

PenBrook Capital Advisors Private Limited

Standalone balance sheet

as at 31 March 2022

(Amount in INR)

Particulars	Notes	31 March 2022	31 March 2021
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	4	58,308	1,08,331
Right to use asset	5	1,95,812	6,65,768
Other intangible assets	6	-	-
Financial assets			
- Investments	7	34,97,854	48,02,611
- Loans and advances	8	2,87,582	7,46,513
Deferred tax assets (net)	27	-	-
Other non-current assets	9	2,28,729	2,42,842
Total non-current assets		42,68,285	65,66,065
Current assets			
Financial assets			
- Investments	7	68,88,980	2,14,98,326
- Trade receivables	10	-	24,39,757
- Cash and cash equivalents	11	83,07,346	1,18,72,834
- Loans and advances	12	-	38,609
- Other financial assets	13	23,72,328	16,89,972
Current tax assets (net)	14	25,17,110	89,27,429
Other current assets	15	1,50,000	1,63,880
Total current assets		2,02,35,764	4,66,30,807
TOTAL ASSETS		2,45,04,049	5,31,96,872
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital	16	33,28,75,600	33,28,75,600
Other equity		(31,73,14,003)	(28,82,75,330)
Total equity		1,55,61,597	4,46,00,270
Non-current liabilities			
Financial liabilities			
- Lease liabilities	17	-	1,83,555
Long term provisions	18	35,07,734	26,83,038
Total non current liabilities		35,07,734	28,66,593
Current liabilities			
Financial liabilities			
- Lease liabilities	17	2,06,017	4,66,573
- Trade payables	19		
- Total outstanding dues of micro and small enterprises		18,900	19,336
- Total outstanding dues of creditors other than micro and small enterprises		31,49,620	29,34,063
- Other current liabilities	20	16,88,002	20,04,924
Provisions	21	3,72,179	3,05,113
Total current liabilities		54,34,718	57,30,009
Total liabilities		89,42,452	85,96,602
TOTAL EQUITY AND LIABILITIES		2,45,04,049	5,31,96,872

The accompanying explanatory notes form an integral part of the standalone financial statements.

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of

PenBrook Capital Advisors Private Limited

CIN : U74120MH2011PTC224370

Nitesh Shetty

Partner

Membership No: 123493

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

Mumbai

PenBrook Capital Advisors Private Limited

Statement of profit and loss

for the year ended 31 March 2022

(Amount in INR)

Particulars	Notes	31 March 2022	31 March 2021
Income			
Revenue from operations	22	-	37,30,402
Other income	23	<u>1,56,79,268</u>	<u>28,63,592</u>
Total income		<u>1,56,79,268</u>	<u>65,93,994</u>
Expenses			
Employee benefits expenses	24	2,85,88,335	2,37,50,954
Finance cost	25	1,16,654	1,38,633
Depreciation and amortization expenses	4 & 5	5,14,369	2,80,349
Other expenses	26	<u>1,50,78,101</u>	<u>83,96,425</u>
Total expenses		<u>4,42,97,459</u>	<u>3,25,66,361</u>
Loss before tax		(2,86,18,191)	(2,59,72,367)
Tax expense:	27		
Current tax		-	-
Short provision for prior years		8,019	-
Deferred tax charge		-	-
Loss for the year		<u>(2,86,26,210)</u>	<u>(2,59,72,367)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability (net)		<u>(4,12,463)</u>	<u>(1,25,163)</u>
Total other comprehensive income, net of tax		<u>(4,12,463)</u>	<u>(1,25,163)</u>
Total comprehensive loss for the year		<u>(2,90,38,673)</u>	<u>(2,60,97,530)</u>
Earnings per equity share of par value Rs.10 each	28		
Basic		(967.96)	(869.92)
Diluted		(967.96)	(869.92)

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Standalone statement of changes in equity

for the year ended 31 March 2022

(Amount in INR)

Particulars	Equity share capital	Reserves and Surplus	Items of other comprehensive Income	Total equity attributable to equity holders of the company
		Retained earnings	Other items of OCI	
<u>Current reporting period</u>				
Balance at the beginning of the current reporting year	33,28,75,600	(28,60,41,253)	(22,34,077)	(28,82,75,330)
Loss for the year	-	(2,86,26,210)	-	(2,86,26,210)
Other comprehensive income / (loss) for the year				
Remeasurement of defined benefit plan	-	-	(4,12,463)	(4,12,463)
Balance as at 31 March 2022	33,28,75,600	(31,46,67,463)	(26,46,540)	(31,73,14,003)
<u>Previous reporting period</u>				
Balance at the beginning of the previous reporting year	33,28,75,600	(26,00,68,886)	(21,08,914)	(26,21,77,800)
Loss for the year	-	(2,59,72,367)	-	(2,59,72,367)
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 standalone financial statements.

As per our report of even date attached.

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PenBrook Capital Advisors Private Limited

Standalone statement of cash flows

for the year ended 31 March 2022

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Cash flow from operating activities		
Loss before tax	(2,86,18,191)	(2,59,72,367)
Adjustments for		
Interest on lease liability and loans	1,16,654	1,38,633
Interest income on loans and security deposit	(93,704)	(1,13,879)
Remeasurement of defined benefit plans	(4,12,463)	(1,25,163)
Financial asset at FVTPL - net change in fair value	13,04,757	(70,120)
Depreciation, amortisation and write off	5,14,369	2,80,349
Bad debts	3,97,588	6,36,328
Provision for loss impairment	(3,90,654)	7,88,438
Remission of trade liability	(77,621)	-
Interest income	(3,16,570)	(6,38,901)
Loss on sale of asset	5,610	-
	(2,75,70,225)	(2,50,76,682)
Working capital adjustments		
Decrease in trade and other receivables	20,42,170	3,61,628
Decrease/(Increase) in trade and other payables	8,67,582	(25,80,843)
(Increase)/Decrease in loans and advances	(1,31,884)	13,65,056
	27,77,868	(8,54,160)
Income tax refund	64,02,299	35,39,311
Net cash flows used in operating activities	(1,83,90,058)	(2,23,91,531)
Cash flow from investing activities		
Investment redeemed		
- Units in Alternative Investment Fund at FVTPL	-	39,75,032
- Investment in Limited Liability Partnership	1,50,00,000	-
Interest received	3,16,570	6,38,901
Net cash flows generated from investing activities	1,53,16,570	46,13,933
Cash flow from financing activities		
Payment of lease liability	(4,92,000)	(2,00,000)
Net cash flows from financing activities	(4,92,000)	(2,00,000)
Net decrease in cash and cash equivalents	(35,65,488)	(1,79,77,599)
Cash and cash equivalents at the beginning of the year	1,18,72,834	2,98,50,433
Cash and cash equivalents at the end of the year	83,07,346	1,18,72,834
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and bank balances as per balance sheet [Note 11]	83,07,346	1,18,72,834
Cash and cash equivalents as at the end of the year	83,07,346	1,18,72,834

The above standalone 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 standalone financial statements.

As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W/W-100024

For and on behalf of the Board of Directors of

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PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements

for the year ended 31 March 2022

(Amount in INR)

1. Background

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

2. Basis of preparation

2.1. Statement of compliance

The accompanying 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 financial statements have prepared on a going concern basis (refer note 40).

2.2. Functional and presentation currency

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

2.3. Current versus non-current classification

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

An asset is treated as current when it is:

- a) Expected to be realised or intended to be sold or consumed in 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.

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.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

2. Basis of preparation (*Continued*)

2.3 *Current versus non-current classification (Continued)*

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have the most significant effects on the amounts recognized in the financial statements for the year ended 31 March 2022 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 32 – measurement of defined benefit obligation: key actuarial assumptions;

Note 33 – impairment of financial assets and borrowing rate assumptions;

Note 36 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

2. Basis of preparation (*Continued*)

2.6 *Measurement of fair values*

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

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

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

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

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

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

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

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

Note 33 – Financial instruments.

3. Significant accounting policies

3.1. *Financial instruments*

i. Classification

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

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

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

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.1. Financial instruments (*Continued*)

ii. Measurement

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

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

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

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

Equity instruments

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

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

Investment in limited liability partnership: Interests in LLP is accounted and are initially recognised at cost which includes transaction costs. Subsequent measurement of investment in LLP is carried at fair value.

iii. Impairment of financial assets

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

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.2. Property, plant and equipment

i. Recognition and measurement

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

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

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

ii. Subsequent expenditure

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

iii. Depreciation

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

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

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

3.3. Intangible assets

i. Recognition and measurement

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

ii. Subsequent expenditure

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.3. Intangible assets (*Continued*)

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.

3.4. Impairment

i. Impairment of financial assets

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

At each reporting date, the Company 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 Company 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.

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.4. Impairment (*Continued*)

ii. Impairment of non-financial assets (*Continued*)

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.

3.5. Employee benefits

i. Short-term employee benefits

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

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets. The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

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 Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

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

iii. Defined contribution plans

The Company makes specified monthly contributions towards employee provident fund which is a defined contribution plan. The Company'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.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.6. Provisions and contingencies (*other than for employee benefits*)

The Company 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 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.

3.7. Revenue recognition

i. Management fees

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

ii. Advisory fees

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

iii. 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.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.8. *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.

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

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

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

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

3.9. *Trade receivable and trade payable*

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

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

3. Significant accounting policies (*Continued*)

3.10. Leases

The Company 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 Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company 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 Company 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 Company 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 Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company 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.

