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 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 2021, 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 2021, of its consolidated loss and other comprehensive loss, 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.

Emphasis of matter

We draw attention to Note 1 in the consolidated financial statements, which states that the subsidiary has prepared its financial statements other than going concern basis. Our opinion is not modified in respect of this matter.

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.

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.

Independent Auditor's Report *(Continued)*

PenBrook Capital Advisors Private Limited

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.

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 2021 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 2021 from being appointed as a director in terms of Section 164(2) of the Act; and

   f) The Holding 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. The Group has disclosed the impact of pending litigations on its financial position in its consolidated financial statements – Refer Note 35 to the consolidated financial statements;

   ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021;

   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 2021; and

   iv. The disclosures in the standalone 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 in these standalone financial statements since they do not pertain to the financial year ended 31 March 2021.

Independent Auditor's Report *(Continued)*

PenBrook Capital Advisors Private Limited

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

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. 116231 W/W-100024

NITESH RAGHURAM SHETTY Digitally signed by NITESH RAGHURAM SHETTY Date: 2021.06.11 19:05:57 +05'30'

Nitesh Shetty
Partner
Membership No. 123493
UDIN: 21123493AAAAAO9828

Mumbai
11 June 2021

PenBrook Capital Advisors Private Limited

Consolidated balance sheet
as at 31 March 2021

(Amount in INR)

Particulars	Notes	31 March 2021	31 March 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	**1,08,331**	1,92,865
Right to use asset	5	**6,65,768**	-
Other intangible assets	6	**-**	-
Financial assets			
- Investments	7	**48,02,611**	87,07,522
- Loans and advances	8	**7,46,513**	8,30,433
Deferred tax assets (net)	27	**-**	54,240
Other non-current assets	9	**2,42,842**	-
Total non-current assets		**65,66,065**	97,85,060
Current assets			
Financial assets			
- Trade receivables	10	**24,39,757**	34,37,713
- Cash and cash equivalents	11	**3,30,50,385**	5,05,49,858
- Loans and advances	12	**38,609**	38,609
- Other financial assets	13	**16,89,972**	35,96,581
Current tax assets (net)	14	**94,38,845**	1,30,29,049
Other current assets	15	**1,63,880**	2,58,905
Total current assets		**4,68,21,448**	7,09,10,715
TOTAL ASSETS		**5,33,87,513**	8,06,95,775
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**33,28,75,600**	33,28,75,600
Other equity		**(28,82,75,330)**	(26,28,35,979)
Equity attributable to equity holders of the company		**4,46,00,270**	7,00,39,621
Non controlling interest		**1,000**	1,000
Total equity		**4,46,01,270**	7,00,40,621
Non-current liabilities			
Financial liabilities			
- Lease liabilities	17	**1,83,555**	-
Long term provisions	18	**26,83,038**	18,59,596
Total non current liabilities		**28,66,593**	18,59,596
Current liabilities			
Financial liabilities	17	**4,66,573**	-
Trade payables	19		
- Total outstanding dues of micro and small enterprises		**19,336**	18,900
- Total outstanding dues of creditors other than micro and small enterprises		**31,18,716**	71,38,399
Other current liabilities	20	**20,09,912**	13,81,450
Provisions	21	**3,05,113**	2,56,809
Total current liabilities		**59,19,650**	87,95,558
Total liabilities		**87,86,243**	1,06,55,154
TOTAL EQUITY AND LIABILITIES		**5,33,87,513**	8,06,95,775

The accompanying explanatory notes 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

NITESH RAGHURAM SHETTY Digitally signed by NITESH RAGHURAM SHETTY Date: 2021.06.11 18:59:01 +05'30'

Nitesh Shetty
Partner
Membership No: 123493

Mumbai

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

RAJEEV ASHOK PIRAMAL Digitally signed by RAJEEV ASHOK PIRAMAL Date: 2021.06.11 12:23:45 +05'30'

Rajeev Piramal
Director
DIN: 00044983

SRIDHAR RENGAN Digitally signed by SRIDHAR RENGAN Date: 2021.06.11 13:01:56 +05'30'

Sridhar Rengan
Director
DIN: 03139082

CS NIKITA DAHAT Digitally signed by CS NIKITA DAHAT DN: cn=CS NIKITA DAHAT, o, ou, email=nikitadahat549@gmail.com, c=IN Date: 2021.06.11 11:24:13 +05'30'

Nikita Dahat
Company Secretary
ACS: 55045

Mumbai

PenBrook Capital Advisors Private Limited

Consolidated statement of profit and loss

for the year ended 31 March 2021

(Amount in INR)

Particulars	*Notes*	**31 March 2021**	31 March 2020
Income			
Revenue from operations	*22*	**37,30,402**	2,72,60,934
Other income	*23*	**33,18,081**	2,27,84,772
Total income		**70,48,483**	5,00,45,706
Expenses			
Employee benefits expenses	*24*	**2,37,50,954**	2,85,13,096
Finance cost	*25*	**1,38,633**	-
Depreciation and amortization expenses	*4 & 5*	**2,80,349**	1,08,132
Other expenses	*26*	**81,38,495**	2,75,83,795
Total expenses		**3,23,08,431**	5,62,05,023
Loss before tax		**(2,52,59,948)**	(61,59,317)
Tax expense:	*27*		
Current tax		**-**	-
Short provision for prior years		**-**	10,60,441
Deferred tax charge		**54,240**	4,75,69,439
Loss for the year		**(2,53,14,188)**	(5,47,89,197)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability (net)		**(1,25,163)**	(5,51,281)
Total other comprehensive income, net of tax		**(1,25,163)**	(5,51,281)
Total comprehensive loss for the year		**(2,54,39,351)**	(5,53,40,478)
Earnings per equity share of par value Rs.10 each	*28*		
Basic		**(843.81)**	(1,826.31)
Diluted		**(843.81)**	(1,826.31)

