B S R & Associates LLP

Chartered Accountants

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

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

Independent Auditor's Report

To the Members of PenBrook Capital Advisors Private Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of PenBrook Capital Advisors Private Limited (hereinafter referred to as the "Holding Company") and its subsidiary "PenBrook Investment Manager LLP" (Holding Company and its subsidiary together referred to as the "Group"), which comprise the Consolidated balance sheet as at 31 March 2019, and the Consolidated statement of profit and loss (including other comprehensive income) , Consolidated statement of changes in equity and Consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at 31 March 2019, of its consolidated loss and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Other Information

The Holding Company's management and Board of Directors are responsible for the other information.

The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. The Director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report ***(Continued)***

PenBrook Capital Advisors Private Limited

Other Information ***(Continued)***

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective management and Board of Directors of the entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the entities included in the Group are responsible for assessing the ability of each company 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 entity or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Holding Company and management of the subsidiary is responsible for overseeing the financial reporting process of each entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report ***(Continued)***

PenBrook Capital Advisors Private Limited

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements ***(Continued)***

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Holding Company and subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities.

We communicate with those charged with governance of the Holding Company and the subsidiary included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

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

Independent Auditor's Report ***(Continued)***

PenBrook Capital Advisors Private Limited

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    c) The Consolidated balance sheet, the Consolidated statement of profit and loss (including other comprehensive income), the Consolidated statement of changes in equity and the Consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company, none of the directors of the Holding Company is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act; and

    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)).

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

    i. There were no pending litigations as at 31 March 2019 which would impact the consolidated financial position of the Group;

    ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019; and

    iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended 31 March 2019.

3. With respect to the matter to be included in the Auditor's report under section 197(16):

    In our opinion and according to the information and explanations given to us, section 197 is not applicable to the Holding Company and its subsidiary.

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

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
20 May 2019

PenBrook Capital Advisors Private Limited

Consolidated balance sheet

as at 31 March 2019

(Amount in INR)

Particulars	Notes	31 March 2019	31 March 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	**1,66,550**	1,89,827
Other intangible assets	5	-	68,935
Financial assets			
- Investments	6	**1,67,00,510**	2,26,19,883
- Loans and advances	7	**52,98,609**	46,69,083
Deferred tax assets (net)	25	**4,82,24,032**	6,37,95,816
Other non-current assets	8	**2,61,391**	8,90,917
Total non-current assets		**7,06,51,092**	9,22,34,461
Current assets			
Financial assets			
- Trade receivables	9	**1,07,24,937**	1,64,04,989
- Cash and cash equivalents	10	**4,84,86,789**	5,34,72,117
- Loans and advances	11	**34,967**	22,580
- Other financial assets	12	**46,75,688**	80,13,614
Current tax assets (net)	13	**1,06,40,832**	1,00,51,127
Other current assets	14	**1,770**	-
Total current assets		**7,45,64,983**	8,79,64,427
TOTAL ASSETS		**14,52,16,075**	18,01,98,888
EQUITY AND LIABILITIES			
Equity			
Share capital	15	**33,28,75,600**	33,28,75,600
Other equity		**(20,74,95,501)**	(17,03,89,864)
Equity attributable to equity holders of the company		**12,53,80,099**	16,24,85,736
Non Controlling Interest	16	**1,000**	1,000
Total equity		**12,53,81,099**	16,24,86,736
Non-current liabilities			
Long tern provisions	17	**13,13,925**	17,10,969
Total non current liabilities		**13,13,925**	17,10,969
Current liabilities			
Financial liabilities			
Trade and other payables	18		
- Total oustanding dues of micro and small enterprises		**20,300**	-
- Total oustanding dues of creditors other than micro and small enterprises		**1,39,79,992**	1,00,15,424
Other current liabilities	19	**31,87,384**	57,81,392
Provisions	20	**13,33,375**	2,04,367
Total current liabilities		**1,85,21,051**	1,60,01,183
Total liabilities		**1,98,34,976**	1,77,12,152
TOTAL EQUITY AND LIABILITIES		**14,52,16,075**	18,01,98,888

The accompanying notes referred to above form an integral part of the consolidated 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
20 May 2019

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

Rajeev Piramal
Managing Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Chetan Desai
Director
DIN No: 03595319

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
20 May 2019

PenBrook Capital Advisors Private Limited

Consolidated statement of profit and loss

for the year ended 31 March 2019

(Amount in INR)

Particulars	*Notes*	31 March 2019	31 March 2018
Incomes			
Revenue from operations	21	**2,87,86,217**	7,98,40,028
Other income	22	43,47,773	59,84,001
Total income		3,31,33,990	8,58,24,029
Expenses			
Employee benefits expenses	23	**2,35,86,394**	2,77,89,292
Depreciation and amortization expenses	4	**1,30,279**	1,22,149
Other expenses	24	3,04,35,216	3,74,08,637
Total expenses		**5,41,51,889**	6,53,20,079
(Loss) / profit before tax		**(2,10,17,900)**	2,05,03,950
Tax expense:	25		
Current tax		**1,57,010**	41,80,512
Excess provision written back		**(37,043)**	-
Deferred tax charge		1,60,10,594	33,70,040
(Loss) / profit for the year		**(3,71,48,461)**	1,29,53,398
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit (asset)/liability (net)		42,824	(8,09,706)
Total other comprehensive income/(loss), net of tax		**42,824**	(8,09,706)
Total comprehensive (loss) / income for the year		(3,71,05,637)	1,21,43,692
Earnings per equity share of par value Rs.10 each	26		
Basic		(1,238.28)	431.78
Diluted		(1,238.28)	3.87