3.11. 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. The Company has evaluated the impact of these amendments and has given effect in these financial statements wherever applicable.

Further, on 23 March 2022, MCA has notified amendments in the Companies (Indian Accounting Standards) Amendment Rules, 2022, which are applicable from 1 April 2022. Key amendments under the notification are as under:

- Amendment to Ind AS 16 – Property, plant and equipment
- Amendment to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- Amendment to Ind AS 103 – Reference to Conceptual Framework
- Amendment to Ind AS 106 – Annual Improvements to Ind AS (2021)
- Amendment to Ind AS 109 – Annual Improvements to Ind AS (2021)

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

4 Property, plant and equipment

Reconciliation of carrying amount	As at 31 March 2022				As at 31 March 2021			
	Plant and equipment - computer	Furniture and fixtures	Office equipment	Total	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	8,90,306	33,523	2,49,947	11,73,776
Additions	-	-	-	-	-	-	-	-
Disposals	-	(33,523)	(1,04,947)	(1,38,470)	-	-	-	-
Closing balance	8,90,306	-	1,45,000	10,35,306	8,90,306	33,523	2,49,947	11,73,776
Accumulated depreciation								
Opening balance	8,75,553	27,253	1,62,639	10,65,445	8,22,665	24,607	1,33,639	9,80,911
Depreciation for the year	14,753	660	29,000	44,413	52,888	2,646	29,000	84,534
Eliminated on disposal	-	(27,913)	(1,04,947)	(1,32,860)	-	-	-	-
Closing balance	8,90,306	-	86,692	9,76,998	8,75,553	27,253	1,62,639	10,65,445
Carrying amount (Net)	-	-	58,308	58,308	14,753	6,270	87,308	1,08,331

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

5 Right to use asset (refer note 30)

Reconciliation of carrying amount	As at 31 March 2022		As at 31 March 2021	
	Office premise	Total	Office premise	Total
Gross carrying amount				
Opening balance	8,61,583	8,61,583	-	-
Additions	-	-	8,61,583	8,61,583
Closing balance	8,61,583	8,61,583	8,61,583	8,61,583
Accumulated depreciation				
Opening balance	1,95,815	1,95,815	-	-
Amortisation for the year	4,69,956	4,69,956	1,95,815	1,95,815
Closing balance	6,65,771	6,65,771	1,95,815	1,95,815
Carrying amount (Net)	1,95,812	1,95,812	6,65,768	6,65,768

6 Other intangible assets

Reconciliation of carrying amount	As at 31 March 2022		As at 31 March 2021	
	Computer Software	Total	Computer Software	Total
Gross carrying amount				
Opening balance	1,09,803	1,09,803	1,09,803	1,09,803
Additions	-	-	-	-
Disposals	(1,09,803)	(1,09,803)	-	-
Closing balance	-	-	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	(1,09,803)	(1,09,803)	-	-
Closing balance	-	-	1,09,803	1,09,803
Carrying amount (Net)	-	-	-	-

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
7 Investments		
Non current investments		
Units in Alternative Investment Fund at FVTPL		
360.02 class A units of Rs. 7,442.24 (31 March 2021: Rs. 10,218.32) each in Peninsula Brookfield India Real Estate Fund	26,79,356	36,78,800
109.98 class B units of Rs. 7,442.24 (31 March 2021: Rs. 10,218.32) each in Peninsula Brookfield India Real Estate Fund	8,18,498	11,23,811
	<u>34,97,854</u>	<u>48,02,611</u>
Current investments		
Investment in Limited Liability Partnership (refer note 33)		
Investment in PenBrook Investment Manager LLP	68,88,980	2,14,98,326
	<u>68,88,980</u>	<u>2,14,98,326</u>
8 Loans and advances		
Unsecured, considered good		
Interest free loan to Peninsula Brookfield Employee Benefit Trust	2,87,582	7,46,513
	<u>2,87,582</u>	<u>7,46,513</u>
9 Other non current financials asset		
Security deposit	2,28,729	2,03,791
Others	-	39,051
	<u>2,28,729</u>	<u>2,42,842</u>
10 Trade receivables		
Unsecured, considered good (refer note 29)	-	24,57,389
Less: Impairment loss allowance	-	(17,632)
	<u>-</u>	<u>24,39,757</u>

Ageing for trade receivables – current outstanding as at 31 March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables (considered good)	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Ageing for trade receivables – current outstanding as at 31 March 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables (considered good)	20,56,649	-	-	2,32,756	1,67,984	24,57,389
	<u>20,56,649</u>	<u>-</u>	<u>-</u>	<u>2,32,756</u>	<u>1,67,984</u>	<u>24,57,389</u>
Less: Impairment loss allowance	-	-	-	(10,241)	(7,391)	(17,632)
	<u>20,56,649</u>	<u>-</u>	<u>-</u>	<u>2,22,515</u>	<u>1,60,593</u>	<u>24,39,757</u>

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
11 Cash and cash equivalents		
Balance with banks:		
(i) In current account	17,99,570	58,65,058
(ii) In deposit account (original maturity less than three months)	65,00,000	60,00,000
Cash in hand	7,776	7,776
	<u>83,07,346</u>	<u>1,18,72,834</u>
12 Loans and advances		
Advance to staff	-	38,609
	<u>-</u>	<u>38,609</u>
13 Other financial assets		
Interest accrued on investments and deposits	2,55,659	2,70,617
Amounts recoverable for expenses (refer note 29)	16,57,535	9,86,352
Others	4,59,134	4,33,003
	<u>23,72,328</u>	<u>16,89,972</u>
14 Current tax assets (net)		
Advance tax (net of provision for Rs. 47,03,499 (31 March 2021: Rs. 88,26,193))	25,17,110	89,27,429
	<u>25,17,110</u>	<u>89,27,429</u>
15 Other current assets		
Advance to creditors	1,50,000	1,63,880
	<u>1,50,000</u>	<u>1,63,880</u>

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
16 Share capital		
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.

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

	31 March 2022		31 March 2021	
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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

16 Share capital (*Continued*)

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

Equity shares	31 March 2022		31 March 2021	
	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	(%)
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.

h Disclosure of shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Particulars	31 March 2022		31 March 2021		% change for the year
	No. of Shares	(%)	No. of Shares	(%)	
Equity shares					
Peninsula Investment Management Company Ltd	14,900	49.67%	14,900	49.67%	-
BPG India LLC	600	2.00%	600	2.00%	-
Brookfield Capital Partners (Bermuda) Ltd	14,300	47.67%	14,300	47.67%	-
	29,800	99.33%	29,800	99.33%	
Cumulative Compulsorily Convertible Preference 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%	-
	33,25,756	100%	33,25,756	100%	

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Particulars	31 March 2021		31 March 2020		% change for the year
	No. of Shares	(%)	No. of Shares	(%)	
Equity shares					
Peninsula Investment Management Company Ltd	14,900	49.67%	14,900	49.67%	-
BPG India LLC	600	2.00%	600	2.00%	-
Brookfield Capital Partners (Bermuda) Ltd	14,300	47.67%	14,300	47.67%	-
	29,800	99.33%	29,800	99.33%	
Cumulative Compulsorily Convertible Preference 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%	-
	33,25,756	100%	33,25,756	100%	

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
17 Lease liabilities		
Non current liabilities		
Lease liability	-	1,83,555
	<u>-</u>	<u>1,83,555</u>
Current liabilities		
Lease liability	2,06,017	4,66,573
	<u>2,06,017</u>	<u>4,66,573</u>
18 Long term provisions		
Provision for employee benefits		
- Compensated absences	17,94,607	9,86,159
- Gratuity	17,13,127	16,96,879
	<u>35,07,734</u>	<u>26,83,038</u>
19 Trade payables		
Total outstanding dues of micro and small enterprises	18,900	19,336
Total outstanding dues of creditors other than micro and small enterprises	31,49,620	29,34,063
	<u>31,68,520</u>	<u>29,53,399</u>

Ageing for trade payables as at 31 March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	18,900	-	-	-	18,900
(ii) Others	84,669	-	-	-	84,669
(iii) Disputed due - Others	-	-	-	3,10,419	3,10,419
	<u>1,03,569</u>	<u>-</u>	<u>-</u>	<u>3,10,419</u>	<u>4,13,988</u>
Add: Provision - Unbilled					27,54,532
					<u>31,68,520</u>

Ageing for trade payables as at 31 March 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	19,336	-	-	-	19,336
(ii) Others	1,26,789	42,911	-	1,700	1,71,400
(iii) Disputed due - Others	-	-	33,943	3,10,419	3,44,362
	<u>1,46,125</u>	<u>42,911</u>	<u>33,943</u>	<u>3,12,119</u>	<u>5,35,098</u>
Add: Provision - Unbilled					24,18,301
					<u>29,53,399</u>

20 Other current liabilities

Statutory dues payables	16,83,691	19,43,114
Advance from debtors	4,311	61,810
	<u>16,88,002</u>	<u>20,04,924</u>

21 Provisions

Provision for employee benefits		
- Compensated absences	90,883	47,327
- Gratuity	19,856	29,606
Provision for dividend on CCPS	2,61,440	2,28,180
	<u>3,72,179</u>	<u>3,05,113</u>

