

PenBrook Investment Manager LLP

Statement of assets and liabilities

as at 31 March 2022

(Amount in INR)

Particulars	Note	31 March 2022	31 March 2021
LIABILITIES			
Partner's funds			
Partner's capital contribution	3	<u>68,89,980</u>	<u>2,14,99,326</u>
		<u>68,89,980</u>	<u>2,14,99,326</u>
Current liabilities			
Trade payables	4	<u>1,82,716</u>	<u>1,84,653</u>
Other current liabilities	5	<u>5,150</u>	<u>4,988</u>
		<u>1,87,866</u>	<u>1,89,641</u>
Total liabilities		<u><u>70,77,846</u></u>	<u><u>2,16,88,967</u></u>
ASSETS			
Non-current assets			
Deferred tax asset (net)	6	-	-
Other non-current assets	7	<u>79,824</u>	<u>1,57,206</u>
		<u>79,824</u>	<u>1,57,206</u>
Current assets			
Cash and cash equivalents	8	<u>66,12,226</u>	<u>2,11,77,550</u>
Other current assets	9	<u>3,85,796</u>	<u>3,54,211</u>
		<u>69,98,022</u>	<u>2,15,31,761</u>
Total assets		<u><u>70,77,846</u></u>	<u><u>2,16,88,967</u></u>

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

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

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

**For and on behalf of Partners of
PenBrook Investment Manager LLP**

Nitesh Shetty

Partner

Membership No: 123493

Mumbai

Prashant Sagwekar

Designated Partner

Mumbai

Amit Gupta

On behalf of

*(PenBrook Capital Advisors
Private Limited)*

PenBrook Investment Manager LLP

Statement of income and expenditure

for the year ended 31 March 2022

(Amount in INR)

Particulars	Note	31 March 2022	31 March 2021
Income			
Other income	10	4,68,493	4,54,489
Total income		<u>4,68,493</u>	<u>4,54,489</u>
Expenses			
Other expenses	11	77,839	5,30,508
Total expenses		<u>77,839</u>	<u>5,30,508</u>
Surplus/ (deficit) before tax		3,90,654	(76,019)
Tax expenses			
- Current tax		-	-
- Deferred tax charge		-	54,240
Surplus/ (deficit) transferred to partners		<u>3,90,654</u>	<u>(1,30,259)</u>

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

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

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

For and on behalf of Partners of
PenBrook Investment Manager LLP

Nitesh Shetty

Partner

Membership No: 123493

Mumbai

Prashant Sagwekar

Designated Partner

Mumbai

Amit Gupta

On behalf of

(PenBrook Capital Advisors
Private Limited)

PenBrook Investment Manager LLP

Notes to the financial statements

for the year ended 31 March 2022

(Amount in INR)

1. Background

PenBrook Investment Manager LLP (“LLP”) has been incorporated on 9 September 2017 under the provisions of Limited Liability Partnership Act 2008 (“Act”) and Limited Liability Partnership Rules 2009 (“Rules”). PenBrook Capital Advisors Private Limited and Mr. Prashant B. Sagwekar shall be collectively referred to as “Partners” and severally as “Partner”. The duration of the LLP shall be for an indefinite period.

LLP is created to provide services of investment manager, portfolio manager, adviser, consultants, representatives, agent in India or in any other country for any venture capital funds, alternative investment funds, mutual funds, unit trusts, investment trusts, pension funds, provident funds or superannuation funds and to carry on the business of providing financial advice and facilities of every description, including (but without limiting the generality of the foregoing words) all those capable of being provided by investment and fund managers and advisors, promoters and managers of venture capital funds, alternative investment funds, mutual funds, unit trust and other investment media, issue houses and financiers and to do all acts in furtherance of the same.

LLP has received Securities and Exchange Board of India (“SEBI”) approval under Portfolio Management Scheme (PM/INP000006095) on 23 July 2018. LLP has appointed Axis Bank Limited as a custodian and fund accountant for portfolio management services. During the current year the LLP has filed an application with SEBI for surrender of license which has been accepted with effect from 29 April 2021. Accordingly, the LLP is in the process of winding up, as the purpose for which the LLP was created cease to exist.

