

**Peninsula Brookfield Investment Managers Private
Limited**

Financial statements
together with the
Independent Auditor's Report
for the year ended 31 March 2017

Peninsula Brookfield Investment Managers Private Limited

Financial statements together with the Independent Auditor's report
for the year ended 31 March 2017

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B S R & Associates LLP

Chartered Accountants

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Independent Auditor's Report

To the Members of Peninsula Brookfield Investment Managers Private Limited

Report on the Ind AS financial statements

We have audited the accompanying financial statements of Peninsula Brookfield Investment Managers Private Limited ('the Company'), which comprise the Balance sheet as at 31 March 2017, the Statement of profit and loss (including other comprehensive income), the Cash flow statement and the Statement of changes in equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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



Independent Auditor's Report (Continued)

Peninsula Brookfield Investment Managers Private Limited

Auditor's responsibility (Continued)

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on other legal and regulatory requirements

As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable to the Company.

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 purpose of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards prescribed under section 133 of the Act;
- (e) On the basis of written representations received from the Directors as on 31 March 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017, from being appointed as a director in terms of Section 164 (2) of the Act;



Independent Auditor's Report (Continued)

Peninsula Brookfield Investment Managers Private Limited

Report on other legal and regulators matters (Continued)

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on management representation, we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by management – Refer Note 27.

For B S R & Associates LLP

Chartered Accountants

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

Ashwin Suvarna
Partner

Membership No: 109503

Mumbai
8 May 2017

Peninsula Brookfield Investment Managers Private Limited

Annexure A to the Independent Auditor's Report – 31 March 2017

(Referred to in our report of even date)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified every year. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The Company does not hold immovable properties and accordingly, said clause is not applicable.
- ii. The Company is a service company primarily rendering investment management services. Accordingly, it does not hold any inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
- iii. According to the information and explanation given to us, the Company has not given any loans, secured or unsecured, to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv. The Company has neither granted any loans to any director or any person in whom director is interested nor made investment in any Company as specified in Section 185 and 186 of the Act. Thus, paragraph 3 (iv) of the Order is not applicable.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public and accordingly, directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or other relevant provisions of the Act and rules framed there under are not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-section 1 of Section 148 of the Act, for any of the services rendered by the Company.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, value added tax, provident fund 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 sales tax, wealth tax, excise duty and customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, provident fund, and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of income tax, service tax, and other material statutory dues which have not been deposited by the Company on account of disputes.



Peninsula Brookfield Investment Managers Private Limited

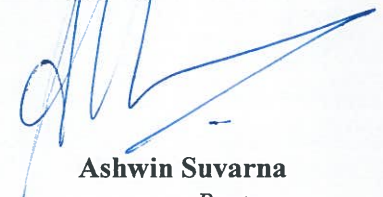
Annexure A to the Independent Auditor's Report – 31 March 2017 (Continued)

- viii. According to the information and explanations given to us, the Company has not taken any loan. Accordingly, paragraph 3(viii) of the order not applicable
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by initial public offer or further public offer (including debt instruments) and term loans.
- x. In our opinion and according to the information and explanations given to us, no fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us, no managerial remuneration has been paid or provided during the year. Directors are paid only sitting fees. Thus, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 of the Act and the details have been disclosed in the financial statements as required by the applicable accounting standards. Section 177 of the Act is applicable to the listed companies hence, not applicable to the Company.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For B S R & Associates LLP

Chartered Accountants

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



Ashwin Suvarna

Partner

Membership No: 109503

Mumbai
8 May 2017

Peninsula Brookfield Investment Managers Private Limited

Annexure B to the Independent Auditor's Report – 31 March 2017

(Referred to in our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Peninsula Brookfield Investment Managers Private Limited ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('the ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Peninsula Brookfield Investment Managers Private Limited

Annexure B to the Independent Auditor's Report – 31 March 2017 (Continued)

Meaning of Internal Financial Controls over Financial Reporting

The Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

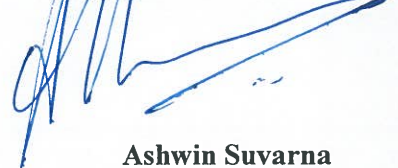
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Associates LLP

Chartered Accountants

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



Ashwin Suvarna
Partner

Membership No: 109503

Mumbai
8 May 2017

Peninsula Brookfield Investment Managers Private Limited

Statement of profit and loss for the year ended 31 March 2017

(Amount in INR)