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
22 Revenue from operations		
Management fee	-	24,50,274
Capping fee	-	12,80,128
	<u>-</u>	<u>37,30,402</u>
23 Other income		
Recovery of expenses	1,41,42,544	17,64,111
Income from investment	10,893	25,127
Interest on:		
- Deposits with bank	3,16,570	6,38,901
- Income tax refunds	6,47,282	2,51,454
- Loan and security deposit	93,704	1,13,879
Financial asset at FVTPL - net change in fair value	-	70,120
Share of profit in LLP (refer note 33)	3,90,654	-
Remission of trade liability	77,621	-
	<u>1,56,79,268</u>	<u>28,63,592</u>
24 Employee benefits expenses		
Salaries, bonus and wages	2,58,77,403	2,13,85,159
Contribution to provident fund	14,70,925	11,16,958
Staff welfare expenses	12,40,007	12,48,837
	<u>2,85,88,335</u>	<u>2,37,50,954</u>
25 Finance cost		
Interest on:		
- Lease liability	47,888	34,325
- Loans	68,766	1,04,308
	<u>1,16,654</u>	<u>1,38,633</u>
26 Other expenses		
Payment to auditors		
- Audit fees	8,00,000	4,00,000
- Reimbursement of expenses	4,000	4,000
Expense on investment income	-	75,625
Legal and professional charges	54,64,140	46,16,067
Office expenses	3,26,677	3,08,327
Printing and stationery expenses	-	1,230
SEBI settlement fees	63,75,000	-
Travelling and conveyance	1,59,199	48,596
Bad debts written off	3,97,588	6,36,328
Financial asset at FVTPL - net change in fair value	13,04,757	-
Loss on sale of investment	-	12,22,449
Provision for loss impairment	-	7,88,438
Miscellaneous expenses	2,46,740	2,95,365
	<u>1,50,78,101</u>	<u>83,96,425</u>

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
27 Income tax		
i. Deferred tax asset and liabilities		
Deferred tax asset		
Depreciation on property, plant and equipment and intangible assets	24,807	26,035
Right to use and lease liability	5,975	5,722
Provision for employee benefits	10,06,659	7,67,824
Provision for bonus	3,58,739	3,45,524
Brought forward business loss and unabsorbed depreciation	5,21,62,533	7,52,38,256
Investment Fair value through profit & loss	16,41,380	12,78,397
Total deferred tax asset	5,52,00,093	7,76,61,758
Deferred tax liability	-	-
Total deferred tax liability	-	-
Less: Deferred tax asset (unrecognised)	(5,52,00,093)	(7,76,61,758)
Net deferred tax asset recognised	-	-
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.		
ii. Effective tax rate		
Profit before tax	(2,86,18,191)	(2,59,72,367)
Tax using the Company's domestic tax rate [Current year 27.82% and Previous Year 27.82%]	(79,61,581)	(72,25,513)
Tax on non-deductible expenses	16,74,132	2,29,499
Tax on exempt income	-	(666)
Tax on items of timing difference	62,87,449	69,96,680
Current tax expense	-	-
Add: Short provision for prior years	8,019	-
Add: Deferred tax expense	-	-
Total tax expense	8,019	-
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 Company has not opted for benefit of lower tax rate available as per the Finance Act 2019.		
Tax losses carried forward		
Loss that expires		
2021-2022	-	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	18,70,430	18,70,430
2028-2029	2,27,04,884	2,28,47,740
2029-2030	2,08,14,076	-
Total loss that expires	18,72,20,353	27,04,46,643
Loss that never expires (relating to depreciation)	2,79,768	2,66,682

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(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 company by the weighted average number of equity shares outstanding during the year.

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

The calculations for earnings per share are as follows:

	31 March 2022	31 March 2021
i. Loss attributable to equity holders	(2,90,38,673)	(2,60,97,530)
Provision for dividend on convertible preference shares	33,260	33,259
Loss attributable to equity holders of the company	(2,90,05,413)	(2,60,64,271)
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.)	(967.96)	(869.92)
Diluted earnings per share (in Rs.)*	(967.96)	(869.92)

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(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 LLC
- (v) Brookfield Capital Partners (Bermuda) Ltd

b. Entity under common control

- (i) Peninsula Brookfield Trustee Private Limited
- (ii) Peninsula Brookfield India Real Estate Fund
- (iii) PenBrook India Real Opportunities Fund

c. Subsidiary

- (i) PenBrook Investment Manager LLP

d. Companies where key management personnel / their relatives exercise significant influence

- (i) Peninsula Investment Management Company Limited

e. 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 and resigned w.e.f. 3 February 2022)
- (vii) Ms. Manish Singh (appointed w.e.f. 3 February 2022)

f. Directors / company secretary of entities exercising joint control

- (i) Mrs. Urvi A. Piramal
- (ii) Mr. Mahesh Shrikrishna Gupta
- (iii) Mr. Vijay Shankar

g. Key managerial person (KMP)

- (i) Mr. Amit Gupta (appointed w.e.f. 2 April 2021)

B Transactions during the year:

	31 March 2022	31 March 2021
Investment/(withdrawal) in Limited Liability Partnership		
PenBrook Investment Manager LLP	(1,50,00,000)	-
Redemption of Units in Alternative Investment Fund		
Peninsula Brookfield India Real Estate Fund	-	39,75,032
Management fee		
Peninsula Brookfield India Real Estate Fund	-	24,50,274
Capping fee		
Peninsula Brookfield India Real Estate Fund	-	12,80,128
Remuneration to KMP		
Amit Gupta	1,74,85,631	-
Reimbursement to KMP		
Amit Gupta	4,11,123	-
Income from investment		
Peninsula Brookfield India Real Estate Fund	10,893	25,127
Recovery of expenses		
Peninsula Brookfield India Real Estate Fund	28,05,433	17,64,111
Peninsula Brookfield Trustee Private Limited	1,93,111	-
India Investment Opportunity Fund	1,11,44,000	-

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

29 Related party relationships, transactions and balances (*Continued*)

C Outstanding balances as at the year end:

Investment in Limited Liability Partnership (at fair value)		
PenBrook Investment Manager LLP	68,88,980	2,14,98,326
Units in Alternative Investment Fund at FVTPL		
Peninsula Brookfield India Real Estate Fund	34,97,854	48,02,611
Other financial assets		
Peninsula Brookfield India Real Estate Fund	2,46,245	2,36,441
Amounts recoverable		
Peninsula Brookfield India Real Estate Fund	6,71,183	20,56,649
Peninsula Land Limited	9,86,352	9,86,352
Sundry creditors		
Amit Gupta	707	-
Advance from debtors		
Peninsula Brookfield Trustee Private Limited	4,311	-

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(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.

Company as a lessee

The Company 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 Company 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 Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The Company 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 company 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 Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company 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 Company is disclosed in Note no 5.

(ii) Amount recognised in statement of profit and loss	31 March 2022	31 March 2021
Interest expense on lease liabilities	47,889	34,325
Interest income on security deposit	(24,938)	(9,571)
Short-term leases and leases of low-value assets	-	-

(iii) Amount recognised in statement of cash flows	31 March 2022	31 March 2021
Total cash outflow for leases	4,92,000	2,00,000

(iv) Extension options

Lease contracts does not provide for extension of lease.

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

31 Capital management

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

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

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

	31 March 2022	31 March 2021
Total liabilities	89,42,452	85,96,602
Less: Cash and cash equivalents	83,07,346	1,18,72,834
Adjusted net debt	6,35,106	(32,76,232)
Total equity	1,55,61,597	4,46,00,270
Adjusted net debt to adjusted equity ratio	0.04	(0.07)

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

32 Employee benefits

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

(i) Defined contribution plans:

Provident fund:

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

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The following table represents the amounts contributed and recognised in the Company's financial statements for the year:

	31 March 2022	31 March 2021
Contribution to provident fund	14,70,925	11,16,958

(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 Company's financial statements as at balance sheet date:

	31 March 2022	31 March 2021
Defined benefit obligation	17,32,983	17,26,485
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	17,32,983	17,26,485

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	17,26,485	10,17,524	-	-	17,26,485	10,17,524
Current service cost	4,74,116	3,45,186	-	-	4,74,116	3,45,186
Past service cost	-	-	-	-	-	-
Interest cost	1,18,962	68,992	-	-	1,18,962	68,992
Actuarial gain due to change in demographic assumption	-	-	-	-	-	-
	23,19,563	14,31,702	-	-	23,19,563	14,31,702
Included in OCI						
Financial assumptions	(64,560)	(22,018)	-	-	(64,560)	(22,018)
Experience adjustment	3,76,595	3,16,801	-	-	3,76,595	3,16,801
	3,12,035	2,94,783	-	-	3,12,035	2,94,783
Other						
Benefits paid	(8,98,615)	-	-	-	(8,98,615)	-
Closing balance	17,32,983	17,26,485	-	-	17,32,983	17,26,485
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					17,32,983	17,26,485

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

32 Employee benefits (*Continued*)

(iii) Defined Benefit Plan: Gratuity (*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 2022	31 March 2021
Discount rate	7.25%	6.95%
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 2022	
	Increase	Decrease
Discount rate (0.5% movement)	16,31,761	18,42,273
Future salary growth (0.5% movement)	18,43,073	16,30,147
Withdrawal rate (10% movement)	17,34,966	17,30,851

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 2022 were as follows:

Expected contribution

Expected future benefit payments

Year 1	19,856
Year 2	54,404
Year 3	56,952
Year 4	59,698
Year 5	62,648
Year 6 to Year 10	3,10,885