2. Significant accounting policies

2.1 *Basis of preparation of financial statements*

These financial statements have not been prepared and presented under the historical cost convention but have been prepared on liquidation basis for reasons stated in note 1 above. The assets are stated at the expected realisable values and liabilities at the expected settlement values. The actual realisation/ settlement values could be different from the expected realisable/ settlement values. These financial statements have been prepared to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”), to the extent applicable, and conform to the generally accepted accounting principles prevailing in India except where otherwise stated.

The LLP is a Level IV – Micro, Small and Medium Sized Enterprise (MSME) in accordance with the announcement made by the ICAI, which is effective for all accounting periods commencing on or after 1 April 2020. Accordingly, the LLP is not required to present the segment disclosures and cash flow statement under respective Accounting Standards.

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

2. Significant accounting policies (*Continued*)

2.2 *Current / Non-current classification*

The LLP 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.

The LLP classifies all other liabilities as non-current.

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

2.2 *Use of estimates*

The preparation of financial statements in conformity with GAAP requires management to make judgments, estimates and assumptions that affect the applications of accounting policies and the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. The actual results could differ from those estimates and assumptions used in preparing the accompanying financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.3 *Revenue recognition*

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

2. Significant accounting policies (*Continued*)

2.4 *Provision and contingencies*

The LLP creates a provision when there is present 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.

Provisions are reviewed at each balance sheet date and 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 recognised 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 recognised in the period in which the change occurs.

2.5 *Taxation*

Income tax

Income tax expense comprises current tax and deferred tax expense or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the year).

Current tax

Provision for current income-tax is recognized based on estimated tax liability computed after adjusting for allowances, disallowances and exemptions in accordance with the Income Tax Act, 1961.

Deferred tax

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets is recognised for the future tax consequence attributable to the timing differences between the surplus/ deficit offered for income taxes and surplus/ deficit as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised when there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised to the extent there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

3 Partner's capital

Particulars	31 March 2022			31 March 2021		
	PenBrook Capital Advisors Private Limited	Prashant Sagwekar	Total	PenBrook Capital Advisors Private Limited	Prashant Sagwekar	Total
A Partner's capital contribution						
Fixed:						
Opening balance	2,04,99,000	1,000	2,05,00,000	2,04,99,000	1,000	2,05,00,000
Add: Contribution	-	-	-	-	-	-
Less: Withdrawal	(1,50,00,000)	-	(1,50,00,000)	-	-	-
	54,99,000	1,000	55,00,000	2,04,99,000	1,000	2,05,00,000
Floating:						
Opening balance	17,87,764	-	17,87,764	17,87,764	-	17,87,764
Add: Contribution	-	-	-	-	-	-
Less: Withdrawal	-	-	-	-	-	-
	17,87,764	-	17,87,764	17,87,764	-	17,87,764
B Reserve and surplus						
Opening balance	(7,88,438)	-	(7,88,438)	(6,58,179)	-	(6,58,179)
Surplus / (Deficit) for the year	3,90,654	-	3,90,654	(1,30,259)	-	(1,30,259)
	(3,97,784)	-	(3,97,784)	(7,88,438)	-	(7,88,438)
Closing balance	68,88,980	1,000	68,89,980	2,14,98,326	1,000	2,14,99,326

The net surplus/ (deficit) of the LLP is allocated entirely to PenBrook Capital Advisors Private Limited in accordance with the LLP Agreement.

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
4 Trade payables		
Trade payable (refer note 13)	1,82,716	1,84,653
	<u>1,82,716</u>	<u>1,84,653</u>
5 Other current liabilities		
Statutory dues payable	5,150	4,988
	<u>5,150</u>	<u>4,988</u>
6 Deferred tax asset (net)		
Deferred tax asset		
(i) on account of pre-incorporation expenses		
Opening balance	-	54,240
Recognised in profit or loss	-	54,240
Closing Balance	-	-
Deferred tax liability	-	-
	<u>-</u>	<u>-</u>
7 Other non-current assets		
Advance tax (net of provision Rs. Nil; 31 March 2021: Rs. Nil)	79,824	1,57,206
	<u>79,824</u>	<u>1,57,206</u>
8 Cash and cash equivalents		
Cash in hand	-	451
Balances with banks		
- in current account	8,12,226	2,11,77,099
- in deposit account (original maturity less than three months)	58,00,000	-
	<u>66,12,226</u>	<u>2,11,77,550</u>
9 Other current assets		
GST input credit	3,54,175	3,54,211
Interest accrued but not due on fixed deposits	31,621	-
	<u>3,85,796</u>	<u>3,54,211</u>