Particulars	Notes	For the year ended 31 March 2017	For the year ended 31 March 2016
Revenue from operations	20	68,050,091	43,900,468
Other income	21	10,001,079	7,561,140
Total income		78,051,170	51,461,607
Expenses			
Employee benefits expenses	22	32,050,529	36,634,748
Depreciation and amortization expenses	3 & 4	225,857	304,964
Other expenses	23	22,705,808	40,912,023
Total expenses		54,982,194	77,851,734
Profit/(loss) before tax		23,068,977	(26,390,127)
Tax expense:			
Current tax	24	4,703,499	-
Deferred tax charge / (benefit)	7	2,480,927	(7,904,955)
Profit/(loss) for the year		15,884,551	(18,485,172)
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit liability (asset)		185,589	(976,339)
Other comprehensive income, net of tax		185,589	(976,339)
Total comprehensive income for the year		16,070,140	(19,461,510)
Earnings per equity share of par value Rs. 10 each (31 March 2016: Rs.10 each)	25		
Basic		529.49	(616.17)
Diluted		529.49	(616.17)

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

As per our report of even date attached.

For BSR & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
Date: 08 MAY 2017

For and on behalf of the Board of Directors of
Peninsula Brookfield Investment Managers Private Limited
CIN : U74120MH2011PTC224370

Raveev Piramal
Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082

Mumbai
Date: 08 MAY 2017

Sugandha Vaidya
Company Secretary
ACS No. 29610

Peninsula Brookfield Investment Managers Private Limited

Balance sheet

as at 31 March 2017

(Amount in INR)

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	191,442	328,792	488,269
(b) Other intangible assets	4	-	2,345	30,242
(c) Financial assets				
(i) Investments	5	36,656,776	31,850,110	16,643,220
(ii) Long-term loans and advances	6	6,161,826	3,873,003	1,905,489
(d) Deferred tax assets (net)	7	67,394,900	69,921,840	61,580,287
(d) Other non-current assets	8	5,464,320	8,436,485	7,880,710
Total non-current assets		115,869,264	114,412,575	88,528,216
(2) Current assets				
(a) Financial assets				
(i) Trade and other receivables	9	19,980,704	3,685,254	2,312,782
(ii) Cash and cash equivalents	10	18,643,717	14,286,339	41,171,567
(iii) Short-term loans and advances	11	454,415	482,634	962,865
(iv) Other financial assets	12	1,437,714	909,066	-
(c) Current tax assets (net)	13	10,060,792	7,704,851	3,353,205
(b) Other current assets	14	4,191,681	10,126,051	12,288,965
Total current assets		54,769,023	37,194,194	60,089,383
TOTAL ASSETS		170,638,287	151,606,770	148,617,600
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	15	332,875,600	332,875,600	305,876,200
(b) Other equity		(182,533,555)	(198,603,695)	(179,110,924)
(i) Retained earnings (including items of other comprehensive income)		150,342,045	134,271,905	126,765,276
Total equity		150,342,045	134,271,905	126,765,276
(2) Non-current liabilities				
(a) Long-term provisions	16	3,521,572	3,976,796	4,443,770
Total non current liabilities		3,521,572	3,976,796	4,443,770
(3) Current liabilities				
(a) Financial liabilities				
(i) Trade and other payables	17	15,629,003	10,620,235	10,051,979
(b) Other current liabilities	18	910,851	2,525,252	6,965,064
(c) Short-term provisions	19	234,816	212,582	391,511
Total current liabilities		16,774,670	13,358,069	17,408,554
Total liabilities		20,296,242	17,334,865	21,852,324
TOTAL EQUITY AND LIABILITIES		170,638,287	151,606,770	148,617,600

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

As per our report of even date attached.

For B S P & Associates LLP

Chartered Accountants

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

Ashwin Suvarna

Partner

Membership No. 109503

Mumbai

Date: 08 MAY 2017

For and on behalf of the Board of Directors of
Peninsula Brookfield Investment Managers Private Limited
CIN : U74120MH2011PTC224370

Rajeev Piramal

Director

DIN: 00044983

Sridhar Rengan

Director

DIN: 03139082

Sugandha Vaidya

Company Secretary

ACS No. 29610

Mumbai

Date: 08 MAY 2017

Peninsula Brookfield Investment Managers Private Limited

Statement of changes in equity (SOCIE) for the year ended 31 March 2017

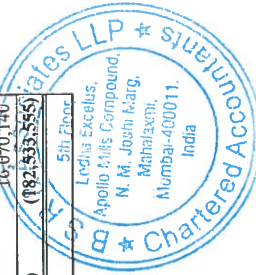
(Amount in INR)