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(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 Company's financial statements as at balance sheet date:

	31 March 2022	31 March 2021
Defined benefit obligation	18,85,490	10,33,486
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	18,85,490	10,33,486

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	10,33,486	9,03,961	-	-	10,33,486	9,03,961
Current service cost	9,62,233	2,38,635	-	-	9,62,233	2,38,635
Past service cost	-	-	-	-	-	-
Interest cost	70,183	60,510	-	-	70,183	60,510
Actuarial loss/(gain) due to change in demographic assumption	-	-	-	-	-	-
	20,65,902	12,03,106	-	-	20,65,902	12,03,106
Included in OCI						
Financial assumptions	(58,142)	(11,090)	-	-	(58,142)	(11,090)
Experience adjustment	1,58,570	(1,58,530)	-	-	1,58,570	(1,58,530)
	1,00,428	(1,69,620)	-	-	1,00,428	(1,69,620)
Other						
Benefits paid	(2,80,840)	-	-	-	(2,80,840)	-
Closing balance	18,85,490	10,33,486	-	-	18,85,490	10,33,486
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					18,85,490	10,33,486

B. Plan assets

The defined benefit plan for gratuity is unfunded.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

32 Employee Benefits (*Continued*)

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

C. Defined benefit obligations

i. Actuarial assumptions

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

	31 March 2022	31 March 2021
Discount rate	7.25%	6.95%
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 2022	
	Increase	Decrease
Discount rate (0.5% movement)	17,93,769	19,83,761
Future salary growth (0.5% movement)	19,84,477	17,92,299
Withdrawal rate (10% movement)	18,86,011	18,84,933

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 2022 were as follows

Expected contribution

Expected future benefit payments

Year 1	90,883
Year 2	93,426
Year 3	96,099
Year 4	98,907
Year 5	1,01,848
Year 6 to Year 10	5,13,667

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

33 Financial instruments – fair values and risk management

A. Accounting classification and fair values

31 March 2022	FVTPL	Carrying amount FVT OCI	Other financial assets - amortised cost	Other financial liabilities	Total	Level 1	Level 2	Fair value Level 3	Total
Financial assets measured at fair value									
Non-current investments	34,97,854	-	-	-	34,97,854	-	-	34,97,854	34,97,854
Current investments	68,88,980	-	-	-	68,88,980	-	-	68,88,980	68,88,980
Loans and advances	2,87,582	-	-	-	2,87,582	-	-	2,87,582	2,87,582
Security deposit	2,28,729	-	-	-	2,28,729	-	-	2,28,729	2,28,729
Financial liabilities measured at fair value									
Non current lease liabilities	-	-	-	-	-	-	-	-	-
Current lease liabilities	2,06,017	-	-	-	2,06,017	-	-	2,06,017	2,06,017

31 March 2021	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	48,02,611	-	-	-	48,02,611	-	-	48,02,611	48,02,611
Current investments	2,14,98,326	-	-	-	2,14,98,326	-	-	2,14,98,326	2,14,98,326
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

* The Company 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.

Current Investment: As of 31 March 2022, the Company's subsidiary, Peninsula Investment Manager LLP ('PIMLLP') is intended to be liquidated. Accordingly, the Company's investment in PIMLLP has been impaired with reference to the net realizable value of the assets and liabilities of PIMLLP and a charge of INR 788,438 which has been recognised in the income statement during previous year. During the current year charge of INR 390,654 has been reversed from income statement. The net provision for impairment has been recognised as a reduction from the investment.

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.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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

C. Financial risk management

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

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

i. Risk management framework

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

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

ii. Credit risk

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

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

Trade receivables

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

Impairment

The Company has impaired trade receivables as detailed in note b below.

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

	Carrying amount (in INR)	
	31 March 2022	31 March 2021
Neither past due nor impaired		
Past due 1–30 days	-	20,56,649
Past due 31–90 days	-	-
Past due 91–120 days	-	-
Past due beyond 120 days	-	3,83,108
	<u>-</u>	<u>24,39,757</u>

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

Opening loss allowance	17,632	48,753
Changes in loss allowance	(17,632)	(31,121)
Closing loss allowance	<u>-</u>	<u>17,632</u>

c. Bad debts written off

3,97,588 6,36,328

The Company held cash and cash equivalents of INR 83,07,346 at 31 March 2022 (31 March 2021: INR 1,18,72,834). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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

C. Financial risk management (*Continued*)

iii. Liquidity risk

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

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

31 March 2022	Carrying amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	31,68,520	31,68,520	31,68,520	-	-	-
Lease liabilities	2,06,017	2,06,017	2,06,017	-	-	-

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	29,53,399	29,53,399	29,53,399	-	-	-
Lease liabilities	6,50,128	6,50,128	4,66,573	1,83,555	-	-

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

v. Currency risk

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

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 Company does not have exposure in investment in fixed or floating rate instrument, hence the interest risk will not have impact on the profit or loss.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

34 Additional regulatory information

(i) Analytical ratios

The following are analytical ratios of the Company:

	Ratios	Numerator	Denominator	31 March 2022	31 March 2021	Variance
a.	Current ratio	Current assets	Current liabilities	3.72	8.14	-54.25%
b.	Debt equity ratio	Total debt (represents lease liabilities)	Shareholder's equity	-	0.00	-100.00%
c.	Debt service coverage ratio	Earnings available for debt service (<i>Note i</i>)	Debt service (<i>Note ii</i>)	-55.39	-122.19	-54.67%
d.	Return on equity ratio	Net profits after taxes	Average shareholder's equity	-96.80	-86.99	11.27%
e.	Trade receivables turnover ratio	Revenue	Average trade receivable	-	1.27	-100.00%
f.	Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	2.69	1.40	92.19%
g.	Net capital turnover ratio	Net sales	Working capital	-	9.12	-100.00%
h.	Net profit ratio	Net profit	Net sales	-	-7.00	-100.00%
i.	Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed	-1.81	-0.57	216.62%
j.	Return on investment	Net profits after taxes	Average shareholder's equity	-96.80	-86.99	11.27%

Reason for variances:

- Current ratio:** The Company has incurred losses during the current year which has lead to net operating cash outflow, thereby leading to decline in current ratio.
- Debt equity ratio:** The Company does not have any non current lease liability as on 31 March 2022.
- Debt service coverage ratio:** Total debt of the Company is represented by lease liabilities. The Company has rented premises during second half of previous year. Hence the ratio of previous year was high due to smaller denominator effect (representing lease payments for 5 month).
- Trade receivables turnover ratio:** The Company neither has any revenues from operation nor outstanding trade receivables during the current year. Hence during the current year the trade receivables turnover ratio is nil.
- Trade payables turnover ratio:** As compared to previous year, increase in operating expenses has lead to increase in trade payable. Hence this ratio has increased significantly.
- Net capital turnover ratio and Net profit ratio:** The Company does not has any revenues from operation during the current year. Hence the ratios are nil during the current year.
- Return on capital employed (ROCE):** The Company does not have any revenue from operations and hence the net losses has increased. Therefore ROCE has decreased during the current year.

Notes:

- Earning for debt service = Net Profit after taxes (excluding other comprehensive income) + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Lease payments

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

35. Operating segments

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

36. Contingent liability and capital commitment

There are no contingent liabilities as at 31 March 2022 (31 March 2021: Rs. Nil). The Company has commitment of unpaid call on its investment in funds amounting to Rs.30,00,000 as at 31 March 2022 (31 March 2021: Rs. 30,00,000).

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

37. Due to Micro and small suppliers

	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	18,900	19,336
- 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 Company. This has been relied upon by the statutory auditors of the Company.

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

38. Deferral of fee on investment

The Fund is in process of recovery of the amount invested in ITCL Ansal Hi Tech Townships Limited along with the interest thereon. In order to provide relief to the investors, the Company has taken a decision to defer 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 standalone financial statements.

Details of income deferred is as under:

Particulars	31 March 2022	31 March 2021
Management Fee	2,03,99,889	2,03,99,889
Advisory Fee	-	31,88,048
Total	2,03,99,889	2,35,87,937

39. SEBI Inspection

During the year ended 31 March 2021, Securities and Exchange Board of India ('SEBI') has issued a Show Cause Notice regarding drawdown of contributions less than INR 1 crore from investors, extension of the tenure of the Fund etc. The Company is one of the recipients of the Show Cause Notice (those who have received include the directors of the Company, 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. The Company along with other recipients of the Show Cause Notice had filed an application for settlement and the settlement amount of INR 63.75 lacs was paid by the Company which was accepted by SEBI. Thereafter, SEBI vide its settlement order dated 28 January 2022 has disposed of the adjudication proceedings.

40. Going Concern

The Company presently does not earn revenue from the existing investment management contract. However, the 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 Company has sufficient cash and bank balances to meet the liabilities outstanding as of 31 March 2022 and its expenses for next financial year.