The accompanying explanatory notes 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

NITESH RAGHURAM SHETTY Digitally signed by NITESH RAGHURAM SHETTY Date: 2021.06.11 18:59:31 +05'30'

Nitesh Shetty
Partner
Membership No: 123493

Mumbai

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

RAJEEV ASHOK PIRAMAL Digitally signed by RAJEEV ASHOK PIRAMAL Date: 2021.06.11 12:24:26 +05'30'

Rajeev Piramal
Director
DIN: 00044983

SRIDHAR RENGAN Digitally signed by SRIDHAR RENGAN Date: 2021.06.11 13:02:35 +05'30'

Sridhar Rengan
Director
DIN: 03139082

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Nikita Dahat
Company Secretary
ACS: 55045

Mumbai

PenBrook Capital Advisors Private Limited

Consolidated statement of changes in equity

for the year ended 31 March 2021

(Amount in INR)

Particulars	**Equity share capital**	**Reserves and surplus** **Retained earnings**	**Items of other comprehensive income** **Other items of OCI**	**Total equity attributable to equity holders of the company**
Balance as at 1 April 2019	33,28,75,600	(20,59,37,868)	(15,57,633)	(20,74,95,501)
Loss for the year	-	(5,47,89,197)	-	(5,47,89,197)
Other comprehensive income / (loss) for the year				
Remeasurement of defined benefit plan	-	-	(5,51,281)	(5,51,281)
Balance as at 31 March 2020	**33,28,75,600**	**(26,07,27,065)**	**(21,08,914)**	**(26,28,35,979)**
Balance as at 1 April 2020	33,28,75,600	(26,07,27,065)	(21,08,914)	(26,28,35,979)
Loss for the year	-	(2,53,14,188)	-	(2,53,14,188)
Other comprehensive income / (loss) for the year				
Remeasurement of defined benefit plan	-	-	(1,25,163)	(1,25,163)
Balance as at 31 March 2021	**33,28,75,600**	**(28,60,41,253)**	**(22,34,077)**	**(28,82,75,330)**

The accompanying explanatory notes 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
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Nikita Dahat
Company Secretary
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Mumbai

PenBrook Capital Advisors Private Limited

Consolidated statement of cash flows
for the year ended 31 March 2021

(Amount in INR)

Particulars	31 March 2021	31 March 2020
Cash flow from operating activities		
Loss before tax	**(2,52,59,948)**	(61,59,317)
Adjustments for		
Interest on lease liability and loans	**1,38,633**	-
Interest income on loans and security deposit	**(1,13,879)**	-
Remeasurement of defined benefit plans	**(1,25,163)**	49,070
Financial asset at FVTPL - net change in fair value	**(70,120)**	38,45,137
Depreciation, amortisation and write off	**2,80,349**	1,08,132
Bad debts and provision for loss impairment	**14,24,766**	14,77,222
Remission of trade liability	**-**	(66,72,313)
Interest income	**(10,87,055)**	(24,27,955)
Profit on sale of assets	**-**	(2,693)
	(2,48,12,417)	(97,82,717)
Working capital adjustments		
Decrease in trade and other receivables	**(4,26,810)**	58,10,002
Decrease in trade and other payables	**(25,19,039)**	(25,07,513)
Decrease in loans and advances	**18,00,203**	52,51,551
	(11,45,646)	85,54,040
Income tax paid (net of income tax refund)	**35,96,503**	(31,52,306)
Net cash flows used in operating activities	**(2,23,61,560)**	(43,80,983)
Cash flow from investing activities		
Purchase of property, plant and equipment	**-**	(1,39,508)
Sale of property, plant and equipment	**-**	7,754
Investment made / redeemed		
- Units in Alternative Investment Fund at FVTPL	**39,75,032**	41,47,851
Interest received	**10,87,055**	24,27,955
Net cash flows generated from investing activities	**50,62,087**	64,44,052
Cash flow from financing activities		
Payment of lease liability	**(2,00,000)**	-
Net cash flows from financing activities	**(2,00,000)**	-
Net decrease in cash and cash equivalents	**(1,74,99,473)**	20,63,069
Cash and cash equivalents at the beginning of the year	**5,05,49,858**	4,84,86,789
Cash and cash equivalents at the end of the year	**3,30,50,385**	5,05,49,858
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and bank balances as per balance sheet [Note 11]	**3,30,50,385**	5,05,49,858
Cash and cash equivalents as at the end of the year	**3,30,50,385**	5,05,49,858

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 explanatory notes 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

NITESH RAGHURAM SHETTY
Digitally signed by NITESH RAGHURAM SHETTY
Date: 2021.06.11 19:00:22 +05'30'

Nitesh Shetty
Partner
Membership No: 123493

Mumbai

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

RAJEEV ASHOK PIRAMAL
Digitally signed by RAJEEV ASHOK PIRAMAL
Date: 2021.06.11 12:25:33 +05'30'

Rajeev Piramal
Director
DIN: 00044983

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Sridhar Rengan
Director
DIN: 03139082

CS NIKITA DAHAT

Nikita Dahat
Company Secretary
ACS: 55045

Mumbai

1. Background

PenBrook Capital Advisors Private Limited (formerly known as Peninsula Brookfield Investment Managers Private Limited) ('the Company' or 'the Holding Company') was incorporated on 24 November 2011. The principal 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.