A. Equity share capital

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
332,875,600	-	332,875,600

B. Other equity

Particulars	Reserves & Surplus			Items of OCI		Total equity attributable to equity holders of the Company
	Capital Reserve	Securities Premium Account	Retained earnings	Total	Other items of OCI	
Balance at 1 April 2015	-	-	(240,834,432)	(240,834,432)	-	(240,834,432)
Other income - financial asset at FVTPL - net change in fair value	-	-	143,220	143,220	-	143,220
Deferred tax adjustment	-	-	61,580,287	61,580,287	-	61,580,287
Restated balance at the beginning of the reporting period	-	-	(179,110,924)	(179,110,924)	-	(179,110,924)
Profit for the year	-	-	(18,485,172)	(18,485,172)	-	(18,485,172)
Other comprehensive income for the year:						
(a) Remeasurement of defined benefit plan - gratuity (net of tax)	-	-	-	-	(593,934)	(593,934)
(b) Remeasurement of defined benefit plan - leave encashment (net of tax)	-	-	-	-	(382,405)	(382,405)
Total comprehensive income for the year	-	-	(18,485,172)	(18,485,172)	(976,339)	(19,461,510)
Adjustment of proposed dividend	-	-	(31,260)	(31,260)	-	(31,260)
Balance at 31 March 2016	-	-	(197,627,356)	(197,627,356)	(976,339)	(198,603,695)
Changes in accounting policy / prior period errors	-	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	(197,627,356)	(197,627,356)	(976,339)	(198,603,695)
Changes in equity share capital during the year	-	-	-	-	-	-
Profit for the year	-	-	15,884,551	15,884,551	-	15,884,551
Other comprehensive income for the year:						
(a) Remeasurement of defined benefit plan - gratuity (net of tax)	-	-	-	-	112,382	112,382
(b) Remeasurement of defined benefit plan - leave encashment (net of tax)	-	-	-	-	73,207	73,207
Total comprehensive income for the year	-	-	15,884,551	15,884,551	185,589	16,070,140
Balance at 31 March 2017	-	-	(181,742,805)	(181,742,805)	(790,750)	(182,533,555)



Peninsula Brookfield Investment Managers Private Limited

Statement of changes in equity (SOCIE) for the year ended 31 March 2017

(Amount in INR)

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

As per our report of even date attached

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



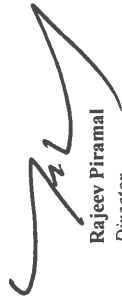
Ashwin Suvarna
Partner

Membership No: 109503

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Date: 08 MAY 2017

For and on behalf of the Board of Directors of
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CIN : U74120MH2011PTC224370



Rajeev Piramal
Director
DIN: 00044983

Sridhar Rengan
Director
DIN: 03139082



Sugandha Vaidya
Company Secretary
ACS No. 29610

Mumbai

Date: 08 MAY 2017

Peninsula Brookfield Investment Managers Private Limited

Statement of cash flows

for the year ended 31 March 2017

(Amount in INR)

	For the year ended 31 March 2017	For the year ended 31 March 2016
Cash flow from operating activities		
Profit before tax	23,068,977	(26,390,127)
<i>Adjustments to reconcile profit before tax to net cash used in operating activities</i>		
Remeasurement of defined benefit plans	231,602	(1,412,936)
Financial asset at FVTPL - net change in fair value	(4,115,170)	(1,281,602)
Depreciation and amortisation	225,857	304,964
Interest income	(369,634)	(557,452)
	19,041,632	(29,337,153)
<i>Working capital adjustments</i>		
(Increase)/ Decrease in trade and other receivables	(16,295,450)	(1,372,472)
Increase/ (Decrease) in trade and other payables	2,961,377	(4,548,719)
Increase/(Decrease) in loans and advances	10,308,963	(789,210)
	(3,025,110)	(6,710,401)
Income tax paid (Net of income tax refund)	(11,251,121)	(4,351,647)
Net cash flows from operating activities	4,765,401	(40,399,201)
Cash flow from investing activities		
Purchase of property, plant and equipment	(86,162)	(117,590)
Investment made	(691,495)	(13,925,289)
Interest received	369,634	557,452
Net cash flows from investing activities	(408,023)	(13,485,426)
Cash flow from financing activities		
Proceeds from issue of share capital	-	26,999,400
Net cash flows from financing activities	-	26,999,400
Net increase / (decrease) in cash and cash equivalents	4,357,378	(26,885,228)
Cash and cash equivalents at the beginning of the year	14,286,339	41,171,567
Cash and cash equivalents at the end of the year	18,643,717	14,286,339
Reconciliation of Cash and Cash equivalents with the Balance Sheet		
Cash and Bank Balances as per Balance Sheet [Note 10]	18,643,717	14,286,339
Cash and Cash equivalents as restated as at the year end	18,643,717	14,286,339

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

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

As per our report of even date attached.