The accompanying notes referred to above form an integral part of the consolidated 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
20 May 2019

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

Rajeev Piramal
Managing Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Chetan Desai
Director
DIN No: 03595319

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
20 May 2019

PenBrook Capital Advisors Private Limited

Consolidated statement of changes in equity

for the year ended 31 March 2019

(Amount in INR)

Particulars	Equity Share Capital	Reserves and Surplus Retained Earnings	Items of OCI Other Items of OCI	Total equity attributable to equity holders of the company
Changes in equity for the year ended 31 March 2018				
Balance as at 1 April 2017	33,28,75,600	(18,17,42,805)	(7,90,750)	(18,25,33,555)
Profit for the year	-	1,29,53,398	-	1,29,53,398
Other comprehensive income / (loss) for the year				
Remeasurement of defined benefit plan	-	-	(8,09,706)	(8,09,706)
Total comprehensive income / (loss) for the year	-	1,29,53,398	(8,09,706)	1,21,43,692
Balance as at 31 March 2018	33,28,75,600	(16,87,89,407)	(16,00,456)	(17,03,89,863)
Changes in equity for the year ended 31 March 2019				
Balance as at 1 April 2018	**33,28,75,600**	**(16,87,89,407)**	**(16,00,456)**	**(17,03,89,863)**
Loss for the year	-	**(3,71,48,461)**	-	**(3,71,48,461)**
Other comprehensive income / (loss) for the year				
Remeasurement of defined benefit plan	-	-	**42,824**	**42,824**
Total comprehensive income / (loss) for the year	-	**(3,71,48,461)**	**42,824**	**(3,71,05,637)**
Balance as at 31 March 2019	**33,28,75,600**	**(20,59,37,868)**	**(15,57,632)**	**(20,74,95,500)**

The accompanying notes referred to above form an integral part of the consolidated 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
20 May 2019

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

Rajeev Piramal
Managing Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Chetan Desai
Director
DIN No: 03595319

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
20 May 2019

PenBrook Capital Advisors Private Limited

Consolidated statement of cash flows

for the year ended 31 March 2019

(Amount in INR)

Particulars	31 March 2019	31 March 2018
Cash flow from operating activities		
Profit / (Loss) before tax	**(2,10,17,900)**	2,05,03,950
Adjustments for		
Remeasurement of defined benefit plans	**(3,95,987)**	(5,80,662)
Financial asset at FVTPL - net change in fair value	**39,19,812**	23,70,285
Depreciation, amortisation and writeoff	**1,99,214**	1,22,149
Interest income	**(24,19,668)**	(8,99,266)
	(1,97,14,528)	2,15,16,456
Working capital adjustments		
(Increase)/decrease in trade and other receivables	**56,80,052**	35,75,715
(Decrease)/increase in trade and other payables	**21,22,824**	(25,84,090)
(Increase)/decrease in loans and advances	**32,72,204**	41,13,762
	1,10,75,079	51,05,387
Income tax paid (net of income tax refund)	**(6,58,108)**	(41,70,847)
Net cash flows generated from operating activities	**(92,97,556)**	2,24,50,995
Cash flow from investing activities		
Purchase of property, plant and equipment	**(1,07,000)**	(1,89,469)
Investment made / redeemed		
- Units in alternative investment fund at FVTPL	**19,99,560**	1,16,66,607
Interest received	**24,19,668**	8,99,267
Net cash flows used in investing activities	**43,12,228**	1,23,76,405
Cash flow from financing activities		
Proceeds from issue of share capital	-	1,000
Net cash flows from financing activities	-	1,000
Net increase/(decrease) in cash and cash equivalents	**(49,85,328)**	3,48,28,400
Cash and cash equivalents at the beginning of the year	**5,34,72,117**	1,86,43,717
Cash and cash equivalents at the end of the year	**4,84,86,789**	5,34,72,117
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and bank balances as per balance sheet [Note 10]	**4,84,86,789**	5,34,72,117
Cash and cash equivalents as at the year end	**4,84,86,789**	5,34,72,117

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

The accompanying notes referred to above form an integral part of the consolidated 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
20 May 2019

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

Rajeev Piramal
Managing Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Chetan Desai
Director
DIN No: 03595319

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
20 May 2019

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. During the year the company has also been appointed as investment manager for India Infrastructure Trust. These consolidated financial statements comprise the Company and its subsidiary (referred to collectively as the 'Group').