The Company has invested into Limited Liability Partnership, i.e., PenBrook Investment Manager LLP ("PIMLLP" or "the subsidiary") (the Company or the Holding Company and the PIMLLP or the subsidiary collectively hereinafter will be referred to the "Group") which was incorporated on 09 September 2017. PIMLLP had received Securities and Exchange Board of India ("SEBI") approval under Portfolio Management Scheme on 23 July 2018. During the current year, PIMLLP has filed an application with SEBI for surrender of license (for detailed reason refer note no 40) which has been accepted with effect from 29 April 2021. Accordingly, PIMLLP is in the process of winding up, as the purpose for which PIMLLP was created cease to exist. 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

The accompanying consolidated financial statements are prepared and presented on the accrual basis of accounting and comply with the Accounting Standards specified under Section 133 of the Act, the relevant provisions of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India, to the extent applicable. These consolidated financial statements have prepared on a going concern basis (refer note 39).

2.2. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Group'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 its 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 its 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
Financial instruments	Certain financial assets are measured at 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 2021 is included in the following notes:

Note 27 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 30 – borrowing rate assumptions;

Note 32 – measurement of defined benefit obligation: key actuarial assumptions;

Note 33 – impairment of financial assets;

Note 35 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

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 33 – 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 subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

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.

3. Significant accounting policies *(Continued)*

3.1. Basis of consolidation (Continued)

iii. Loss of control

When the group loses control over a subsidiary, it derecognizes the assets and liabilities 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

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.

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.

3. Significant accounting policies *(Continued)*

3.2. Financial instruments (Continued)

ii. Measurement (Continued)

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.

iii. Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit loss 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.

3. Significant accounting policies *(Continued)*

3.3. Property, plant and equipment (Continued)

i. Recognition and measurement (Continued)

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).

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. Significant accounting policies *(Continued)*

3.5. Impairment

i. Impairment of financial assets

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor or borrower;
- a breach of contract such as a default;
- it is probable that the debtor or borrower will enter bankruptcy.

The Group measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

i. Impairment of financial assets (Continued)

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group is not required to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs together with appropriate management estimates for credit loss at each reporting date, right from its initial recognition.

Presentation of allowance for expected credit losses in the Balance Sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets

ii. Impairment of non-financial assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount.

The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of the depreciable historical cost.

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.

Re-measurements of the net defined benefit liability (asset), 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.

iii. Defined contribution plans

The Group makes specified monthly contributions towards employee provident fund which is a defined contribution plan. The Group's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

3. Significant accounting policies *(Continued)*

3.7. Provisions and contingencies (other than for employee benefits)

The Group creates a provision when there is present legal obligation as a result of a past event that probably requires an outflow of resources, and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigations, assessment, fines, penalties etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

Provisions are reviewed monthly including at each balance sheet date and are adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognized in the consolidated financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

3.8. Revenue recognition

i. Management fees

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

ii. Advisory fees

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

iii. Capping fee

Capping fee is recognized 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.

3. Significant accounting policies *(Continued)*

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.

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 with appropriate management estimates for credit loss at each reporting date.

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.

3. Significant accounting policies *(Continued)*

3.11. Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

3.12. Recent accounting pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Act. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division II which relate to companies whose consolidated financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the consolidated financial statements.

The amendments are extensive, and the Group will evaluate the same to give effect to them as required by law.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2021

(Amount in INR)

4 Property, plant and equipment

Reconciliation of carrying amount	As at 31 March 2021 Plant and equipment - computer	Furniture and fixtures	Office equipment	Total	As at 31 March 2020 Plant and equipment - computer	Furniture and fixtures	Office equipment	Total
Gross carrying amount								
Opening balance	**8,90,306**	**33,523**	**2,49,947**	**11,73,776**	10,19,881	33,523	1,15,947	11,69,351
Additions	-	-	-	-	-	-	1,39,508	1,39,508
Disposals	-	-	-	-	(1,29,575)	-	(5,508)	(1,35,083)
Closing balance	**8,90,306**	**33,523**	**2,49,947**	**11,73,776**	8,90,306	33,523	2,49,947	11,73,776
Accumulated depreciation								
Opening balance	**8,22,665**	**24,607**	**1,33,639**	**9,80,911**	8,77,570	21,954	1,03,277	10,02,801
Depreciation for the year	**52,888**	**2,646**	**29,000**	**84,534**	74,670	2,653	30,809	1,08,132
Eliminated on disposal	-	-	-	-	(1,29,575)	-	(447)	(1,30,022)
Closing balance	**8,75,553**	**27,253**	**1,62,639**	**10,65,445**	8,22,665	24,607	1,33,639	9,80,911
Carrying amount (Net)	**14,753**	**6,270**	**87,308**	**1,08,331**	67,641	8,916	1,16,308	1,92,865

Notes to the consolidated financial statements *(Continued)*
as at 31 March 2021

(Amount in INR)