For BSR & Associates LLP
Chartered Accountants
Firm's Registration No: 116231W/W-100024

Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
Date: 08 MAY 2017

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

Mumbai
Date: 08 MAY 2017

Sugandha Vaidya
Company Secretary
ACS No. 29610

Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements

for the year ended 31 March 2017

(Amount in INR)

1. Background

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

2. Basis of preparation

A. Statement of compliance

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

The Company's financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied.

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note 31.

B. Functional and presentation currency

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

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:

- Expected to be realised or intended to be sold or consumed in its normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- 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.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (Continued)

B. Functional and presentation currency (Continued)

A liability is current when:

- It is expected to be settled in its normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

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

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.

C. Basis of measurement

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

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

D. 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 a significant risk of resulting in a material adjustment in the year ending 31 March 2017 is included in the following notes:

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

Note 34 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Note 7 – recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 32 – impairment of financial assets.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (*Continued*)

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

Note 32 – financial instruments.

Financial instruments

Investments and other financial assets

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.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (*Continued*)

E. Measurement of fair values (*Continued*)

Measurement

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

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

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

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

Equity instruments

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

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

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.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (Continued)

E. Measurement of fair values (Continued)

Property, plant and equipment

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer note 3).

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.

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)
Computer Software	3
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).



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (*Continued*)

E. Measurement of fair values (*Continued*)

Intangible assets

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.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

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.

Impairment of assets

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (*Continued*)

E. Measurement of fair values (*Continued*)

Impairment of non-financial assets

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

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

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.

Defined benefit plans

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

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

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (*Continued*)

E. Measurement of fair values (*Continued*)

Defined benefit plans (*Continued*)

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.

Provisions (other than for employee benefits)

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

Revenue

Rendering of services

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.

Advisory fees

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

Professional fees

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

Carrying fee

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

Interest income

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

Income from investment

Income from investment is accounted in accordance with contribution agreement.

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.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation (*Continued*)

E. Measurement of fair values (*Continued*)

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

Deferred tax

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

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

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

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

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

Trade receivable and trade payable

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

Trade payable represents liabilities for goods and services provided to the Company prior to the end of the financials year which are unpaid.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements *(Continued)*

for the year ended 31 March 2017

(Amount in INR)

2. Basis of preparation *(Continued)*

E. Measurement of fair values *(Continued)*

Lease payment

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) as at 31 March 2017

(Amount in INR)

3 Property, plant and equipment

Reconciliation of carrying amount

	Plant and equipment- computer	Furniture and fixtures	Office equipment	Total
Cost or deemed cost (gross carrying amount)	-	-	-	-
Balance at 1 April 2015	870,629	33,523	87,566	991,718
Additions	113,090	-	-	113,090
Disposals	-	-	-	-
Balance at 31 March 2016	983,719	33,523	87,566	1,104,808
Balance at 1 April 2016	983,719	33,523	87,566	1,104,808
Additions	86,162	-	-	86,162
Disposals	243,500	-	-	243,500
Balance at 31 March 2017	826,381	33,523	87,566	947,470
Accumulated depreciation				
Balance at 1 April 2015	481,256	7,063	15,130	503,449
Depreciation for the year	252,780	3,163	16,624	272,567
Balance at 31 March 2016	734,036	10,226	31,754	776,016
Balance at 1 April 2016	734,036	10,226	31,754	776,016
Depreciation for the year	-48,101	6,436	21,678	-19,988
Balance at 31 March 2017	685,934	16,662	53,432	756,028
Carrying amounts (net)				
At 1 April 2015	389,373	26,460	72,436	488,269
At 31 March 2016/ 1 April 2016	249,683	23,297	55,812	328,792
At 31 March 2017	140,447	16,861	34,134	191,442



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Amount in INR)