The Company has invested into Limited Liability Partnership, i.e. PenBrook Investment Manager LLP ("PBIMLLP") (the Company and the PBIMLLP collectively hereinafter will be referred to the "Group") which was incorporated on 09 September 2017 and the operations of PBIMLLP have not yet commenced. The Company has a 100% profit ratio in the profits of the Limited Liability Partnership pursuant to the partnership agreement.

2. Basis of preparation

2.1. *Statement of compliance*

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 (the 'Act'), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Act (to the extent notified).

2.2. *Functional and presentation currency*

These consolidated 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.

2.3. *Current versus non-current classification*

The Group 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.

2. Basis of preparation *(Continued)*

2.3 Current versus non-current classification (Continued)

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 Group classifies all other liabilities as non-current.

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

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

2.4. 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

2.5. Use of estimates and judgements

In preparing these consolidated 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 consolidated financial statements for the year ended 31 March 2019 is included in the following notes:

Note 25 – 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.

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

2. Basis of preparation *(Continued)*

2.6. Measurement of fair values

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

The Group 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.

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 Group 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 Group 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:

Note 30 – Financial instruments.

3. Significant accounting policies

3.1. Basis of consolidation

i. Subsidiaries

Subsidiaries including PBIMLLP are entities controlled by the group. The group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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

3. Significant accounting policies *(Continued)*

3.1. Basis of consolidation (Continued)

ii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable asset at the date of acquisition.

Changes in the groups equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iii. Loss of control

When the group loses control over a subsidiary, it derecognizes the assets and liabilites of the subsidiary, and any related NCI and other components of equity.

Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in profit or loss.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with LLP are eliminated against the investment to the extent of the partner's interest in LLP. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment

3.2. Financial instruments

Investments and other financial assets

i. Classification

The Group 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 Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

3. Significant accounting policies *(Continued)*

3.2. Financial instruments (Continued)

ii. Measurement

At initial recognition, the Group 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 other 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 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 Group subsequently measures all equity investments at fair value. Where the Group'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 Group'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.

3. Significant accounting policies *(Continued)*

3.2. Financial instruments (Continued)

iii. Impairment of financial assets

The Group 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 Group 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.

3.3. 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 Group.

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).

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

3. Significant accounting policies *(Continued)*

3.4. Intangible assets

i. Recognition and measurement

Intangible assets including those acquired by the Group 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.

3.5. 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 Group'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 Group 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)*

3.6. 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 Group 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 Group'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 Group, 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 Group 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 Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.7. 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.

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

3. Significant accounting policies *(Continued)*

3.8. Revenue

Rendering of services

i. Management fees

Management fees (net of service tax/goods and 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 and carry fees

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

iv. Interest income

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

v. Income from investment

Income from investment is accounted in accordance with contribution agreement.

vi. Recovery of expense

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

vii. Capping fee

Capping fee is accounted in accordance with contribution agreement.

3.9. 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.

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

3. Significant accounting policies *(Continued)*

3.9. 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.

Group 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 Group 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.

3.10. 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 Group 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 Group prior to the end of the financials year which are unpaid.

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

(Amount in INR)

3. Significant accounting policies *(Continued)*

3.11. Lease payment

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group 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.

3.12. Recent accounting pronouncements

Ind AS 116: Leases replaces Ind AS 17 'Leases'. Ind AS 116 'Leases' is effective for annual periods beginning April 1, 2019 or thereafter and has not been applied in preparing these consolidated financial statements. The Group will apply Ind AS 116 from annual period beginning April 1, 2019. Ind AS 116 'Leases' sets out the principles for the recognition, measurement, presentation and disclosure of leases and require lessee to account for all lease under a single on-balance sheet model similar to accounting for finance lease. Lessee will be required to recognise a liability for lease payments and an asset representing the right to use the underlying asset during the lease term. Lessee will be required to separately recognise the interest expenses on the lease liability and the depreciation on the right to use the assets. The Group is evaluating the impact of these on the consolidated financial statements. However, as the Group does not have any material leases, therefore the adoption of this standard is not likely to have material impact on its consolidated financial statements.

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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2019

(Amount in INR)

4 Property, plant and equipment

Reconciliation of carrying amount	31 March 2019 Plant and equipment - computer	31 March 2019 Furniture and fixtures	31 March 2019 Office equipment	31 March 2019 Total	31 March 2018 Plant and equipment - computer	31 March 2018 Furniture and fixtures	31 March 2018 Office equipment	31 March 2018 Total
Cost or deemed cost (gross carrying amount)								
Opening balance	9,12,881	33,523	1,15,947	10,62,351	8,26,381	33,523	87,566	9,47,470
Additions	1,07,000	-	-	1,07,000	86,500	-	28,381	1,14,881
Disposals	-	-	-	-	-	-	-	-
Closing balance	10,19,881	33,523	1,15,947	11,69,351	9,12,881	33,523	1,15,947	10,62,351
Accumulated depreciation								
Opening balance	7,66,614	19,308	86,601	8,72,523	6,85,934	16,662	53,432	7,56,028
Depreciation for the year	1,10,956	2,646	16,676	1,30,278	80,680	2,646	33,170	1,16,495
Eliminated on disposal	-	-	-	-	-	-	-	-
Closing balance	8,77,570	21,954	1,03,277	10,02,801	7,66,614	19,308	86,601	8,72,524
Carring amount (net)	1,42,311	11,569	12,670	1,66,550	1,46,267	14,215	29,345	1,89,827