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

PenBrook Capital Advisors Private Limited

Notes to the standalone financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

41. Subsequent events

The Company has evaluated subsequent events, as defined under IND AS 10 “Events after the reporting period” through 11 May 2022 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

For and on behalf of the Board of Directors of

PenBrook Capital Advisors Private Limited

CIN: U67190MH2011PTC224167

Nitesh Shetty

Partner

Membership No: 123493

Mumbai

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

B S R & Associates LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Independent Auditor's Report

To the Members of PenBrook Capital Advisors Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of PenBrook Capital Advisors Private Limited (the "Company"), which comprise the standalone balance sheet as at 31 March 2022, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

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 Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Company's Board of Directors is 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 financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

Registered Office:

Independent Auditor's Report (*Continued*)

PenBrook Capital Advisors Private Limited

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- Obtain an understanding of internal 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

Independent Auditor's Report (*Continued*)

PenBrook Capital Advisors Private Limited

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The Standalone balance sheet, the Standalone statement of profit and loss (including other comprehensive income) and the Standalone statement of changes in equity and the Standalone statement of cash flows dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

Independent Auditor's Report (*Continued*)

PenBrook Capital Advisors Private Limited

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

- f) The Company has been exempted from the requirement of its auditor reporting on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls (clause (i) of section 143(3)); and
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements;
 - ii. The Company did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022;
 - iii. There has been no amounts required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:
 - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
 - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
 - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
 - (c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.

Independent Auditor's Report (*Continued*)

PenBrook Capital Advisors Private Limited

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

3. In our opinion and according to the information and explanations given to us, section 197 is not applicable to the Company as it is a private limited company.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231 W/W-100024

Place-Mumbai
Date- 11 May 2022

Partner
Membership No. 123493
UDIN: 22123493AIUNFR8224

PenBrook Capital Advisors Private Limited

Annexure A to the Independent Auditor's Report on the standalone financial statements of PenBrook Capital Advisors Private Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date)

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The Company does not hold immovable properties and accordingly, said clause is not applicable.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year
 - (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company is a service company primarily rendering investment management services. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has neither granted any loans or made investments or provided any guarantees or security to parties covered under Section 185 and 186 of the Act. Thus, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India, the provisions of Section 73 to 76 or other relevant provisions of the Act and rules framed thereunder.
- (vi) The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, provident fund, goods and service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employee's state insurance fund, sales tax, wealth tax, excise duty, value added tax, cess and customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, provident fund, goods and service tax and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

PenBrook Capital Advisors Private Limited

Annexure A to the Independent Auditor's Report on the standalone financial statements of PenBrook Capital Advisors Private Limited for the year ended 31 March 2022 (*Continued*)

- (b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax and other material statutory dues which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) The Company has not taken any loans or borrowings from any financial institution, bank or Government nor has it issued any debentures. Accordingly, paragraph 3(viii) of the Order not applicable to the Company.
- (x) In our opinion and according to the information and explanations given to us, the Company has not raised any money by initial public offer or further public offer (including debt instruments) and term loans during the year.
- (xi) In our opinion and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable Accounting Standards.
- (xiv) In our opinion and based on the information and explanations provided to us, the Company does not have an Internal Audit system and is not required to have an internal audit system as per Section 138 of the Act.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (xvii) In our opinion and according to the information and explanations given to us, The Company has incurred cash losses of Rs. 26,849,211 in the current financial year and Rs. 24,312,618 in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the [standalone] financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable

B S R & Associates LLP

of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) According to the information and explanations given to us, the requirements as stipulated by the provisions of Section 135 are not applicable to the Company. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231 W/W-100024

Place- Mumbai
Date- 11 May 2022

Partner
Membership No. 123493
UDIN: 22123493AIUNFR8224

PenBrook Capital Advisors Private Limited

Consolidated balance sheet

as at 31 March 2022

(Amount in INR)

Particulars	Notes	31 March 2022	31 March 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	58,308	1,08,331
Right to use asset	5	1,95,812	6,65,768
Other intangible assets	6	-	-
Financial assets			
- Investments	7	34,97,854	48,02,611
- Loans and advances	8	2,87,582	7,46,513
Deferred tax assets (net)	27	-	-
Other non-current assets	9	2,28,729	2,42,842
Total non-current assets		42,68,285	65,66,065
Current assets			
Financial assets			
- Trade receivables	10	-	24,39,757
- Cash and cash equivalents	11	1,49,19,572	3,30,50,385
- Loans and advances	12	-	38,609
- Other financial assets	13	24,03,949	16,89,972
Current tax assets (net)	14	29,51,109	94,38,845
Other current assets	15	1,50,000	1,63,880
Total current assets		2,04,24,630	4,68,21,448
TOTAL ASSETS		2,46,92,915	5,33,87,513
EQUITY AND LIABILITIES			
Equity			
Share capital	16	33,28,75,600	33,28,75,600
Other equity		(31,73,14,003)	(28,82,75,330)
Equity attributable to equity holders of the company		1,55,61,597	4,46,00,270
Non controlling interest		1,000	1,000
Total equity		1,55,62,597	4,46,01,270
Non-current liabilities			
Financial liabilities			
- Lease liabilities	17	-	1,83,555
Long term provisions	18	35,07,734	26,83,038
Total non current liabilities		35,07,734	28,66,593
Current liabilities			
Financial liabilities			
- Lease liabilities	17	2,06,017	4,66,573
- Trade payables	19		
- Total outstanding dues of micro and small enterprises		18,900	19,336
- Total outstanding dues of creditors other than micro and small enterprises		33,32,336	31,18,716
- Other current liabilities	20	16,93,152	20,09,912
Provisions	21	3,72,179	3,05,113
Total current liabilities		56,22,584	59,19,650
Total liabilities		91,30,318	87,86,243
TOTAL EQUITY AND LIABILITIES		2,46,92,915	5,33,87,513

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

For and on behalf of the Board of Directors of

PenBrook Capital Advisors Private Limited

CIN : U74120MH2011PTC224370

Nitesh Shetty

Partner

Membership No: 123493

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

Mumbai

PenBrook Capital Advisors Private Limited

Consolidated statement of profit and loss

for the year ended 31 March 2022

(Amount in INR)

Particulars	Notes	31 March 2022	31 March 2021
Income			
Revenue from operations	22	-	37,30,402
Other income	23	1,57,57,106	33,18,081
Total income		1,57,57,106	70,48,483
Expenses			
Employee benefits expenses	24	2,85,88,335	2,37,50,954
Finance cost	25	1,16,654	1,38,633
Depreciation and amortization expenses	4 & 5	5,14,369	2,80,349
Other expenses	26	1,51,55,939	81,38,495
Total expenses		4,43,75,297	3,23,08,431
Loss before tax		(2,86,18,191)	(2,52,59,948)
Tax expense:	27		
Current tax		-	-
Short provision for prior years		8,019	-
Deferred tax charge		-	54,240
Loss for the year		(2,86,26,210)	(2,53,14,188)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit liability (net)		(4,12,463)	(1,25,163)
Total other comprehensive income, net of tax		(4,12,463)	(1,25,163)
Total comprehensive loss for the year		(2,90,38,673)	(2,54,39,351)
Earnings per equity share of par value Rs.10 each	28		
Basic		(967.96)	(847.98)
Diluted		(967.96)	(847.98)

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

For and on behalf of the Board of Directors of

PenBrook Capital Advisors Private Limited

CIN : U74120MH2011PTC224370

Nitesh Shetty

Partner

Membership No: 123493

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

Mumbai

PenBrook Capital Advisors Private Limited

Consolidated statement of changes in equity

for the year ended 31 March 2022

(Amount in INR)

Particulars	Equity share capital	Reserves and surplus	Items of other comprehensive income	Total equity attributable to equity holders of the company
		Retained earnings	Other items of OCI	
<u>Current reporting period</u>				
Balance at the beginning of the current reporting year	33,28,75,600	(28,60,41,253)	(22,34,077)	(28,82,75,330)
Loss for the year	-	(2,86,26,210)	-	(2,86,26,210)
Other comprehensive income / (loss) for the year				
Remeasurement of defined benefit plan	-	-	(4,12,463)	(4,12,463)
Balance as at 31 March 2022	33,28,75,600	(31,46,67,463)	(26,46,540)	(31,73,14,003)
<u>Previous reporting period</u>				
Balance at the beginning of the previous reporting year	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

Firm's Registration No: 116231W/W-100024

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

CIN : U74120MH2011PTC224370

Nitesh Shetty

Partner

Membership No: 123493

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

Mumbai

PenBrook Capital Advisors Private Limited

Consolidated statement of cash flows

for the year ended 31 March 2022

(Amount in INR)

Particulars	31 March 2022	31 March 2021
Cash flow from operating activities		
Loss before tax	(2,86,18,191)	(2,52,59,948)
Adjustments for		
Interest on lease liability and loans	1,16,654	1,38,633
Interest income on loans and security deposit	(93,704)	(1,13,879)
Remeasurement of defined benefit plans	(4,12,463)	(1,25,163)
Financial asset at FVTPL - net change in fair value	13,04,757	(70,120)
Depreciation, amortisation and write off	5,14,369	2,80,349
Bad debts	3,97,588	14,24,766
Remission of trade liability	(77,621)	-
Interest income	(7,76,884)	(10,87,055)
Loss on sale of asset	5,610	-
	(2,76,39,885)	(2,48,12,417)
Working capital adjustments		
Decrease in trade and other receivables	20,42,170	(4,26,810)
Decrease in trade and other payables	8,65,807	(25,19,039)
Decrease in loans and advances	(1,63,470)	18,00,203
	27,44,507	(11,45,646)
Income tax paid (net of income tax refund)	64,79,681	35,96,503
Net cash flows used in operating activities	(1,84,15,697)	(2,23,61,560)
Cash flow from investing activities		
Investment made / redeemed		
- Units in Alternative Investment Fund at FVTPL	-	39,75,032
Interest received	7,76,884	10,87,055
Net cash flows generated from investing activities	7,76,884	50,62,087
Cash flow from financing activities		
Payment of lease liability	(4,92,000)	(2,00,000)
Net cash flows from financing activities	(4,92,000)	(2,00,000)
Net decrease in cash and cash equivalents	(1,81,30,813)	(1,74,99,473)
Cash and cash equivalents at the beginning of the year	3,30,50,385	5,05,49,858
Cash and cash equivalents at the end of the year	1,49,19,572	3,30,50,385
Reconciliation of cash and cash equivalents with the balance sheet		
Cash and bank balances as per balance sheet [Note 11]	1,49,19,572	3,30,50,385
Cash and cash equivalents as at the end of the year	1,49,19,572	3,30,50,385

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

For and on behalf of the Board of Directors of

PenBrook Capital Advisors Private Limited

CIN : U74120MH2011PTC224370

Nitesh Shetty

Partner

Membership No: 123493

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

Mumbai

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements

for the year ended 31 March 2022

(Amount in INR)

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 41) 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 40).