4 Other intangible assets

Reconciliation of carrying amount

	Computer Software	Total
Cost or deemed cost (gross carrying amount)		
Balance at 1 April 2015	114,151	114,151
Additions	4,500	4,500
Disposals	-	-
Balance at 31 March 2016	118,651	118,651
Balance at 1 April 2016	118,651	118,651
Additions	-	-
Disposals	-	-
Balance at 31 March 2017	118,651	118,651
Accumulated amortisation		
Balance at 1 April 2015	83,909	83,909
Depreciation for the year	32,397	32,397
Balance at 31 March 2016	116,306	116,306
Balance at 1 April 2016	116,306	116,306
Depreciation for the year	2,345	2,345
Balance at 31 March 2017	118,651	118,651
Carrying amounts (net)		
At 1 April 2015	30,242	30,242
At 31 March 2016/ 1 April 2016	2,345	2,345
At 31 March 2017	-	-



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Amount in INR)

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
5 Non current investments			
Units in Alternative investment fund at FVTPL			
238,354 (Previous year: 232,704) class A units of Rs. 1,00,000 each in Peninsula Brookfield India Real Estate Fund	28,079,090	24,361,862	12,748,707
72,813 (Previous year: 71,548) class B units of Rs. 1,00,000 each in Peninsula Brookfield India Real Estate Fund	8,577,685	7,488,249	3,894,513
	36,656,776	31,850,110	16,643,220
6 Financial assets - long term loans and advances			
Unsecured considered good			
Loans to Peninsula Brookfield Employee Benefit Trust	6,161,826	3,873,003	1,905,489
Loss allowance	-	-	-
Net financial assets - long term loans and advances	6,161,826	3,873,003	1,905,489



as at 31 March 2017

(Amount in INR)

7 Movement in deferred tax balances

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

	Net balance 1 April 2015	Recognised in profit or loss	Recognised in OCI	Net	Deferred tax asset	Deferred tax liability
Brought forward business loss and unabsorbed depreciation	60,635,592	8,103,819	-	68,739,411	68,739,411	-
Depreciation on property plant and equipment and intangible assets	(72,153)	44,748	-	(27,404)	-	(27,404)
Provision for employee benefits	1,441,476	(165,983)	436,597	1,712,090	1,712,090	-
Provision on dividend on CCPS	9,366	9,659	-	19,025	19,025	-
Deferred asset on loan to Peninsula Brookfield Employee Benefit Trust	(433,994)	(87,288)	-	(521,282)	-	(521,282)
Deferred tax assets/(liabilities)	61,580,287	7,904,955	436,597	69,921,840	70,470,526	(548,686)
Set off tax	-	-	-	-	-	-
Net deferred tax assets	61,580,287	7,904,955	436,597	69,921,840	70,470,526	(548,686)

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

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Amount in INR)

8 Other non-current assets

Service tax credit receivable	3,866,146	6,749,488	6,476,198
Deferred asset on loan to Peninsula Brookfield Employee Benefit Trust	1,598,174	1,686,997	1,404,511
	<u>5,464,320</u>	<u>8,436,485</u>	<u>7,880,710</u>

9 Trade receivables

Unsecured and considered good	19,980,704	3,685,254	2,312,782
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Loss allowance

Unsecured and considered good	-	-	-
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Net trade receivables

	<u>19,980,704</u>	<u>3,685,254</u>	<u>2,312,782</u>
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Of the above trade receivables includes:

Total trade receivable from related parties (refer note 28)	-	-	433,415
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Loss allowance	-	-	-
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Net trade receivables	<u>-</u>	<u>-</u>	<u>433,415</u>
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10 Cash and cash equivalents

Balance with banks:

(i) In current account	18,628,692	14,149,284	41,001,091
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(ii) Balances with banks in deposit account (original maturity less than three months)	-	-	34,212
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Cash in hand	15,025	137,055	136,264
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	<u>18,643,717</u>	<u>14,286,339</u>	<u>41,171,567</u>
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11 Short term loans and advances

Loans and advances to related parties (refer note 28)

	-	88,756	-
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Advances recoverable in cash or in kind	413,324	359,584	866,125
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Advance to staff	41,091	34,294	96,740
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	<u>454,415</u>	<u>482,634</u>	<u>962,865</u>
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	<u>-</u>	<u>-</u>	<u>-</u>
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Loss allowance

	-	-	-
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Net financial assets - short term loans and advances

	<u>454,415</u>	<u>482,634</u>	<u>962,865</u>
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12 Other current financial assets