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2019

(Amount in INR)

5 Other intangible assets

Reconciliation of carrying amount	31 March 2019 Computer Software	Total	31 March 2018 Computer Software	Total
Cost or deemed cost (gross carrying amount)				
Opening balance	1,93,240	1,93,240	1,18,651	1,18,651
Additions	-	-	74,589	74,589
Disposals	(83,437)	(83,437)		-
Closing balance	1,09,803	1,09,803	1,93,240	1,93,240
Accumulated depreciation				
Opening balance	1,24,305	1,24,305	1,18,651	1,18,651
Amortisation for the year	-	-	5,654	5,654
Eliminated on disposal	(14,502)	(14,502)		
Closing balance	1,09,803	1,09,803	1,24,305	1,24,305
Carring amount (Net)	-	-	68,935	68,935

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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2019

(Amount in INR)

		31 March 2019	31 March 2018
6	**Investments**		
	Non current investments		
	Units in Alternative Investment Fund at FVTPL		
	133.6718 (Previous year: 149.6682) class A units of Rs. 1,00,000 each in Peninsula Brookfield India Real Estate Fund	1,27,92,591	1,73,26,830
	40.8343 (Previous year: 45.5134) class B units of Rs. 1,00,000 each in Peninsula Brookfield India Real Estate Fund	39,07,919	52,93,053
		1,67,00,510	2,26,19,883
7	**Loans and advances**		
	Unsecured, considered good		
	Interest free loan to Peninsula Brookfield Employee Benefit Trust	52,98,609	46,69,083
		52,98,609	46,69,083
8	**Other non-current assets**		
	Others	2,61,391	8,90,917
		2,61,391	8,90,917
9	**Trade receivables**		
	Unsecured, considered good (refer note 27)	1,07,24,937	1,64,04,989
		1,07,24,937	1,64,04,989
10	**Cash and cash equivalents**		
	Balance with banks:		
	(i) In current account	2,46,16,005	2,59,66,517
	(ii) In deposit account (original maturity less than three months)	2,38,50,000	2,75,00,000
	Cash in hand	20,784	5,600
		4,84,86,789	5,34,72,117
11	**Loans and advances**		
	Advance to staff	34,967	22,580
		34,967	22,580
12	**Other financial assets**		
	Interest accrued on investments and deposits	5,66,810	26,57,603
	Amounts recoverable for expenses (refer note 27)	29,72,938	50,40,159
	Others	11,35,940	3,15,852
		46,75,688	80,13,614
13	**Current tax assets (net)**		
	Advance payment of income tax (net of provision for tax Rs. 90,03,978; 31 March 2018: Rs. 88,84,010)	1,05,89,268	1,00,51,127
	GST input credit	51,564	-
		1,06,40,832	1,00,51,127
14	**Other current assets**		
	Others	1,770	-
		1,770	-

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

Notes to the consolidated financial statements *(Continued)*

as at 31 March 2019

(Amount in INR)

		31 March 2019	31 March 2018
15	**Share capital**		
a	**Authorised:**		
	50,000 (previous year: 50,000) equity shares (Class A, B and C) of Rs.10 each	**5,00,000**	5,00,000
	36,57,500 (previous year: 36,57,500) 0.01% cumulative compulsory convertible preference shares of Rs.100 each	**36,57,50,000**	36,57,50,000
		36,62,50,000	36,62,50,000
b	**Issued, subscribed and paid up:**		
	30,000 (previous year: 30,000) equity shares (Class A, B and C) of Rs.10 each	**3,00,000**	3,00,000
	33,25,756 (previous year: 33,25,756) 0.01% cumulative compulsory convertible preference shares of Rs.100 each	**33,25,75,600**	33,25,75,600
		33,28,75,600	33,28,75,600

c There has been no change in the number of equity shares and CCPS issued, subscribed and paidup 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.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential amounts.

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

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2019

(Amount in INR)

15 Share capital *(Continued)*

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

	31 March 2019		31 March 2018	
Equity shares	**No. of Shares**	**Amount**	No. of Shares	Amount
Peninsula Investment Management Company Limited	**14,900**	**1,49,000**	14,900	1,49,000
BPG India LLC	**600**	**6,000**	600	6,000
Brookfield Capital Partners (Bermuda) Ltd	**14,300**	**1,43,000**	14,300	1,43,000

Cumulative Compulsorily Convertible Preference Shares	**No. of Shares**	**Amount**	No. of Shares	Amount
Peninsula Investment Management Company Limited	**16,62,878**	**16,62,87,800**	16,62,878	16,62,87,800
Brookfield Capital Partners (Bermuda) Ltd	**16,62,878**	**16,62,87,800**	16,62,878	16,62,87,800

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

Equity shares	**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%

	31 March 2019		31 March 2018	
Cumulative Compulsorily Convertible Preference Shares	**No. of Shares**	**No of shares (%)**	No. of Shares	No of shares (%)
Peninsula Investment Management Company Limited	**16,62,878**	**50.00%**	16,62,878	50.00%
Brookfield Capital Partners (Bermuda) Ltd	**16,62,878**	**50.00%**	16,62,878	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.