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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 2022 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 32 – measurement of defined benefit obligation: key actuarial assumptions;

Note 33 – impairment of financial assets and borrowing rate assumptions;

Note 36 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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 recognised 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 recognised 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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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. The Group has evaluated the impact of these amendments and has given effect in these financial statements wherever applicable.

Further, on 23 March 2022, MCA has notified amendments in the Companies (Indian Accounting Standards) Amendment Rules, 2022, which are applicable from 1 April 2022. Key amendments under the notification are as under:

- Amendment to Ind AS 16 – Property, plant and equipment
- Amendment to Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- Amendment to Ind AS 103 – Reference to Conceptual Framework
- Amendment to Ind AS 106 – Annual Improvements to Ind AS (2021)
- Amendment to Ind AS 109 – Annual Improvements to Ind AS (2021)

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 2022

(Amount in INR)

4 Property, plant and equipment

Reconciliation of carrying amount	Plant and equipment - computer	As at 31 March 2022 Furniture and fixtures	Office equipment	Total	Plant and equipment - computer	As at 31 March 2021 Furniture and fixtures	Office equipment	Total
Gross carrying amount								
Opening balance	8,90,306	33,523	2,49,947	11,73,776	8,90,306	33,523	2,49,947	11,73,776
Additions	-	-	-	-	-	-	-	-
Disposals	-	(33,523)	(1,04,947)	(1,38,470)	-	-	-	-
Closing balance	8,90,306	-	1,45,000	10,35,306	8,90,306	33,523	2,49,947	11,73,776
Accumulated depreciation								
Opening balance	8,75,553	27,253	1,62,639	10,65,445	8,22,665	24,607	1,33,639	9,80,911
Depreciation for the year	14,753	660	29,000	44,413	52,888	2,646	29,000	84,534
Eliminated on disposal	-	(27,913)	(1,04,947)	(1,32,860)	-	-	-	-
Closing balance	8,90,306	-	86,692	9,76,998	8,75,553	27,253	1,62,639	10,65,445
Carrying amount (Net)	-	-	58,308	58,308	14,753	6,270	87,308	1,08,331

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Amount in INR)

5 Right to use asset (refer note 30)

Reconciliation of carrying amount	As at 31 March 2022		As at 31 March 2021	
	Office premise	Total	Office premise	Total
Gross carrying amount				
Opening balance	8,61,583	8,61,583	-	-
Additions	-	-	8,61,583	8,61,583
Disposals	-	-	-	-
Closing balance	8,61,583	8,61,583	8,61,583	8,61,583
Accumulated depreciation				
Opening balance	1,95,815	1,95,815	-	-
Amortisation for the year	4,69,956	4,69,956	1,95,815	1,95,815
Eliminated on disposal	-	-	-	-
Closing balance	6,65,771	6,65,771	1,95,815	1,95,815
Carrying amount (Net)	1,95,812	1,95,812	6,65,768	6,65,768

6 Other intangible assets

Reconciliation of carrying amount	As at 31 March 2022		As at 31 March 2021	
	Computer Software	Total	Computer Software	Total
Gross carrying amount				
Opening balance	1,09,803	1,09,803	1,09,803	1,09,803
Additions	-	-	-	-
Disposals	(1,09,803)	(1,09,803)	-	-
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	(1,09,803)	(1,09,803)	-	-
Closing balance	1,09,803	1,09,803	1,09,803	1,09,803
Carrying amount (Net)	-	-	-	-

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
7 Investments		
Non current investments		
Units in Alternative Investment Fund at FVTPL		
360.02 class A units of Rs. 7,442.24 (31 March 2021: Rs. 10,218.32) each in Peninsula Brookfield India Real Estate Fund	26,79,356	36,78,800
109.98 class B units of Rs. 7,442.24 (31 March 2021: Rs. 10,218.32) each in Peninsula Brookfield India Real Estate Fund	8,18,498	11,23,811
	<u>34,97,854</u>	<u>48,02,611</u>
8 Loans and advances		
Unsecured, considered good		
Interest free loan to Peninsula Brookfield Employee Benefit Trust	2,87,582	7,46,513
	<u>2,87,582</u>	<u>7,46,513</u>
9 Other non current financials asset		
Security deposit	2,28,729	2,03,791
Others	-	39,051
	<u>2,28,729</u>	<u>2,42,842</u>
10 Trade receivables		
Unsecured, considered good (refer note 29)	-	24,57,389
Less: Provision for doubtful debts	-	(17,632)
	<u>-</u>	<u>24,39,757</u>

Ageing for trade receivables – current outstanding as at 31 March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables (considered good)	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Ageing for trade receivables – current outstanding as at 31 March 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	< 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	> 3 years	
Undisputed trade receivables (considered good)	20,56,649	-	-	2,32,756	1,67,984	24,57,389
	<u>20,56,649</u>	<u>-</u>	<u>-</u>	<u>2,32,756</u>	<u>1,67,984</u>	<u>24,57,389</u>
Less: Impairment loss allowance	-	-	-	(10,241)	(7,391)	(17,632)
	<u>20,56,649</u>	<u>-</u>	<u>-</u>	<u>2,22,515</u>	<u>1,60,593</u>	<u>24,39,757</u>

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
11 Cash and cash equivalents		
Balance with banks:		
(i) In current account	26,11,796	2,70,42,157
(ii) In deposit account (original maturity less than three months)	1,23,00,000	60,00,000
Cash in hand	7,776	8,228
	<u>1,49,19,572</u>	<u>3,30,50,385</u>
12 Loans and advances		
Advance to staff	-	38,609
	<u>-</u>	<u>38,609</u>
13 Other financial assets		
Interest accrued on investments and deposits	2,87,280	2,70,617
Amounts recoverable for expenses (refer note 29)	16,57,535	9,86,352
Others	4,59,134	4,33,003
	<u>24,03,949</u>	<u>16,89,972</u>
14 Current tax assets (net)		
Advance tax (net of provision for Rs. 47,03,499 (31 March 2021: Rs. 88,26,193))	25,96,934	90,84,634
GST credit	3,54,175	3,54,211
	<u>29,51,109</u>	<u>94,38,845</u>
15 Other current assets		
Advance to creditors	1,50,000	1,63,880
	<u>1,50,000</u>	<u>1,63,880</u>

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
16 Share capital		
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.

- 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.
- 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.

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

Particulars	31 March 2022		31 March 2021	
	No. of Shares	Amount	No. of Shares	Amount
<u>Equity shares</u>				
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
<u>Cumulative Compulsorily Convertible Preference Shares</u>				
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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Amount in INR)

16 Share capital (Continued)

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

Particulars	31 March 2022		31 March 2021	
	No. of Shares	(%)	No. of Shares	(%)
<u>Equity shares</u>				
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%
<u>Cumulative Compulsorily Convertible Preference Shares</u>				
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.

h Disclosure of shareholding of Promoters

Disclosure of shareholding of promoters as at 31 March 2022 is as follows:

Particulars	31 March 2022		31 March 2021		% change for the year
	No. of Shares	(%)	No. of Shares	(%)	
<u>Equity shares</u>					
Peninsula Investment Management Company Ltd	14,900	49.67%	14,900	49.67%	-
BPG India LLC	600	2.00%	600	2.00%	-
Brookfield Capital Partners (Bermuda) Ltd	14,300	47.67%	14,300	47.67%	-
	<u>29,800</u>	<u>99.33%</u>	<u>29,800</u>	<u>99.33%</u>	
<u>Cumulative Compulsorily Convertible Preference Shares</u>					
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%	-
	<u>33,25,756</u>	<u>100.00%</u>	<u>33,25,756</u>	<u>100.00%</u>	

Disclosure of shareholding of promoters as at 31 March 2021 is as follows:

Particulars	31 March 2021		31 March 2020		% change for the year
	No. of Shares	(%)	No. of Shares	(%)	
<u>Equity shares</u>					
Peninsula Investment Management Company Ltd	14,900	49.67%	14,900	49.67%	-
BPG India LLC	600	2.00%	600	2.00%	-
Brookfield Capital Partners (Bermuda) Ltd	14,300	47.67%	14,300	47.67%	-
	<u>29,800</u>	<u>99.33%</u>	<u>29,800</u>	<u>99.33%</u>	
<u>Cumulative Compulsorily Convertible Preference Shares</u>					
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%	-
	<u>33,25,756</u>	<u>100.00%</u>	<u>33,25,756</u>	<u>100.00%</u>	