Interest accrued on deposits and loans and advances	1,437,714	909,066	-
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	<u>1,437,714</u>	<u>909,066</u>	<u>-</u>
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13 Current tax assets (net)

Advance payment of income tax (net of provision for tax Rs. Nil; 31 March 2016: Rs. Nil; 1 April 2015 is Rs. Nil)	10,060,792	7,704,851	3,353,205
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	<u>10,060,792</u>	<u>7,704,851</u>	<u>3,353,205</u>
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14 Other current assets

Advances recoverable in cash or in kind	-	993,649	1,597,565
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Other current assets	4,191,681	9,132,402	10,591,400
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	<u>4,191,681</u>	<u>10,126,051</u>	<u>12,288,965</u>
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Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Amount in INR)

	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
15 Share Capital			
a Authorised :			
50,000 (Previous year: 50,000) equity shares (Class A, B and C) of Rs. 10 each	5,00,000	5,00,000	5,00,000
3,657,500 (Previous year: 3,357,500) 0.01% cumulative compulsorily convertible preference shares of Rs. 100 each	36,57,50,000	33,57,50,000	30,57,50,000
TOTAL	36,62,50,000	33,62,50,000	30,62,50,000
b Issued and Subscribed and Paid up:			
30,000 (Previous year: 30,000) equity shares (Class A, B and C) of Rs. 10 each fully paid up	3,00,000	3,00,000	3,00,000
3,325,756 (Previous year : 3,325,756) 0.01% cumulative compulsorily convertible preference shares of Rs. 100 each	33,25,75,600	33,25,75,600	30,55,76,200
TOTAL	33,28,75,600	33,28,75,600	30,58,76,200

c There has been no change in the number of equity shares issued, subscribed and paid up during the previous three years presented.

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;

"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.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Amount in INR)

15 Share Capital (Continued)

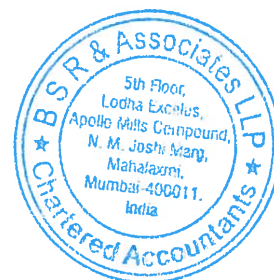
- e Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate

Equity shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Peninsula Investment Management Company Limited - Holding Company	14,900	149000	14,900	149000	14,900	149000
BPG India LLC - Holding Company	600	6000	14,900	149000	14,900	149000
Brookfield Capital Partners (Bermuda) Ltd	14,300	143000	-	-	-	-

Cumulative Compulsorily Convertible Preference Shares	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	Amount in INR	No. of Shares	Amount in INR	No. of Shares	Amount in INR
Peninsula Investment Management Company Limited - Holding Company	1,662,878	166287800	1,662,878	166287800	1,527,881	152788100
BPG India LLC - Holding Company	-	-	882,878	88287800	747,881	74788100
Brookfield Property Group LLC	-	-	780,000	78000000	780,000	78000000
Brookfield Capital Partners (Bermuda) Ltd	1,662,878	166287800	-	-	-	-

- f Shareholders holding more than 5% shares in the company is set out below:
Equity shares

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	No of shares %	No. of Shares	No of shares %	No. of Shares	Amount in INR %
Peninsula Investment Management Company Limited - Holding Company	14,900	50.00%	14,900	50.00%	14,900	50.00%
BPG India LLC - Holding Company	600	2.01%	14,900	50.00%	14,900	50.00%
Brookfield Capital Partners (Bermuda) Ltd	14,300	47.99%	-	-	-	-



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) as at 31 March 2017

(Amount in INR)

15 Share Capital (Continued)

Cumulative Compulsorily Convertible Preference Shares

	As at 31 March 2017		As at 31 March 2016		As at 1 April 2015	
	No. of Shares	No of shares %	No. of Shares	No of shares %	No. of Shares	No. of Shares %
Peninsula Investment Management Company Limited - Holding Company	1,662,878	50.00%	1,662,878	50.00%	1,527,881	50.00%
BPG India LLC - Holding Company	-	-	882,878	26.55%	747,881	24.47%
Brookfield Property Group LLC	-	-	780,000	23.45%	780,000	25.53%
Brookfield Capital Partners (Bermuda) Ltd	1,662,878	50.00%	-	-	-	-

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Amount in INR)

16 Long-term provisions

Provision for employee benefits			
Gratuity	2,146,311	1,676,369	1,578,230
Compensated absences	1,375,261	2,300,427	2,865,540
	3,521,572	3,976,796	4,443,770