5 Right to use asset (refer note no 30)

Reconciliation of carrying amount	As at 31 March 2021 Office premise	Total	As at 31 March 2020 Office premise	Total
Gross carrying amount				
Opening balance	-	-	-	-
Additions	8,61,583	8,61,583	-	-
Disposals	-	-	-	-
Closing balance	8,61,583	8,61,583	-	-
Accumulated depreciation				
Opening balance	-	-	-	-
Amortisation for the year	1,95,815	1,95,815	-	-
Eliminated on disposal	-	-	-	-
Closing balance	1,95,815	1,95,815	-	-
Carrying amount (Net)	6,65,768	6,65,768	-	-

6 Other intangible assets

Reconciliation of carrying amount	As at 31 March 2021 Computer Software	Total	As at 31 March 2020 Computer Software	Total
Gross carrying amount				
Opening balance	1,09,803	1,09,803	1,09,803	1,09,803
Additions	-	-	-	-
Disposals	-	-	-	-
Closing balance	1,09,803	1,09,803	1,09,803	1,09,803
Accumulated depreciation				
Opening balance	1,09,803	1,09,803	1,09,803	1,09,803
Amortisation for the year	-	-	-	-
Eliminated on disposal	-	-	-	-
Closing balance	1,09,803	1,09,803	1,09,803	1,09,803
Carrying amount (Net)	-	-	-	-

(Amount in INR)

		31 March 2021	31 March 2020
7	**Investments**		
	Non current investments		
	Units in Alternative Investment Fund at FVTPL		
	360.02 class A units of Rs. 10,218.32 (31 March 2020: Rs. 18,526.64) each in Peninsula Brookfield India Real Estate Fund	**36,78,800**	66,69,962
	109.98 class B units of Rs. 10,218.32 (31 March 2020: Rs. 18,526.64) each in Peninsula Brookfield India Real Estate Fund	**11,23,811**	20,37,560
		48,02,611	87,07,522
8	**Loans and advances**		
	Unsecured, considered good		
	Interest free loan to Peninsula Brookfield Employee Benefit Trust	**7,46,513**	8,30,433
		7,46,513	8,30,433
9	**Other non current financials asset**		
	Security deposit	**2,03,791**	-
	Others	**39,051**	-
		2,42,842	-
10	**Trade receivables**		
	Unsecured, considered good (refer note 29)	**24,57,389**	34,86,466
	Less: Provision for doubtful debts	**(17,632)**	(48,753)
		24,39,757	34,37,713
11	**Cash and cash equivalents**		
	Balance with banks:		
	(i) In current account	**2,70,42,157**	1,09,41,631
	(ii) In deposit account (original maturity less than three months)	**60,00,000**	3,96,00,000
	Cash in hand	**8,228**	8,227
		3,30,50,385	5,05,49,858
12	**Loans and advances**		
	Advance to staff	**38,609**	38,609
		38,609	38,609
13	**Other financial assets**		
	Interest accrued on investments and deposits	**2,70,617**	4,09,787
	Amounts recoverable for expenses (refer note 29)	**9,86,352**	22,77,138
	Others	**4,33,003**	9,09,656
		16,89,972	35,96,581
14	**Current tax assets (net)**		
	Advance payment of income tax (net of provision for tax of Rs. 88,26,193 (31 March 2020: Rs. 89,83,628))	**90,84,634**	1,26,81,139
	GST credit	**3,54,211**	3,47,910
		94,38,845	1,30,29,049
15	**Other current assets**		
	Advance to creditors	**1,63,880**	2,57,135
	Others	**-**	1,770
		1,63,880	2,58,905

(Amount in INR)

16 Share capital

		31 March 2021	31 March 2020
a	**Authorised:**		
	50,000 equity shares (Class A, B and C) of Rs.10 each	**5,00,000**	5,00,000
	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 equity shares (Class A, B and C) of Rs.10 each	**3,00,000**	3,00,000
	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 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.

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.

Notes to the consolidated financial statements *(Continued)*

as at 31 March 2021

(Amount in INR)

16 Share capital *(Continued)*

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

	31 March 2021		31 March 2020	
Equity shares	**No. of Shares**	**Amount**	No. of Shares	Amount
Peninsula Investment Management Company Ltd	**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 Ltd	**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:

	31 March 2021		31 March 2020	
Equity shares	**No. of Shares**	**No of shares (%)**	No. of Shares	No of shares (%)
Peninsula Investment Management Company Ltd	**14,900**	**50.00%**	14,900	50.00%
BPG India LLC	**600**	**2.01%**	600	2.01%
Brookfield Capital Partners (Bermuda) Ltd	**14,300**	**47.99%**	14,300	47.99%
Cumulative Compulsorily Convertible Preference Shares	**No. of Shares**	**No of shares (%)**	No. of Shares	No of shares (%)
Peninsula Investment Management Company Ltd	**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.