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
17 Non current lease liabilities		
Non current liabilities		
Lease liability	-	1,83,555
	<u>-</u>	<u>1,83,555</u>
Current liabilities		
Lease liability	2,06,017	4,66,573
	<u>2,06,017</u>	<u>4,66,573</u>
18 Long term provisions		
Provision for employee benefits		
- Compensated absences	17,94,607	9,86,159
- Gratuity	17,13,127	16,96,879
	<u>35,07,734</u>	<u>26,83,038</u>
19 Trade payables		
Total outstanding dues of micro and small enterprises	18,900	19,336
Total outstanding dues of creditors other than micro and small enterprises	33,32,336	31,18,716
	<u>33,51,236</u>	<u>31,38,052</u>

Ageing for trade payables as at 31 March 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	18,900	-	-	-	18,900
(ii) Others	84,669	-	-	-	84,669
(iii) Disputed due - Others	-	13,604	12,174	3,10,419	3,36,197
	<u>1,03,569</u>	<u>13,604</u>	<u>12,174</u>	<u>3,10,419</u>	<u>4,39,766</u>
Add: Provision - Unbilled					29,11,470
					<u>33,51,236</u>

Ageing for trade payables as at 31 March 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment				Total
	< 1 year	1 - 2 years	2 - 3 years	> 3 years	
(i) MSME	19,336	-	-	-	19,336
(ii) Others	1,55,425	42,911	-	1,700	2,00,036
(iii) Disputed due - Others	-	13,604	46,117	3,10,419	3,70,140
	<u>1,74,761</u>	<u>56,515</u>	<u>46,117</u>	<u>3,12,119</u>	<u>5,89,512</u>
Add: Provision - Unbilled					25,48,540
					<u>31,38,052</u>

20 Other current liabilities

Statutory dues payables	16,88,841	19,48,102
Advance from debtors	4,311	61,810
	<u>16,93,152</u>	<u>20,09,912</u>

21 Provisions

Provision for employee benefits		
- Compensated absences	90,883	47,327
- Gratuity	19,856	29,606
Provision for dividend on CCPS	2,61,440	2,28,180
	<u>3,72,179</u>	<u>3,05,113</u>

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
22 Revenue from operations		
Management fee	-	24,50,274
Capping fee	-	12,80,128
	<u>-</u>	<u>37,30,402</u>
23 Other income		
Recovery of expenses	1,41,42,544	17,64,111
Income from investment	10,893	25,127
Interest on:		
- Deposits with bank	7,76,884	10,87,055
- Income tax refunds	6,55,460	2,57,789
- Loan and security deposit	93,704	1,13,879
Financial asset at FVTPL - net change in fair value	-	70,120
Remission of trade liability	77,621	-
	<u>1,57,57,106</u>	<u>33,18,081</u>
24 Employee benefits expenses		
Salaries, bonus and wages	2,58,77,403	2,13,85,159
Contribution to provident fund	14,70,925	11,16,958
Staff welfare expenses	12,40,007	12,48,837
	<u>2,85,88,335</u>	<u>2,37,50,954</u>
25 Finance cost		
Interest on:		
- Lease liability	47,888	34,325
- Loans	68,766	1,04,308
	<u>1,16,654</u>	<u>1,38,633</u>
26 Other expenses		
Payment to auditors		
- Audit fees	8,50,000	4,50,000
- Reimbursement of expenses	5,500	5,500
Expense on investment income	-	75,625
Legal and professional charges	54,69,676	46,56,234
Office expenses	3,26,677	3,08,327
Printing and stationery expenses	-	1,230
SEBI settlement fees	63,75,000	-
Travelling and conveyance	1,59,199	48,596
Bad debts written off	3,97,588	6,36,328
Financial asset at FVTPL - net change in fair value	13,04,757	-
Loss on sale of investment	-	12,22,449
Miscellaneous expenses	2,67,542	7,34,206
	<u>1,51,55,939</u>	<u>81,38,495</u>

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
27 Income tax		
i. Deferred tax asset and liabilities		
Deferred tax asset		
Depreciation on property, plant and equipment and intangible assets	24,807	26,035
Right to use and lease liability	5,975	5,722
Provision for employee benefits	10,06,659	7,67,824
Provision for bonus	3,58,739	3,45,524
Brought forward business loss and unabsorbed depreciation	5,23,99,177	7,55,73,751
Investment Fair value through profit & loss	16,41,380	12,78,397
Others	-	27,120
Total deferred tax asset	5,54,36,737	7,80,24,373
Deferred tax liability	-	-
Total deferred tax liability	-	-
Less: Deferred tax asset (unrecognised)	(5,54,36,737)	(7,80,24,373)
Net deferred tax asset recognised	-	-

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.

ii. Effective tax rate		
Profit before tax	(2,86,18,191)	(2,52,59,948)
Tax using the Group's domestic blended tax rate	(78,39,697)	(72,49,231)
Tax on non-deductible expenses	16,74,132	2,29,499
Tax on exempt income	-	(666)
Tax on items of timing difference	61,65,565	70,20,398
Current tax expense	-	-
Add: Short provision for prior years	8,019	-
Add: Reversal of deferred tax asset	-	54,240
Total tax expense	8,019	54,240

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 2022	31 March 2021
Loss that expires		
2021-2022	-	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	24,65,961	27,82,792
2028-2029	2,28,67,826	2,30,10,682
2029-2030	2,08,14,076	-
Total loss that expires	18,79,78,826	27,15,21,947
Loss that never expires (relating to depreciation)	2,79,768	2,66,682

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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 2022	31 March 2021
i. Loss attributable to equity holders	(2,90,38,673)	(2,54,39,351)
Provision for Dividend on Convertible preference shares	33,260	33,259
Loss attributable to equity holders of the Group	(2,90,05,413)	(2,54,06,092)
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.)	(967.96)	(847.98)
Diluted earnings per share (in Rs.)*	(967.96)	(847.98)

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

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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 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 and resigned w.e.f. 3 February 2022)
- (vii) Ms. Manish Singh (appointed w.e.f. 3 February 2022)

e. Directors / company secretary of entities exercising joint control

- (i) Mrs. Urvi A. Piramal
- (ii) Mr. Mahesh Shrikrishna Gupta
- (iii) Mr. Vijay Shankar

g. Key managerial person (KMP)

- (i) Mr. Amit Gupta (appointed w.e.f. 2 April 2021)

B Transactions during the year:

	31 March 2022	31 March 2021
Redemption of Units in Alternative Investment Fund		
Peninsula Brookfield India Real Estate Fund	-	39,75,032
Management fee		
Peninsula Brookfield India Real Estate Fund	-	24,50,274
Capping fee		
Peninsula Brookfield India Real Estate Fund	-	12,80,128
Remuneration to KMP		
Amit Gupta	1,74,85,631	-
Reimbursement to KMP		
Amit Gupta	4,11,123	-
Income from investment		
Peninsula Brookfield India Real Estate Fund	10,893	25,127
Recovery of expenses		
Peninsula Brookfield India Real Estate Fund	28,05,433	17,64,111
Peninsula Brookfield Trustee Private Limited	1,93,111	-
India Infrastructure Trust	1,11,44,000	-

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

29 Related party relationships, transactions and balances (*Continued*)

C Outstanding balances as at the year end:

	31 March 2022	31 March 2021
Units in Alternative Investment Fund at FVTPL		
Peninsula Brookfield India Real Estate Fund	34,97,854	48,02,611
Other financial assets		
Peninsula Brookfield India Real Estate Fund	2,46,245	2,36,441
Amounts recoverable		
Peninsula Brookfield India Real Estate Fund	6,71,183	20,56,649
Peninsula Land Limited	9,86,352	9,86,352
Sundry creditors		
Amit Gupta	707	-
Advance from debtors		
Peninsula Brookfield Trustee Private Limited	4,311	-

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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 2022	31 March 2021
Interest on lease liabilities	47,889	34,325
Interest income on security deposit	(24,938)	(9,571)
Short-term leases and leases of low-value assets	-	-

(iii) Amount recognised in statement of cash flows		
Total cash outflow for leases	4,92,000	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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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 2022	31 March 2021
Total liabilities	91,30,318	87,86,243
Less: Cash and cash equivalents	1,49,19,572	3,30,50,385
Adjusted net debt	(57,89,254)	(2,42,64,142)
Total equity	1,55,62,597	4,46,01,270
Adjusted net debt to adjusted equity ratio	(0.37)	(0.54)

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(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 2022	31 March 2021
Contribution to provident fund	14,70,925	11,16,958

(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 2022	31 March 2021
Defined benefit obligation	17,32,983	17,26,485
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	17,32,983	17,26,485

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	17,26,485	10,17,524	-	-	17,26,485	10,17,524
Current service cost	4,74,116	3,45,186	-	-	4,74,116	3,45,186
Past service cost	-	-	-	-	-	-
Interest cost	1,18,962	68,992	-	-	1,18,962	68,992
Actuarial gain due to change in demographic assumption	-	-	-	-	-	-
	23,19,563	14,31,702	-	-	23,19,563	14,31,702
Included in OCI						
Financial assumptions	(64,560)	(22,018)	-	-	(64,560)	(22,018)
Experience adjustment	3,76,595	3,16,801	-	-	3,76,595	3,16,801
	3,12,035	2,94,783	-	-	3,12,035	2,94,783
Other						
Benefits paid	(8,98,615)	-	-	-	(8,98,615)	-
Closing balance	17,32,983	17,26,485	-	-	17,32,983	17,26,485
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					17,32,983	17,26,485