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

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2019

(Amount in INR)

		31 March 2019	31 March 2018
16	**Non-controlling interest (NCI)**		
	NCI in Penbrook Investment Managers LLP	**1,000**	1,000
		1,000	1,000
17	**Long term provisions**		
	Provision for employee benefits		
	- Compensated absences	**5,90,073**	8,09,117
	- Gratuity	**7,23,852**	9,01,852
		13,13,925	17,10,969
18	**Trade payables**		
	Total oustanding dues of micro and small enterprises (refer note 33)	**20,300**	-
	Total oustanding dues of creditors other than micro and small enterprises	**1,39,79,992**	1,00,15,424
		1,40,00,292	1,00,15,424
19	**Other current liabilities**		
	Statutory dues payables	**31,87,384**	57,81,392
		31,87,384	57,81,392
20	**Provisions**		
	Provision for employee benefits		
	- Compensated absences	**5,25,332**	59,669
	- Gratuity	**6,46,382**	16,300
	Provision for dividend on CCPS	**1,61,661**	1,28,398
		13,33,375	2,04,367

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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

		31 March 2019	31 March 2018
21	**Revenue from operations**		
	Management fee	**1,26,88,726**	3,34,32,438
	Advisory fee	**1,88,911**	71,96,478
	Professional fee	-	4,95,000
	Carry fee	-	24,83,297
	Capping fee (Refer note 3.8 (vii))	-	38,68,959
	Recovery of expenses (Refer note 3.8 (vi))	**1,59,08,580**	3,23,63,856
		2,87,86,217	7,98,40,028
22	**Other income**		
	Income from investment	**5,60,709**	43,77,476
	Interest on:		
	- Deposits with bank	**24,19,668**	8,99,267
	- Income tax refunds	**7,37,870**	-
	- Loan to Peninsula Brookfield Employee Benefit Trust	**6,29,526**	7,07,258
		43,47,773	59,84,001
23	**Employee benefits expenses**		
	Salaries, bonus and wages	**2,20,65,795**	2,68,13,986
	Contribution to provident and other funds	**8,83,965**	4,36,068
	Staff welfare expenses	**6,36,635**	5,39,238
		2,35,86,394	2,77,89,292
24	**Other expenses**		
	Payment to auditors		
	- Audit fees	**2,50,000**	4,60,524
	- Reimbursement of expenses	**8,000**	8,636
	Travelling and conveyance	**23,53,811**	36,39,371
	Legal and professional charges	**1,81,65,914**	2,36,35,571
	Printing and stationery expenses	**1,29,076**	6,03,134
	Interest expense on loan to Peninsula Brookfield Employee Benefit Trust	**6,29,526**	7,07,258
	Financial asset at FVTPL - net change in fair value	**39,19,812**	23,70,285
	Office expenses	**24,52,420**	24,27,206
	Expense on investment income	**2,94,212**	5,83,030
	Service tax credit written off	-	14,33,764
	Miscellaneous expenses	**22,32,446**	15,39,858
		3,04,35,216	3,74,08,637

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

25 Income tax

Movement in Deferred Tax Balances

Particulars	Net balance 1 April 2018	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2019	Deferred tax asset	Deferred tax liability
Depreciation on property, plant and equipment and intangible assets	4,152	19,942	-	24,095	24,095	-
Provision for employee benefits	(3,35,586)	5,88,280	4,38,811	6,91,505	6,91,505	-
Brought forward business loss and unabsorbed depreciation	6,36,06,931	(1,66,45,178)	-	4,69,61,753	4,69,61,753	-
Investment Fair value through profit & loss	6,59,413	(4,50,734)	-	2,08,679	2,08,679	-
Others	(1,39,094)	4,77,095	-	3,38,001	3,38,001	-
Deferred tax assets / (liabilities)	**6,37,95,816**	**(1,60,10,594)**	**4,38,811**	**4,82,24,032**	**4,82,24,032**	-

Particulars	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018	Deferred tax asset	Deferred tax liability
Depreciation on property, plant and equipment and intangible assets	(8,426)	12,578	-	4,152	4,152	-
Provision for employee benefits	16,01,101	(17,07,643)	(2,29,044)	(3,35,586)	-	(3,35,586)
Brought forward business loss and unabsorbed depreciation	6,62,99,172	(26,92,241)	-	6,36,06,931	6,36,06,931	-
Investment Fair value through profit & loss	-	6,59,413	-	6,59,413	6,59,413	-
Others	(4,96,947)	3,57,852	-	(1,39,094)	-	(1,39,094)
Deferred tax assets / (liabilities)	**6,73,94,900**	**(33,70,040)**	**(2,29,044)**	**6,37,95,816**	**6,42,70,496**	**(4,74,680)**

The Group 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 tax assets and liabilities and recoverability of deferred tax assets. The recoverability of deferred tax assets is based on estimates of taxable income in which the Group operates and the period over which deferred tax assets will be recovered. During the year the Group has recognised deferred tax asset on carried forward losses only to the extent of Rs. 4,69,61,753 as against Rs. 6,86,17,402. The Group 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.