(Amount in INR)

		31 March 2021	31 March 2020
17	**Non current lease liabilities**		
	Non current liabilities		
	Lease liability	**1,83,555**	-
		1,83,555	-
	Current liabilities		
	Lease liability	**4,66,573**	-
		4,66,573	-
18	**Long term provisions**		
	Provision for employee benefits		
	- Compensated absences	**9,86,159**	8,62,764
	- Gratuity	**16,96,879**	9,96,832
		26,83,038	18,59,596
19	**Trade payables**		
	Total outstanding dues of micro and small enterprises	**19,336**	18,900
	Total outstanding dues of creditors other than micro and small enterprises	**31,18,716**	71,38,399
		31,38,052	71,57,299
20	**Other current liabilities**		
	Statutory dues payables	**19,48,102**	12,74,825
	Advance from debtors	**61,810**	1,06,625
		20,09,912	13,81,450
21	**Provisions**		
	Provision for employee benefits		
	- Compensated absences	**47,327**	41,197
	- Gratuity	**29,606**	20,692
	Provision for dividend on CCPS	**2,28,180**	1,94,920
		3,05,113	2,56,809

Notes to the consolidated financial statements *(Continued)*

for the year ended 31 March 2021

(Amount in INR)

	31 March 2021	31 March 2020
22 Revenue from operations		
Management fee	**24,50,274**	2,72,60,934
Capping fee	**12,80,128**	-
	37,30,402	2,72,60,934
23 Other income		
Recovery of expenses	**17,64,111**	1,33,10,482
Income from investment	**25,127**	1,51,208
Interest on:		
- Deposits with bank	**10,87,055**	24,27,955
- Income tax refunds	**2,57,789**	4,297
- Loan and security deposit	**1,13,879**	2,15,824
Profit on sale / disposal of fixed assets (net)	**-**	2,693
Financial asset at FVTPL - net change in fair value	**70,120**	-
Remission of trade liability	**-**	66,72,313
	33,18,081	2,27,84,772
24 Employee benefits expenses		
Salaries, bonus and wages	**2,13,85,159**	2,59,61,556
Contribution to provident	**11,16,958**	13,11,042
Staff welfare expenses	**12,48,837**	12,40,498
	2,37,50,954	2,85,13,096
25 Finance cost		
Interest on:		
- Lease liability	**34,325**	-
- Loans	**1,04,308**	-
	1,38,633	-
26 Other expenses		
Payment to auditors		
- Audit fees	**4,50,000**	6,50,000
- Reimbursement of expenses	**5,500**	12,250
Travelling and conveyance	**48,596**	8,97,177
Legal and professional charges	**46,56,234**	1,54,44,118
License Fees	**-**	11,00,000
Printing and stationery expenses	**1,230**	79,979
Financial asset at FVTPL - net change in fair value	**-**	38,45,137
Office expenses	**3,05,547**	14,38,211
Expense on investment income	**75,625**	-
Office and Maintenance Expense	**2,780**	86,115
Loss on sale of investment	**12,22,449**	-
Provision for loss impairment	**-**	48,753
Bad debts written off	**6,36,328**	14,28,469
Miscellaneous expenses	**7,34,206**	25,53,586
	81,38,495	2,75,83,795

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in INR)

27 Income tax

Deferred tax asset and liabilities

	31 March 2021	31 March 2020
Deferred tax asset		
Depreciation on property, plant and equipment and intangible assets	**26,035**	18,453
Right to use and lease liability	**5,722**	-
Provision for employee benefits	**7,67,824**	5,34,557
Provision for bonus	**3,45,524**	4,85,397
Brought forward business loss and unabsorbed depreciation	**7,55,73,751**	6,89,54,371
Investment Fair value through profit & loss	**12,78,397**	12,78,397
Others	**27,120**	54,240
Total deferred tax asset	**7,80,24,373**	7,13,25,415
Deferred tax liability	**-**	-
Total deferred tax liability	**-**	-
Less: Deferred tax asset (unrecognised)	**(7,80,24,373)**	(7,12,71,175)
Net deferred tax asset recognised	**-**	54,240

Due to recent development of COVID-19, the management has recognized deferred tax asset to the extent of deferred tax liability based on assessment of availability of sufficient future taxable income against such deferred tax assets. Accordingly, deferred tax asset is not recognised in the financial statements in current year.

(Amount in INR)

27 Income tax *(Continued)*

	31 March 2021	31 March 2020
Profit before tax	**(2,52,59,948)**	(61,59,317)
Tax using the Group's domestic blended tax rate	**(72,49,231)**	(17,41,937)
Tax on non-deductible expenses	**2,29,499**	44,639
Tax on exempt income	**(666)**	(8,859)
Tax on items of timing difference	**70,20,398**	17,06,157
Current tax expense	**-**	-
Add: Short provision for prior years	**-**	10,60,441
Add: Reversal of deferred tax asset based on recoverability of future taxable income	**54,240**	4,75,69,439
Total tax expense	**54,240**	4,86,29,880

Deferred tax assets and liabilities have been measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Further the Holding Company has not opted for benefit of lower tax rate available as per the Finance Act 2019.

Tax losses carried forward	**31 March 2021**	31 March 2020
Loss that expires		
2021-2022	**10,38,97,510**	10,38,97,510
2022-2023	**9,86,34,497**	9,86,34,497
2023-2024	**2,60,65,804**	2,60,65,804
2026-2027	**1,71,30,662**	1,71,30,662
2027-2028	**27,82,792**	18,10,264
2028-2029	**2,30,10,682**	-
Total loss that expires	**27,15,21,947**	24,75,38,737
Loss that never expires (relating to depreciation)	**2,66,682**	2,09,402

(Amount in INR)

28 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Group 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 Group (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 2021	31 March 2020
i.	Loss attributable to equity holders	(2,53,14,188)	(5,47,89,197)
	Provision for Dividend on Convertible preference shares	33,260	33,259
	Loss attributable to equity holders of the Group	**(2,52,80,928)**	(5,47,55,938)
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.)	(843.81)	(1,826.31)
	Diluted earnings per share (in Rs.)*	(843.81)	(1,826.31)

