ii) Defined Benefit Plan: Gratuity *(Continued)*

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2018	31 March 2017
Discount rate	7.70%	7.30%
Salary escalation rate	6.00%	6.00%
Withdrawal rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018	
	Increase	Decrease
Discount rate (0.5% movement)	854,286	988,779
Future salary growth (0.5% movement)	989,615	853,019
Withdrawal rate (10% movement)	921,710	914,293

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

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(Amount in INR)

29 Employee Benefits *(Continued)*

(ii) Defined Benefit Plan: Gratuity *(Continued)*

C. Defined benefit obligations *(Continued)*

iii. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2018 were as follows

Expected contribution

Expected future benefit payments	
Year 1	16,300
Year 2	38,798
Year 3	45,250
Year 4	43,668
Year 5	39,203
Year 6 to Year 10	219,599

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29 Employee Benefits *(Continued)*

(iii) Defined Benefit Plan: Leave Encashment

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the leave encashment and the amounts recognised in the Company's financial statements as at balance sheet date:

	31 March 2018	31 March 2017
Defined benefit obligation	868,786	1,458,183
Fair value of plan assets	-	-
Net defined benefit obligation	(868,786)	(1,458,183)

A. Movement in net defined benefit (asset) liability

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components

	Defined benefit obligation		Fair value of plan assets		Net defined benefit (asset) liability	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Opening balance	1,458,183	2,436,556	-	-	1,458,183	2,436,556
Current service cost	379,356	402,636	-	-	379,356	402,636
Past service cost	-	-	-	-	-	-
Interest cost	103,421	182,374	-	-	103,421	182,374
	1,940,960	3,021,566	-	-	1,940,960	3,021,566
Included in OCI	-	-	-	-	-	-
Demographic assumptions	-	-	-	-	-	-
Financial assumptions	(43,884)	56,842	-	-	(43,884)	56,842
Experience adjustment	257,991	(148,326)	-	-	257,991	(148,326)
	214,107	(91,484)	-	-	214,107	(91,484)
Other						
Benefits paid	(1,286,281)	(1,471,899)	-	-	(1,286,281)	(1,471,899)
Closing balance	(1,072,174)	(1,563,383)	-	-	(1,072,174)	(1,563,383)
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					868,786	1,458,183
					868,786	1,458,183

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(Amount in INR)

29 Employee Benefits *(Continued)*

(iii) Defined Benefit Plan: Leave Encashment *(Continued)*

B. Plan assets

The defined benefit plan for leave encashment is unfunded.

C. Defined benefit obligations

i. Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	31 March 2018	31 March 2017
Discount rate	7.70%	7.30%
Salary escalation rate	6.00%	6.00%
Leave availment rate	1.25% p.a.	1.25% p.a.
Withdrawal rate	5% at younger ages reducing to 1% at older ages	5% at younger ages reducing to 1% at older ages

ii. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	31 March 2018	
	Increase	Decrease
Discount rate (0.5% movement)	818,523	924,191
Future salary growth (0.5% movement)	924,847	817,525

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

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Notes to the financial statements *(Continued)*
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29 Employee Benefits *(Continued)*

(iii) Defined Benefit Plan: Leave Encashment *(Continued)*

C. Defined benefit obligations *(Continued)*

iii. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2018 were as follows

Expected contribution

Expected future benefit payments	
2019	59,669
2020	60,028
2021	60,399
2022	55,964
2023	51,856
2024 - 2028	273,514

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30 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	Carrying amount					Fair value			
31 March 2018	**FVTPL**	**FVTOCI**	**Other financial assets-amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value									
Non-current investments	22,619,883	-	-	-	22,619,883	-	-	22,619,883	22,619,883
Long-term loans and advances	4,669,083	-	-	-	4,669,083	-	-	4,669,083	4,669,083
Financial assets not measured at fair value *									
Non-current investments (investment in LLP)	-	-	20,599,000	-	20,599,000				
Trade and other receivables	-	-	16,404,989	-	16,404,989	-	-	-	-
Cash and cash equivalents	-	-	32,807,541	-	32,807,541	-	-	-	-
Loans		-	22,580	-	22,580	-	-	-	-
Other current financial assets	-	-	8,391,992	-	8,391,992	-	-	-	-
	27,288,967	-	78,226,102	-	105,515,068	-	-	27,288,967	27,288,967
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	9,996,918	9,996,918	-	-	-	-
Short term provisions	-	-	-	128,398	128,398	-	-	-	-
	-	-	-	10,125,316	10,125,316	-	-	-	-

	Carrying amount					Fair value			
31 March 2017	**FVTPL**	**FVTOCI**	**Other financial assets-amortised cost**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value									
Non-current investments	36,656,776	-	-	-	36,656,776	-	-	36,656,776	36,656,776
Long-term loans and advances	6,161,826	-	-	-	6,161,826	-	-	6,161,826	6,161,826
Financial assets not measured at fair value									
Trade and other receivables	-	-	19,980,704	-	19,980,704	-	-	-	-
Cash and cash equivalents	-	-	18,643,717	-	18,643,717	-	-	-	-
Loans		-	41,091	-	41,091	-	-	-	-
Other current financial assets	-	-	1,851,038	-	1,851,038	-	-	-	-
	42,818,601	-	40,516,550	-	83,335,151	-	-	42,818,601	42,818,601
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	15,629,003	15,629,003	-	-	-	-
Short term provisions	-	-	-	95,145	95,145	-	-	-	-
	-	-	-	15,724,148	15,724,148	-	-	-	-