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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 2022	31 March 2021
Discount rate	7.25%	6.95%
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 2022	
	Increase	Decrease
Discount rate (0.5% movement)	16,31,761	18,42,273
Future salary growth (0.5% movement)	18,43,073	16,30,147
Withdrawal rate (10% movement)	17,34,966	17,30,851

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 2022 were as follows:

Expected contribution

Expected future benefit payments

Year 1	19,856
Year 2	54,404
Year 3	56,952
Year 4	59,698
Year 5	62,648
Year 6 to Year 10	3,10,885

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(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 2022	31 March 2021
Defined benefit obligation	18,85,490	10,33,486
Fair value of plan assets	-	-
Net defined benefit (obligation)/assets	18,85,490	10,33,486

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 2022	31 March 2021	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Opening balance	10,33,486	9,03,961	-	-	10,33,486	9,03,961
Current service cost	9,62,233	2,38,635	-	-	9,62,233	2,38,635
Past service cost	-	-	-	-	-	-
Interest cost	70,183	60,510	-	-	70,183	60,510
Actuarial gain due to change in demographic assumption	-	-	-	-	-	-
	20,65,902	12,03,106	-	-	20,65,902	12,03,106
Included in OCI						
Financial assumptions	(58,142)	(11,090)	-	-	(58,142)	(11,090)
Experience adjustment	1,58,570	(1,58,530)	-	-	1,58,570	(1,58,530)
	1,00,428	(1,69,620)	-	-	1,00,428	(1,69,620)
Other						
Benefits paid	(2,80,840)	-	-	-	(2,80,840)	-
Closing balance	18,85,490	10,33,486	-	-	18,85,490	10,33,486
Represented by						
Net defined benefit asset					-	-
Net defined benefit liability					18,85,490	10,33,486

B. Plan assets

The defined benefit plan for gratuity is unfunded.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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 2022	31 March 2021
Discount rate	7.25%	6.95%
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 2022	
	Increase	Decrease
Discount rate (0.5% movement)	17,93,769	19,83,761
Future salary growth (0.5% movement)	19,84,477	17,92,299
Withdrawal rate (10% movement)	18,86,011	18,84,933

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 2022 were as follows:

Expected contribution

Expected future benefit payments

Year 1	90,883
Year 2	93,426
Year 3	96,099
Year 4	98,907
Year 5	1,01,848
Year 6 to Year 10	5,13,667

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (Continued)

for the year ended 31 March 2022

(Amount in INR)

33 Financial instruments – fair values and risk management

A. Accounting classification and fair values

31 March 2022	FVTPL	FVT OCI	Carrying amount Other financial assets - amortised cost	Other financial liabilities	Total	Level 1	Level 2	Fair value Level 3	Total
Financial assets measured at fair value									
Non-current investments	34,97,854	-	-	-	34,97,854	-	-	34,97,854	34,97,854
Loans and advances	2,87,582	-	-	-	2,87,582	-	-	2,87,582	2,87,582
Security deposit	2,28,729	-	-	-	2,28,729	-	-	2,28,729	2,28,729
Financial liabilities measured at fair value									
Non current lease liabilities	-	-	-	-	-	-	-	-	-
Current lease liabilities	2,06,017	-	-	-	2,06,017	-	-	2,06,017	2,06,017

31 March 2021	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	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

* 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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

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 2022	31 March 2021
Neither past due nor impaired		
Past due 1–30 days	-	20,56,649
Past due 31–90 days	-	-
Past due 91–120 days	-	-
Past due beyond 120 days	-	3,83,108
	<u>-</u>	<u>24,39,757</u>

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

Opening loss allowance	17,632	48,753
Changes in loss allowance	(17,632)	(31,121)
Closing loss allowance	<u>-</u>	<u>17,632</u>

c. Bad debts written off

3,97,588 6,36,328

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 1,49,19,572 at 31 March 2022 (31 March 2021: INR 3,30,50,385). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(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.

31 March 2022	Carrying amount	Total	Contractual cash flows			
			Within 12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade payables	33,51,236	33,51,236	33,51,236	-	-	-
Lease liabilities	2,06,017	2,06,017	2,06,017	-	-	-

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	6,50,129	6,50,129	4,66,573	1,83,555	-	-

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

34 Additional regulatory information

(i) Analytical ratios

The following are analytical ratios of the Group:

	Ratios	Numerator	Denominator	31 March 2022	31 March 2021	Variance
a.	Current ratio	Current assets	Current liabilities	3.63	7.91	-54.07%
b.	Debt equity ratio	Total debt (represents lease liabilities)	Shareholder's equity	-	0.00	-100.00%
c.	Debt service coverage ratio	Earnings available for debt service (<i>Note i</i>)	Debt service (<i>Note ii</i>)	-54.60	-118.63	-53.97%
d.	Return on equity ratio	Net profits after taxes	Average shareholder's equity	-96.80	-84.80	14.15%
e.	Trade receivables turnover ratio	Revenue	Average trade receivable	-	1.27	-100.00%
f.	Trade payables turnover ratio	Purchases of services and other expenses	Average trade payables	2.56	1.46	75.30%
g.	Net capital turnover ratio	Net sales	Working capital	-	8.02	-100.00%
h.	Net profit ratio	Net profit	Net sales	-	-6.82	-100.00%
i.	Return on capital employed (ROCE)	Earning before interest and taxes	Capital employed	-1.81	-0.56	225.58%
j.	Return on investment	Net profits after taxes	Average shareholder's equity	-96.80	-84.80	14.15%

Reason for variances:

- Current ratio:** The Group has incurred losses during the current year which has lead to net operating cash outflow, thereby leading to decline in current ratio.
- Debt equity ratio:** The Group does not have any non current lease liability as on 31 March 2022.
- Debt service coverage ratio:** Total debt of the Group is represented by lease liabilities. The Group has rented premises during second half of previous year. Hence the ratio of previous year was high due to smaller denominator effect (representing lease payments for 5 month).
- Trade receivables turnover ratio:** The Group neither has any revenues from operation nor outstanding trade receivables during the current year. Hence during the current year the trade receivables turnover ratio is nil.
- Trade payables turnover ratio:** As compared to previous year, increase in operating expenses has lead to increase in trade payable. Hence this ratio has increased significantly.
- Net capital turnover ratio and Net profit ratio:** The Group does not has any revenues from operation during the current year. Hence the ratios are nil during the current year.
- Return on capital employed (ROCE):** The Group does not have any revenue from operations and hence the net losses has increased. Therefore ROCE has decreased during the current year.

Notes:

- Earning for debt service = Net Profit after taxes (excluding other comprehensive income) + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.
- Debt service = Lease payments

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

35. 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.

36. Contingent liability and capital commitment

There is no other contingent liabilities as at 31 March 2022 (31 March 2021: Rs. Nil). The Group has commitment of unpaid call on its Investment in funds amounting to Rs.30,00,000 as at 31 March 2022 (31 March 2021: 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.

37. Due to Micro and small suppliers

	31 March 2022	31 March 2021
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principal	18,900	19,336
- 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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

38. 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.

Details of income deferred is as under:

Particulars	31 March 2022	31 March 2021
Management Fee	2,03,99,889	2,03,99,889
Advisory Fee	-	31,88,048
Total	2,03,99,889	2,35,87,937

39. SEBI Inspection

During the year ended 31 March 2021, Securities and Exchange Board of India ('SEBI') has issued a Show Cause Notice regarding drawdown of contributions less than INR 1 crore from investors, extension of the tenure of the Fund etc. The Holding Company is one of the recipients of the Show Cause Notice (those who have received include the directors of the Holding Company, 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. The Holding Company along with other recipients of the Show Cause Notice had filed an application for settlement and the settlement amount of INR 63.75 lacs was paid by the Holding Company which was accepted by SEBI. Thereafter, SEBI vide its settlement order dated 28 January 2022 has disposed of the adjudication proceedings.

40. Going Concern

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 2022 and its expenses for next financial year.

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.

PenBrook Capital Advisors Private Limited

Notes to the consolidated financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

41. 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.

42. Subsequent events

The Group has evaluated subsequent events, as defined under IND AS 10 “Events after the reporting period” through 11 May 2022 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

For and on behalf of the Board of Directors of

PenBrook Capital Advisors Private Limited

CIN : U67190MH2011PTC224167

Nitesh Shetty

Partner

Membership No: 123493

Mumbai

Rajeev Piramal

Director

DIN : 00044983

Sridhar Rengan

Director

DIN : 03139082

Manish Singh

Company Secretary

ACS: 62494

Mumbai

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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 2022, 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 2022, 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.

Independent Auditor's Report (*Continued*)

PenBrook Capital Advisors Private Limited

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 2022 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 2022 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 2022;
 - 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 2022; and
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

B S R & Associates LLP

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
 - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
 - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.
- c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (iv) (a) and (iv) (b) contain any material mis-statement.
- v. The Company has neither declared nor paid any dividend during the year.

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

1. 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.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No. 116231 W/W-100024

Place- Mumbai
Date-11 May 2022

Partner

Membership No. 123493

UDIN: 22123493AIUOAG3897