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

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in INR)

29 Related party relationships, transactions and balances

A List of related parties:

a. Entities exercising joint control
(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. Directors / company secretary
(i) Mr. Rajeev Ashok Piramal
(ii) Mr. Sridhar Rengan
(iii) Mr. Narendra Aneja (resigned w.e.f. 4 May 2020)
(iv) Mr. Chetan Rameshchandra Desai (resigned w.e.f. 5 May 2020)
(v) Ms. Sugandha Vaidya (resigned w.e.f. 6 August 2020)
(vi) Ms. Nikita Dahat (appointed w.e.f. 1 October 2020)

e. Directors / company secretary of entities exercising joint control
(i) Mrs. Urvi A. Piramal
(ii) Mr. Mahesh Shrikrishna Gupta
(iii) Mr. Vijay Shankar

B Transactions during the year:

	31 March 2021	31 March 2020
Redemption of Units in Alternative Investment Fund		
Peninsula Brookfield India Real Estate Fund	**39,75,032**	41,47,851
Management fee		
Peninsula Brookfield India Real Estate Fund	**24,50,274**	32,60,934
India Infrastructure Trust	**-**	2,40,00,000
Capping fee		
Peninsula Brookfield India Real Estate Fund	**12,80,128**	-
Income from investment		
Peninsula Brookfield India Real Estate Fund	**25,127**	1,51,208
Recovery of expenses		
Peninsula Brookfield India Real Estate Fund	**17,64,111**	74,08,208
India Infrastructure Trust	**-**	60,78,180

C Outstanding balances as at the year end:

	31 March 2021	31 March 2020
Units in Alternative Investment Fund at FVTPL		
Peninsula Brookfield India Real Estate Fund	**48,02,611**	87,07,522
Other financial assets		
Peninsula Brookfield India Real Estate Fund	**2,36,441**	3,17,485
Amounts recoverable		
Peninsula Brookfield India Real Estate Fund	**20,56,649**	7,88,209
Peninsula Land Limited	**9,86,352**	9,86,352
India Infrastructure Trust	**-**	28,80,986

(Amount in INR)

30 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any, and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The Group uses incremental borrowing rate. The lease payments shall include fixed payments. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

(i) The details of the right-of-use assets held by the Group is disclosed in Note no 5.

(ii) Amount recognised in statement of profit and loss	**31 March 2021**	31 March 2020
Interest on lease liabilities	**34,325**	-
Interest income on security deposit	**(9,571)**	-
Short-term leases and leases of low-value assets	**-**	-

(iii) Amount recognised in statement of cash flows	**31 March 2021**	31 March 2020
Total cash outflow for leases	**2,00,000**	-

(iv) Extension options
Lease contracts does not provide for extension of lease.

Lease contracts entered by the Group pertains for office premise taken on lease to conduct its business in the ordinary course. The Group does not have any lease restrictions and commitment towards variable rent as per the contract.

(Amount in INR)

31 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 2021	31 March 2020
Total liabilities	**87,86,243**	1,06,55,154
Less: Cash and cash equivalents	**3,30,50,385**	5,05,49,858
Adjusted net debt	**(2,42,64,142)**	(3,98,94,704)
Total equity	**4,46,01,270**	7,00,40,621
Adjusted net debt to adjusted equity ratio	**(0.54)**	(0.57)

(Amount in INR)

32 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 2021	31 March 2020
Contribution to provident	**11,16,958**	13,11,042

(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 2021	31 March 2020
Defined benefit obligation	**17,26,485**	10,17,524
Fair value of plan assets	**-**	-
Net defined benefit (obligation)/assets	**17,26,485**	10,17,524

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 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Opening balance	10,17,524	13,70,234	-	-	10,17,524	13,70,234
Current service cost	3,45,186	3,54,672	-	-	3,45,186	3,54,672
Past service cost	-	-	-	-	-	-
Interest cost	68,992	1,06,251	-	-	68,992	1,06,251
Actuarial gain due to change in demographic assumption	-	(819)			-	(819)
	14,31,702	**18,30,338**	**-**	**-**	**14,31,702**	**18,30,338**
Included in OCI						
Financial assumptions	(22,018)	1,20,130	-	-	(22,018)	1,20,130
Experience adjustment	3,16,801	(3,02,656)	-	-	3,16,801	(3,02,656)
	2,94,783	**(1,82,526)**	**-**	**-**	**2,94,783**	**(1,82,526)**
Other						
Benefits paid	-	(6,30,288)	-	-	-	(6,30,288)
Closing balance	**17,26,485**	**10,17,524**	**-**	**-**	**17,26,485**	**10,17,524**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					17,26,485	10,17,524

(Amount in INR)

32 Employee benefits *(Continued)*

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 2021	31 March 2020
Discount rate	**6.95%**	6.85%
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 2021	
	Increase	**Decrease**
Discount rate (0.5% movement)	**16,21,427**	**18,40,140**
Future salary growth (0.5% movement)	**18,40,639**	**16,20,039**
Withdrawal rate (10% movement)	**17,26,905**	**17,25,946**

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 occurring at the end of the reporting period.

iii. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2021 were as follows
Expected contribution

Expected future benefit payments

Year 1	29,606
Year 2	31,138
Year 3	53,539
Year 4	56,127
Year 5	58,921
Year 6 to Year 10	3,17,085

(Amount in INR)

32 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 Group's financial statements as at balance sheet date:

	31 March 2021	31 March 2020
Defined benefit obligation	**10,33,486**	9,03,961
Fair value of plan assets	**-**	-
Net defined benefit (obligation)/assets	**10,33,486**	9,03,961

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 2021	31 March 2020	**31 March 2021**	31 March 2020	**31 March 2021**	31 March 2020
Opening balance	**9,03,961**	11,15,405	-	-	9,03,961	11,15,405
Current service cost	**2,38,635**	3,06,502	-	-	2,38,635	3,06,502
Past service cost	**-**	-	-	-	-	-
Interest cost	**60,510**	85,403	-	-	60,510	85,403
Actuarial gain due to change in demographic assumption	**-**	(238)	-	-	-	(238)
	12,03,106	15,07,072	**-**	**-**	**12,03,106**	**15,07,072**
Included in OCI						
Financial assumptions	(11,090)	89,772	-	-	(11,090)	89,772
Experience adjustment	(1,58,530)	44,741	-	-	(1,58,530)	44,741
	(1,69,620)	**1,34,513**	**-**	**-**	**(1,69,620)**	**1,34,513**
Other						
Benefits paid	-	(7,37,624)	-	-	-	(7,37,624)
Closing balance	**10,33,486**	**9,03,961**	**-**	**-**	**10,33,486**	**9,03,961**
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					10,33,486	9,03,961

B. Plan assets

The defined benefit plan for gratuity is unfunded.

Notes to the consolidated financial statements *(Continued)*
for the year ended 31 March 2021

(Amount in INR)

32 Employee Benefits *(Continued)*

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

i. Actuarial assumptions

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

	31 March 2021	31 March 2020
Discount rate	**6.95%**	6.85%
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 2021	
	Increase	**Decrease**
Discount rate (0.5% movement)	**9,80,383**	**10,90,586**
Future salary growth (0.5% movement)	**10,90,835**	**9,79,679**

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 occurring at the end of the reporting period.

iii. Expected future cash flows

The expected future cash flows in respect of gratuity as at 31 March 2021 were as follows

Expected contribution

Expected future benefit payments

Year 1	47,327
Year 2	48,636
Year 3	50,015
Year 4	51,466
Year 5	52,992
Year 6 to Year 10	2,78,066

(Amount in INR)

33 Financial instruments – fair values and risk management

A. Accounting classification and fair values

31 March 2021	Carrying amount FVTPL	FVT OCI	Other financial assets - amortised cost	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Non-current investments	48,02,611	-	-	-	48,02,611	-	-	48,02,611	48,02,611
Loans and advances	7,46,513	-	-	-	7,46,513	-	-	7,46,513	7,46,513
Security deposit	2,03,791	-	-	-	2,03,791	-	-	2,03,791	2,03,791
Financial liabilities measured at fair value									
Non current lease liabilities	1,83,555	-	-	-	1,83,555	-	-	1,83,555	1,83,555
Current lease liabilities	4,66,573	-	-	-	4,66,573	-	-	4,66,573	4,66,573

31 March 2020	FVTPL	FVT OCI	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	87,07,522	-	-	-	87,07,522	-	-	87,07,522	87,07,522
Loans and advances	-	-	-	-	-	-	-	-	-
Security deposit	-	-	-	-	-	-	-	-	-
Financial liabilities measured at fair value									
Non current lease liabilities	-	-	-	-	-	-	-	-	-
Current lease liabilities	-	-	-	-	-	-	-	-	-

* The Group has not disclosed the fair values of financial instruments such as trade receivables, trade payables and other assets and liabilities because they are carried at amortised cost which is a reasonable approximation of fair value.

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 @11.60% p.a. over the period of extended term of the fund.

Other non current financials asset: This relates to interest free security deposit given for leasing office premise. The same is fair valued using effective interest rate method @11.60% p.a. over the lease period.

33 Financial instruments – fair values and risk management *(Continued)*

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

During the current year the Group has impaired trade receivables as detailed in note b below.

a. Aging of trade receivables (net of allowances) are given below:

	Carrying amount (in INR)	
	31 March 2021	31 March 2020
Neither past due nor impaired		
Past due 1–30 days	**20,56,649**	23,78,409
Past due 31–90 days	**-**	-
Past due 91–120 days	**-**	-
Past due beyond 120 days	**3,83,108**	10,59,304
	24,39,757	34,37,713

b. The following table shows reconciliations from the opening to the closing balance of the loss allowances:

Opening loss allowance	**48,753**	-
Changes in loss allowance	**(31,121)**	48,753
Closing loss allowance	**17,632**	48,753

c. Bad debts written off	**6,36,328**	14,28,469

Management believes that the outstanding trade receivables that are past due by more than 60 days are still recoverable, based on historical payment behaviour and extensive analysis of customer.

The Group held cash and cash equivalents of INR 3,30,50,385 at 31 March 2021 (31 March 2020: INR 5,05,49,858). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings

(Amount in INR)

33 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 2021	**Carrying amount**	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	31,38,052	31,38,052	31,38,052	-	-	-
Lease liabilities	6,50,128	6,50,128	4,66,573	1,83,555	-	-

31 March 2020	**Carrying amount**	**Total**	**Within 12 months**	**1-2 years**	**2-5 years**	**More than 5 years**
Non-derivative financial liabilities						
Trade payables	71,57,299	71,57,299	71,57,299	-	-	-
Lease liabilities	-	-	-	-	-	-

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.