* The Company has not disclosed the fair values of financial instruments such as Trade and other receivables and Trade and other payables because their carrying amounts are a reasonable

(Amount in INR)

30 Financial instruments – Fair values and risk management *(Continued)*

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique
Non- current investment	This investment relates to investment in units of Peninsula Brookfield India Real Estate Fund. The said investment is valued on the basis of Net asset value. Net asset value is derived by deducting fair value of assets from liabilities of the fund. Such value is used to calculate NAV applicable to each unit in the fund.
Long-term loans and advances	This loan relates to zero coupon loan given to Peninsula Brookfield Employee Benefit Trust. The same is fair valued using effective interest rate method @15% p.a. over the period of loan and disbursal of the loan.

C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

The Company's Board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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30 Financial instruments – Fair values and risk management *(Continued)*

ii Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

The carrying amount of following financial assets represents the maximum credit exposure:

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Impairment

The ageing of trade and other receivables that were not impaired was as follows.

	Carrying amount (in INR)	
	March 31, 2018	March 31, 2017
Neither past due nor impaired		
Past due 1–30 days	**7,520,434**	9,359,909
Past due 31–90 days	**156,148**	6,932,061
Past due 91–120 days	**8,728,406**	3,688,734
	16,404,989	19,980,704

Management believes that the unimpaired amounts that are past due by more than 60 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk, including assurance from distributor's for collection of the amounts receivable.

Based on managements assessment of the trade receivables, the Company expects to receive/recover all the amounts.

Cash and cash equivalents

The Company held cash and cash equivalents of INR 32,807,541 at 31 March 2018 (31 March 2017: Rs. 18,643,717). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings

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Chartered Accountants

(Amount in INR)

30 Financial instruments – Fair values and risk management *(Continued)*

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. Besides this the Company can call for capital if required.

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

		Contractual cash flows				
31 March 2018	**Carrying amount**	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Trade and other payables	9,996,918	9,996,918	9,996,918	-	-	-
Other current financial liabilities	128,398	128,398	-	128,398	-	-

		Contractual cash flows				
31 March 2017	**Carrying amount**	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
INR						
Non-derivative financial liabilities						
Trade and other payables	15,629,003	15,629,003	15,629,003	-	-	-
Other current financial liabilities	95,145	95,145	-	95,145	-	-

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(Amount in INR)

30 Financial instruments – Fair values and risk management *(Continued)*

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments.Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Company does not have exposure to market risk and therefore, the changes in market risk will not impact profit or loss.

v. Currency risk

The functional currency of the Company is Indian Rupee. The Company does not exposure to currency risk and therefore, the changes in currency risk will not impact profit or loss.

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PenBrook Capital Advisors Private Limited
(formerly known as Peninsula Brookfield Investment Managers Private Limited)

Notes to the financial statements *(Continued)*
for the year ended 31 March 2018

(Amount in INR)

30 Financial instruments – Fair values and risk management *(Continued)*

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Company does not have exposure in investment in fixed or floating rate instrument, hence the interest risk will not have impact on the profit or loss.
The Company does not have any additional impact on equity other than the impact on retained earnings.

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31. Operating segments

Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available.

The Company operates in only one business and geographical segment viz. providing fund management services to Peninsula Brookfield Real Estate Fund and all of its operations are in India. Accordingly, the financial statements are reflective of the information required by IND AS 108 Operating segments.

32. Contingent Liability and capital commitment

There is no capital commitment as at 31 March 2018 (31 March 2017: Rs. Nil). The Company has commitment of unpaid call on it's Investment in funds amounting to Rs.3,000,000 as at 31 March 2018 (31 March 2017: Rs. 3,000,000).

The Company has assessed its obligations arising in the normal course of business, including pending litigations, proceedings pending with tax authorities and other contracts including derivative and long term contracts. Based on such assessment, the Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

33. Due to Micro and small suppliers

As per the information available with the Company, there are no micro, small and medium enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues at any time during the year and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors of the Company.

34. Deferral of fee on investment

The Fund is in process of recovery of the amount invested in ITCL Ansal Hi Tech Townships Limited along with the interest thereon. In order to provide relief to the investors, the Company has taken a decision to defer fee (management fee as well as advisory fee) on the amount invested from 1 January 2018 onwards, till such time the recovery has been made. Accordingly, in light of uncertainty on income, the said revenue is not recognized in the financial statements.

(Amount in INR)

35. Subsequent events

The Company has evaluated subsequent events, as defined under IND AS 10 “Events after the reporting period” through 21 May 2018 and no material subsequent event have been identified.

As per our report of even date attached.

For **B S R & Associates LLP**
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
Date: 21-05-2018

For and on behalf of the Board of Directors of
PenBrook Capital Advisors Private Limited
(formerly known as Peninsula Brookfield Investment Managers Private Limited)
CIN : U67190MH2011PTC224167

Rajeev Piramal
Director
DIN : 00044983

Sridhar Rengan
Director
DIN : 03139082

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
Date: 21-05-2018