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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

25 Income tax *(Continued)*

	31 March 2019	31 March 2018
(Loss) / Profit before tax	**(2,10,17,900)**	2,05,03,950
Tax using the Company's domestic tax rate [Current year 27.82% and Previous Year 25.75%]	-	53,51,985
Reduction in tax expense (due to applicability of MAT)	-	(11,14,283)
Increase in deferred tax charge due to reduction in tax rate		33,70,040
Reversal of deferred tax asset based on recoverability of future taxable income	**1,60,10,594**	-
Tax on subsidiary	**1,19,967**	57,817
Others	-	(1,15,007)
Effective tax rate	**1,61,30,561**	75,50,552

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.

Tax losses carried forward	**31 March 2019**	31 March 2018
Loss that expires	**24,65,20,215**	22,86,37,422
(Expiry date)	**(2021-2027)**	(2021-2024)
Loss that never expires	**1,27,529**	-

The Group has taxes losses that are available for offsetting for eight years against future taxable profits. Majority of losses expires in 2022-2023

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

26 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the company (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 for earnings per share are as follows.

		31 March 2019	31 March 2018
i.	(Loss) / Profit attributable to equity holders	**(3,71,48,461)**	1,29,53,398
	Provision for Dividend on Convertible preference shares	**33,258**	33,258
	(Loss) / Profit attributable to equity holders of the company	**(3,71,15,203)**	1,29,86,656
ii.	**Weighted average number of ordinary shares**		
	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	**33,25,756**	33,25,756
	Weighted average number of shares for diluted EPS	**33,55,756**	33,55,756
	Earnings per Share		
	Basic earnings per share (in Rs.)	**(1,238.28)**	431.78
	Diluted earnings per share (in Rs.)	**(1,238.28)**	3.87

*Potential equity shares are anti dilutive in nature and hence diluted EPS is same as basic EPS

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

(Amount in INR)

27 Related party relationships, transactions and balances

A List of related parties:

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
(iv) India Infrastructure Trust

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

d. Key management personnel
(i) Mr. Rajeev Ashok Piramal
(ii) Mr. Sridhar Rengan
(iii) Mr. Narendra Aneja (appointed from 31/07/2018)
(iv) Mr. Chetan Rameshchandra Desai (appointed from 31/07/2018)
(v) Ms. Sugandha Vaidya

e. Key management personnel of parent company
(i) Mrs. Urvi A. Piramal
(ii) Mr. Subhashchandra Madanlal Kashimpuria (resigned on 31/08/2017)
(iii) Mr. Mahesh Shrikrishna Gupta
(iv) Mr. Rajendar Kumar Rewari (resigned on 31/08/2017)
(v) Mr. Vijay Shankar (appointed from 31/08/2017)

		31 March 2019	31 March 2018
B	**Transactions during the year:**		
	Redemption of Units in Alternative Investment Fund		
	Peninsula Brookfield India Real Estate Fund	**19,99,560**	1,16,66,607
	Management fee		
	Peninsula Brookfield India Real Estate Fund	**86,88,726**	3,34,32,438
	India Infrastructure Trust	**40,00,000**	-
	Income from investment		
	Peninsula Brookfield India Real Estate Fund	**2,66,497**	43,77,476
	Capping fee		
	Peninsula Brookfield India Real Estate Fund	**-**	38,68,959
	Recovery of expenses		
	Peninsula Brookfield India Real Estate Fund	**73,63,333**	2,55,72,251
	PenBrook India Real Opportunities Fund	**-**	14,50,000
	Peninsula Land Limited	**6,17,144**	6,55,864
	India Infrastructure Trust	**21,99,789**	-
C	**Outstanding balances as at the year end:**		
	Units in Alternative Investment Fund at FVTPL		
	Peninsula Brookfield India Real Estate Fund	**1,67,00,510**	2,26,19,883
	Other financial assets		
	Interest accrued on investments		
	Peninsula Brookfield India Real Estate Fund	**5,21,988**	26,57,603
	Amounts recoverable		
	Peninsula Brookfield India Real Estate Fund	**6,02,685**	35,90,159
	PenBrook India Real Opportunities Fund	**14,50,000**	14,50,000
	Peninsula Land Limited	**9,20,253**	2,53,738
	India Infrastructure Trust	**66,95,772**	-

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

(Amount in INR)

28 Capital management

The Group'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 Group monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising trade payables and other liabilities less cash and cash equivalents.

The Group's adjusted net debt to equity ratio was as follows:

	31 March 2019	31 March 2018
Total liabilities	**1,98,34,976**	1,77,12,152
Less: Cash and cash equivalents	**4,84,86,789**	5,34,72,117
Adjusted net debt	**(2,86,51,813)**	(3,57,59,965)
Total equity	**12,53,81,099**	16,24,86,736
Adjusted net debt to adjusted equity ratio	**(0.23)**	(0.22)

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

(Amount in INR)

29 Employee Benefits

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

(i) Defined contribution plans:

Provident fund:

The Group 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 Group are at rates specified in the rules of the schemes.