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*) for the year ended 31 March 2022

(Amount in INR)

	31 March 2022	31 March 2021
10 Other income		
Interest on fixed deposit	4,60,315	4,48,154
Interest on income tax refund	8,178	6,335
	<u>4,68,493</u>	<u>4,54,489</u>
11 Other expenses		
Payment to auditors		
- Audit fees	50,000	50,000
- Reimbursement of expenses	1,500	1,500
Legal and professional charges	5,536	40,167
License fees	-	4,36,128
Miscellaneous expenses	20,803	2,713
	<u>77,839</u>	<u>5,30,508</u>

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

as at 31 March 2022

(Amount in INR)

12 Related party relationships, transactions and balances

A. List of related parties:

a. Entities exercising joint control over the LLP

- (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. Holding company

- (i) PenBrook Capital Advisors Private Limited

c. Key management personnel

- (i) Mr. Prashant B. Sagwekar
- (ii) Mr. Amit Gutpa

B. Details of transactions with related parties are as follows:

Particulars	Transaction value		Balance outstanding	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Capital investment				
PenBrook Capital Advisors Pvt Ltd				
- Fixed Capital	(1,50,00,000)	-	54,99,000	2,04,99,000
- Floating Capital	-	-	17,87,764	17,87,764
Mr. Prashant B. Sagwekar				
- Fixed Capital	-	-	1,000	1,000
Expenses incurred				
Mr. Prashant B. Sagwekar				
- Reimbursement of expenses	7,512	2,512	-	-
Trade payables				
Mr. Prashant B. Sagwekar	-	-	-	12

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

13. Due to Micro and small suppliers

As per the information available with the LLP, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the LLP owes dues on account of principal and interest thereon at any time during the year. Accordingly, no additional disclosures have been made.

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

14. Surrender of PMS license

LLP 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 intensive 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.

15. Going concern

LLP does not have any operating revenues during the year. Further as stated in note 1 above the LLP has surrendered its license with effect from 29 April 2021. Since the main objective of LLP ceases with surrender of license, the LLP has prepared its financials on liquidation basis.

16. Contingent liability and commitments

There is no contingent liability and commitments as at 31 March 2022 (31 March 2021: Rs. Nil)

PenBrook Investment Manager LLP

Notes to the financial statements (*Continued*)

for the year ended 31 March 2022

(Amount in INR)

17. Subsequent events

LLP has evaluated subsequent events, through 4 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
PenBrook Investment Manager LLP

Nitesh Shetty

Partner

Membership No: 123493

Prashant Sagwekar

Designated partner

Amit Gupta

on behalf of

*(PenBrook Capital
Advisors Private Limited)*

Mumbai

Mumbai

B S R & Associates LLP

Chartered Accountants

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Goregaon (East), Mumbai - 400 063

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INDEPENDENT AUDITORS' REPORT

To the Partners of PenBrook Investment Manager LLP

Opinion

We have audited the financial statements of PenBrook Investment Manager LLP ("the Firm"), which comprise the Statement of assets and liabilities as at 31 March 2022 and the statement of income and expenditure for the year then ended and notes to the 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 accompanying financial statements of the Firm give a true and fair view of the financial position of the Firm as at 31 March 2022 and of its financial performance for the year then ended in accordance with Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) and provisions of the Limited Liability Partnership Act 2008.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Firm in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. 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 financial statements, which states that the Firm has filed an application with the Securities and Exchange Board of India (SEBI) for the surrender of license and winding up of its operations which has been accepted by SEBI on 29 April 2021. Accordingly, the financial statements are prepared on liquidation basis.

Our opinion is not modified in respect of this matter.

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the aforesaid Accounting Standards and provisions of the Limited Liability Partnership Act, 2008, to the extent applicable, and for such internal control as management determines is necessary to enable the

PenBrook Investment Manager LLP

preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, Management is responsible for assessing the Firm'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 the management either intends to liquidate the Firm or to cease operations, or has no realistic alternative but to do so. In the present case the Management intends to liquidate the LLP

Those charged with governance are responsible for overseeing the Firm's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Firm's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management 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 Firm'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 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 Firm to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (*Continued*)

PenBrook Investment Manager LLP

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.

For **B S R & Associates LLP**

Chartered Accountants

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

Mumbai
04 May 2022

Nitesh Shetty
Partner
Membership No. 123493
UDIN:22123493AIKAVC4922