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.

(Amount in INR)

34. Operating segments

The Group 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 consolidated financial statements are reflective of the information required by IND AS 108 Operating segments.

35. Contingent liability and capital commitment

The Holding Company has received a Show Cause Notice from SEBI for which the Holding Company has applied for settlement. Details of the same has been disclosed in note no 38.

Except for the aforesaid, there is no other contingent liabilities as at 31 March 2021 (31 March 2020: Rs. Nil). The Group has commitment of unpaid call on its Investment in funds amounting to Rs.30,00,000 as at 31 March 2021 (31 March 2020: Rs. 30,00,000).

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.

36. Due to Micro and small suppliers

	31 March 2021	31 March 2020
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	19,336	18,900
- 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.

37. 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 Group has taken a decision to defer management and advisory fee on the amount invested till such time the recovery has been made. In light of above, the said fee income is not recognized in the consolidated financial statements. During the year, the Fund had settled its investment in Elvera Realtors Private Limited and accordingly, the Group had recovered management fees from the Fund to the extent of Fund's recovery from its investment.

Details of income deferred is as under:

Particulars	**31 March 2021**	31 March 2020
Management Fee	**2,03,99,889**	2,40,18,600
Advisory Fee	**31,88,048**	1,17,04,651
Total	**2,35,87,937**	3,57,23,251

38. SEBI Inspection

During the year ended 31 March 2021, SEBI has issued a Show Cause Notice basis inspection of our books of accounts and other records of the Holding Company. The matters raised include drawdown of contributions less than INR 1 crore from investors, extension of the tenure of the Fund etc. These matters were initially raised vide an Inspection Report followed up by an Administrative Warning Letter and now have been raised through a Show Cause Notice. The Holding Company is one of the recipients of the Show Cause Notice (those who have received include the Trustee of Fund, Directors of the Trustee etc.) The Show Cause Notice stipulates to holding of an inquiry for the alleged non-compliances and imposing a penalty as per the procedure laid down in SEBI (Procedure for holding Inquiry and Imposing Penalties) Rules, 1995 read with SEBI Act and provides a time limit of 14 days to file a reply. The Holding Company has applied for physical inspection of the documents and asked for further period of 3 weeks to reply after inspection of documents, reply for which is pending from SEBI. Further the Holding Company has applied for settlement. We are uncertain of settlement amount which will be levied by SEBI. In case of shortfall, both the sponsors shall contribute equally towards the liability in terms of clause 15.3.2 of Joint Venture Agreement dated 15 December 2011.

39. Going Concern and COVID-19

The Holding Company presently does not earn revenue from the existing investment management contract. However, the Holding Company has necessary approvals to launch a new fund and is presently evaluating the timing and other details for the launch of the fund. Further, an exercise to rationalize expenses has been initiated to increase profits/ reduce losses and is expected to be completed in the next financial year. Further, the Holding Company has sufficient cash and bank balances to meet the liabilities outstanding as of 31 March 2021 and its expenses for next financial year.

The Group has evaluated impact of COVID-19 pandemic on its business operations and financial position and based on the same, no significant impacts on the consolidated financial statements for the year ended 31 March 2021 were identified. However, the extent to which the COVID-19 pandemic will impact the Group's business and future business plans at this time is dependent on future developments.

The management has a reasonable expectation that the Group will be able to meet all its contractual obligations and liabilities as they fall due in near future and that the Holding Company will be able to procure new investment management contracts for carrying on its operations. Accordingly, the consolidated financial statements of the Group are prepared on a going concern basis.

(Amount in INR)

40. Surrender of PMS license by PIMLLP

PIMLLP had applied for the license for offering discretionary portfolio management service (PMS) with an objective to provide its clients investment opportunities in development of residential real estate. However, based on assessment of the market situation, it was later decided to additionally include investment in commercial real estate too.

After registration, the portfolio manager was in the process of approaching potential clients and evaluating investment opportunities. However, subsequently there were changes in SEBI regulations making it more capital incentive for the portfolio manager as well as potential investor to operate and avail PMS. There were restrictions also imposed in investments in unlisted securities, thereby restricting the potential universe of investment opportunities for the portfolio manager.

Hence portfolio manager did not commence any operation under PMS license in terms of raising funds from potential clients. Moreover, due to prolonged pandemic the portfolio manager is of the view that it will take another two years for condition to be suitable to conduct business. In view of the above management has taken decision to surrender a PMS license taken from SEBI and has filed an application to SEBI on 10 December 2020 which has been approved by SEBI with effect from 29 April 2021.

41. Subsequent events

The Group has evaluated subsequent events, as defined under IND AS 10 "Events after the reporting period" through 11 June 2021 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

NITESH RAGHURAM SHETTY Digitally signed by NITESH RAGHURAM SHETTY Date: 2021.06.11 19:01:19 +05'30'

Nitesh Shetty
Partner
Membership No: 123493

Mumbai

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

RAJEEV ASHOK PIRAMAL Digitally signed by RAJEEV ASHOK PIRAMAL Date: 2021.06.11 12:27:57 +05'30'

Rajeev Piramal
Director
DIN : 00044983

SRIDHAR RENGAN Digitally signed by SRIDHAR RENGAN Date: 2021.06.11 13:04:42 +05'30'

Sridhar Rengan
Director
DIN : 03139082

CS NIKITA DAHAT

Nikita Dahat
Company Secretary
ACS: 55045

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