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

	31 March 2019	31 March 2018
Contribution to provident and other funds	**8,83,965**	4,36,068

(ii) 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 Group's financial statements as at balance sheet date:

	31 March 2019	31 March 2018
Defined benefit obligation	**13,70,234**	9,18,152
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	**13,70,234**	9,18,152

(iii) Defined Benefit Plan: Gratuity

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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Opening balance	9,18,152	22,03,060	-	-	9,18,152	22,03,060
Current service cost	2,42,115	5,45,302	-	-	2,42,115	5,45,302
Past service cost	-	-	-	-	-	-
Interest cost	70,070	1,58,752	-	-	70,070	1,58,752
	12,30,337	**29,07,114**	-	-	**12,30,337**	**29,07,114**
Included in OCI						
Financial assumptions	(10,081)	(55,922)	-	-	(10,081)	(55,922)
Experience adjustment	1,49,978	4,22,477	-	-	1,49,978	4,22,477
	1,39,897	**3,66,555**	-	-	**1,39,897**	**3,66,555**
Other						
Benefits paid	-	(23,55,517)	-	-	-	(23,55,517)
Closing balance	**13,70,234**	**9,18,152**	-	-	**13,70,234**	**9,18,152**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					13,70,234	9,18,152

B. Plan assets

The defined benefit plan for gratuity is unfunded.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2019

(Amount in INR)

29 Employee Benefits *(Continued)*

(iii) 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 2019	31 March 2018
Discount rate	7.80%	7.70%
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 2019	
	Increase	Decrease
Discount rate (0.5% movement)	13,22,409	14,22,495
Future salary growth (0.5% movement)	14,23,163	13,21,412
Withdrawal rate (10% movement)	13,71,497	13,68,826

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.

iii. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2019 were as follows

Expected contribution

Expected future benefit payments

Year 1	16,094
Year 2	24,524
Year 3	25,011
Year 4	26,061
Year 5	30,482
Year 6 to Year 10	1,73,791

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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

29 Employee Benefits *(Continued)*

(iv) 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 Group's financial statements as at balance sheet date:

	31 March 2019	31 March 2018
Defined benefit obligation	**11,15,405**	8,68,786
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	**11,15,405**	8,68,786

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 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Opening balance	8,68,786	14,58,183	-	-	8,68,786	14,58,183
Current service cost	1,82,301	3,79,356	-	-	1,82,301	3,79,356
Past service cost	-	-	-	-	-	-
Interest cost	64,599	1,03,421	-	-	64,599	1,03,421
	11,15,686	**19,40,960**	-	-	**11,15,686**	**19,40,960**
Included in OCI						
Financial assumptions	(6,681)	(43,884)	-	-	(6,681)	(43,884)
Experience adjustment	2,62,771	2,57,991	-	-	2,62,771	2,57,991
	2,56,090	**2,14,107**	-	-	**2,56,090**	**2,14,107**
Other						
Benefits paid	**(2,56,371)**	**(12,86,281)**	-	-	(2,56,371)	(12,86,281)
Closing balance	**11,15,405**	**8,68,786**	-	-	**11,15,405**	**8,68,786**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					11,15,405	8,68,786

B. Plan assets

The defined benefit plan for gratuity 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 2019	31 March 2018
Discount rate	**7.80%**	7.70%
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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

29 Employee Benefits *(Continued)*

C. Defined benefit obligations *(Continued)*

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 2019	
	Increase	**Decrease**
Discount rate (0.5% movement)	**10,83,605**	**11,49,964**
Future salary growth (0.5% movement)	**11,50,404**	**10,82,940**

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.

iii. Expected future cash flows

The expected future cash flows in respect of gratuity as at March 31, 2019 were as follows

Expected contribution

Expected future benefit payments

Year 1	40,990
Year 2	82,355
Year 3	32,978
Year 4	33,728
Year 5	34,508
Year 6 to Year 10	1,85,280

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

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2019

(Amount in INR)

30 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

	Carrying amount					Fair value			
31 March 2019	**FVTPL**	**FVT OCI**	**Other financial assets- amortised**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value									
Non-current investments	1,67,00,510	-	-	-	1,67,00,510	-	-	1,67,00,510	1,67,00,510
Loans and advances	52,98,609	-	-	-	52,98,609	-	-	52,98,609	52,98,609
Financial assets not measured at fair value *									
Trade receivables	-	-	1,07,24,937	-	1,07,24,937	-	-	1,07,24,937	1,07,24,937
Cash and cash equivalents	-	-	4,84,86,789	-	4,84,86,789	-	-	4,84,86,789	4,84,86,789
Loans	-	-	34,967	-	34,967	-	-	34,967	34,967
Other current financial assets	-	-	46,75,688	-	46,75,688	-	-	46,75,688	46,75,688
	2,19,99,119	**-**	**6,39,22,381**	**-**	**8,59,21,501**	**-**	**-**	**8,59,21,501**	**8,59,21,501**
Financial liabilities not measured at fair value									
Trade payables	-	-	-	1,40,00,292	1,40,00,292	-	-	-	-
Short term provisions	-	-	-	1,61,661	1,61,661	-	-	-	-
	-	-	-	**1,41,61,953**	**1,41,61,953**	-	-	-	-

31 March 2018	**FVTPL**	**FVT OCI**	**Other financial assets- amortised**	**Other financial liabilities**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value									
Non-current investments	2,26,19,883	-	-	-	2,26,19,883	-	-	2,26,19,883	2,26,19,883
Loans and advances	46,69,083	-	-	-	46,69,083	-	-	46,69,083	46,69,083
Financial assets not measured at fair value *									
Trade receivables	-	-	1,64,04,989	-	1,64,04,989	-	-	1,64,04,989	1,64,04,989
Cash and cash equivalents	-	-	5,34,72,117	-	5,34,72,117	-	-	5,34,72,117	5,34,72,117
Loans	-	-	22,580	-	22,580	-	-	22,580	22,580
Other current financial assets	-	-	80,13,614	-	80,13,614	-	-	80,13,614	80,13,614
	2,72,88,967	**-**	**7,79,13,299**	**-**	**10,52,02,266**	**-**	**-**	**10,52,02,266**	**10,52,02,266**
Financial liabilities not measured at fair value									
Trade payables	-	-	-	1,00,15,424	1,00,15,424	-	-	-	-
Short term provisions	-	-	-	1,28,398	1,28,398	-	-	-	-
	-	-	-	**1,01,43,822**	**1,01,43,822**	-	-	-	-

* The Group has not disclosed the fair values of financial instruments such as trade receivables and trade payables because their carrying amounts are a reasonable approximation of fair value.

(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: It 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 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 Group has exposure to the following risks arising from financial instruments:
- Credit risk ;
- Liquidity risk ; and
- Market risk

i. Risk management framework

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

The Group's risk management policies are established to identify and analyse the risks faced by the Group, 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 Group's activities. The Group, 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.

ii Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group'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 Group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables and investments.

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

Trade receivables

The Group'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 industry.

Impairment

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

	Carrying amount (in INR)	
	March 31, 2019	**March 31, 2018**
Neither past due nor impaired		
Past due 1–30 days	87,02,972	75,20,434
Past due 31–90 days	-	1,56,148
Past due 91–120 days	-	87,28,406
Past due beyond 120 days	20,21,965	-
	1,07,24,937	**1,64,04,989**

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.

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

The Group held cash and cash equivalents of INR 4,84,86,789 at 31 March 2019 (31 March 2018: INR 5,34,72,117). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings

(Amount in INR)

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

iii Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 Group's reputation.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

			Contractual cash flows			
31 March 2019	**Carrying amount**	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	**1,40,00,292**	**1,40,00,292**	**1,40,00,292**	-	-	-

			Contractual cash flows			
31 March 2018	**Carrying amount**	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	1,00,15,424	1,00,15,424	1,00,15,424	-	-	-

Note: Dividend on CCPS which forms part of other current financial liabilities is not considered above under contractual liabilities since the same is payable on CCPS which forms part of the equity and does not carry liquidity risk

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

vi. 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.

The Group does not have any exposure in interest rate and hence changes will not have impact on profit or loss.

vii. Exposure to interest rate risk

The Group 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.

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

(Amount in INR)

31. Operating segments

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

32. Contingent liability and capital commitment

There is no contingent liabilities as at 31 March 2019 (31 March 2018: Rs. Nil). The Group has commitment of unpaid call on it's Investment in funds amounting to Rs.3,000,000 as at 31 March 2019 (31 March 2018: Rs. 3,000,000).

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

33. Due to Micro and small suppliers

	31 March 2019	31 March 2018
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	**20,300**	-
- Interest	-	-
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

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 Group. This has been relied upon by the statutory auditors of the Group.

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

(Amount in INR)

34. Deferral of fee on investment

The Company is Investment Manager of the Peninsula Brookfield Real Estate Fund (the 'Fund'). The Fund is in process of recovering the amount invested in Ansal Hi Tech Townships Limited and Elvera Realtors Private Limited. Considering the uncertainty involved on collectability, the Group has decided to defer recognition of the management fee and advisory fee income on such investments in line with Indian Accounting Standard (Ind AS) - 18 'Revenue'.

Details of income deferred is as under:

Particulars	31 March 2019	31 March 2018
Management Fee	**1,82,06,430**	30,59,983
Advisory Fee	**89,75,423**	17,38,171
Total	**2,71,81,853**	47,98,154

35. Subsequent events

The Group has evaluated subsequent events, as defined under IND AS 10 "Events after the reporting period" through 20 May 2019 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
20 May 2019

For and on behalf of the Board of Directors of PenBrook Capital Advisors Private Limited
CIN : U67190MH2011PTC224167

Rajeev Piramal
Managing Director
DIN : 00044983

Sridhar Rengan
Director
DIN : 03139082

Chetan Desai
Director
DIN: 03595319

Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai
20 May 2019