17 Trade and other payables

Total outstanding dues of micro and small enterprises (refer note 33)	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	8,711,357	8,954,975	1,273,860
Other payables	6,917,646	1,665,259	8,778,119
	15,629,003	10,620,235	10,051,979

18 Other current liabilities

Statutory dues payables	910,851	2,348,913	6,783,714
Income received in advance	-	176,339	181,350
	910,851	2,525,252	6,965,064

19 Short term provisions

Provision for employee benefits			
Gratuity	56,749	14,883	63,295
Compensated absences	82,922	136,129	297,906
Proposed dividend	95,145	61,570	30,310
	234,816	212,582	391,511



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

	For the year ended 31 March 2017	For the year ended 31 March 2016
20 Revenue from operations		
Management fee	45,007,091	28,445,317
Advisory fee	10,109,276	11,337,483
Professional fee	1,739,130	-
Carry fee	11,194,594	4,117,668
	<u>68,050,091</u>	<u>43,900,468</u>
21 Other income		
Income from investment	4,457,458	4,097,395
Excess provision written back	170,872	1,078,087
Interest on :		
- Deposits with bank	369,634	557,452
- Income tax refunds	-	16,286
- Loan to Peninsula brookfield employee benefit trust	874,445	530,318
Profit on sale / disposal of assets (net)	13,500	-
Financial asset at FVTPL - net change in fair value	4,115,170	1,281,602
	<u>10,001,079</u>	<u>7,561,140</u>
22 Employee benefit expense		
Salaries and wages	30,905,755	36,923,033
Contribution to provident and other funds	604,501	(812,514)
Staff welfare expenses	540,273	524,229
	<u>32,050,529</u>	<u>36,634,748</u>
23 Other expenses		
Lease rent and hire charges	-	2,861,522
Payment to auditors		
- Audit fees	200,000	200,000
- Reimbursement of expenses	6,000	2,290
Travelling and conveyance	5,578,792	4,651,271
Legal and professional charges	11,609,458	29,701,609
Stationery and printing expenses	451,579	520,906
Share issue expenses	-	312,000
Interest expense on loan to Peninsula Brookfield Employee Benefit Trust	874,445	530,318
Office expenses	1,949,232	1,223,976
Miscellaneous expenses	2,036,301	908,131
	<u>22,705,808</u>	<u>40,912,023</u>



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

24 Reconciliation of effective tax rate

	31 March 2017		31 March 2016	
A	Profit / (loss) before tax	23,068,977	(26,390,127)	
	Tax using the Company's domestic tax rate	30.90% 7,128,314	0% -	
	Non-deductible expenses	0.61% 141,401	- -	
	Tax exempt income	-0.37% (85,051)	- -	
	Others	0.00% (237)	- -	
	Effective tax rate	31.14% 7,184,426	0% -	
B	Tax losses carried forward			
		31 March 2017	Expiry date	
	Expire	221,715,522	2022-25	
	Never Expire	742,120	-	



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

25 Earnings per share (EPS)

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest 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.

i. Profit / (loss) attributable to equity holders of the company

	31 March 2017	31 March 2016
Profit / (loss) attributable to equity holders of the company for basic earnings	15,884,551	(18,485,172)
Profit / (loss) attributable to equity holders of the company	15,884,551	(18,485,172)

ii. Weighted average number of ordinary shares

	31 March 2017	31 March 2016
Issued ordinary shares during the year	30,000	30,000
Effect of shares issued	-	-
Weighted average number of shares for basic EPS	30,000	30,000
Effect of dilution	-	-
Weighted average number of shares for diluted EPS	30,000	30,000

Basic and diluted earnings per share

	31 March 2017	31 March 2016
Basic earnings per share (in Rs.)	529.49	(616.17)
Diluted earnings per share (in Rs.)	529.49	(616.17)

Note: Potential equity shares in form of cumulative convertible preference shares are ignored in calculation of diluted Earnings per share, as on their conversion to equity shares, if made, would be anti dilutive in nature.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

26 Related party relationships, transactions and balances

List of related parties and transactions during the year:

- a. **Controlling entity**
 - (i) BPG India LLC
 - (ii) Peninsula Investment Management Company Limited
 - (iii) Brookfield Property Group Company LLC
 - (iv) Brookfield Capital Partners (Bermuda) Ltd
- b. **Entity under common control**
 - (i) Peninsula Brookfield Trustee Private Limited
 - (ii) Peninsula Brookfield India Real Estate Fund
- c. **Companies where key management personnel / their relatives exercise significant influence having transactions during the year**
 - (i) Peninsula Investment Management Company Limited
- d. **Key management personnel**
 - (i) Mr. Rajeev Ashok Piramal
 - (ii) Mr. Sridhar Rengan
 - (iii) Ms. Sugandha Vaidya
- e. **Key management personnel of parent company**
 - (i) Mr. Rajeev Ashok Piramal
 - (ii) Mr. Subhashchandra Madanlal Kashimpuria
 - (iii) Mr. Mahesh Shrikrishna Gupta
 - (iv) Mr. Prakash Mahabala Shetty



Peninsula Brookfield Investment Managers Private Limited

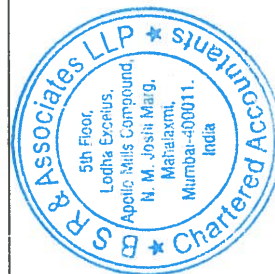
Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

26 Related party relationships, transactions and balances (Continued)

Related Party transactions

	Transaction Value		Balance outstanding	
	Year Ended 31 March 2017	Year Ended 31 March 2016	31 March 2017	31 March 2016
Equity share capital issued				
Peninsula Investment Management Company Limited	-	-	149,000	149,000
Brookfield Capital Partners (Bermuda) Ltd	143,000	-	143,000	-
BPG India LLC	(143,000)	-	6,000	149,000
Cumulative compulsorily convertible preference share capital issued				
Peninsula Investment Management Company Limited	-	13,499,700	166,287,800	166,287,800
Brookfield Property Group Company LLC	(78,000,000)	-	-	78,000,000
Brookfield Capital Partners (Bermuda) Ltd	166,287,800	-	166,287,800	-
BPG India LLC	(88,287,800)	13,499,700	-	88,287,800
Trade receivables				
Peninsula Brookfield India Real Estate Fund	-	-	-	433,415
Short term loans and advances				
Peninsula Brookfield India Real Estate Fund	-	(344,659)	-	88,756
Trade and other payables				
Peninsula Brookfield India Real Estate Fund	(1,532,590)	-	(1,443,834)	-
Reimbursement of expenses				
Mr Sridhar Rengan	19,450	(19,450)	-	(19,450)



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

27 Specified bank notes

Details of Specified Bank Notes (SBN) held and transacted during the period 8 November 2016 to 30 December 2016 as provided in the Table below:

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

28 Capital Management

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

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

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

The Company's adjusted net debt to equity ratio at March 31, 2017 was as follows.

	As at March 31, 2017	As at March 31, 2016
Total liabilities	20,296,242	17,334,865
Less : Cash and cash equivalent	18,643,717	14,286,339
Adjusted net debt	1,652,525	3,048,526
Total equity	150,342,045	134,271,905
Adjusted net debt to adjusted equity ratio	0.01	0.02



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

29 Employee Benefits

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

(i) Defined Contribution Plans:

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.

(ii) Defined Benefit Plan: 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 2017	31 March 2016	01 April 2015
Defined benefit obligation	2,203,060	1,691,252	1,641,525
Fair value of plan assets	-	-	-
Net defined benefit (obligation)/assets	(2,203,060)	(1,691,252)	(1,641,525)

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 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Opening balance	1,691,252	1,641,525	1,821,306	-	-	-	1,691,252	1,641,525	1,821,306
Current service cost	522,273	175,118	323,037	-	-	-	522,273	175,118	323,037
Past service cost	-	1,692,197	(175,523)	-	-	-	-	1,692,197	(175,523)
Interest cost	129,653	125,570	162,291	-	-	-	129,653	125,570	162,291
	2,343,178	3,634,410	2,131,111	-	-	-	2,343,178	3,634,410	2,131,111
Included in OCI	-	-	-	-	-	-	-	-	-
Financial assumptions	89,977	18,999	-	-	-	-	89,977	18,999	-
Experience adjustment	(230,095)	840,529	(51,697)	-	-	-	(230,095)	840,529	(51,697)
	(140,118)	859,528	(51,697)	-	-	-	(140,118)	859,528	(51,697)
Other	-	-	-	-	-	-	-	-	-
Benefits paid	-	(2,802,686)	(437,889)	-	-	-	-	(2,802,686)	(437,889)
Closing balance	(140,118)	(1,943,158)	(489,586)	-	-	-	(140,118)	(1,943,158)	(489,586)

Represented by

Net defined benefit asset
Net defined benefit liability

	-	-	-
	2,203,060	1,691,252	1,641,525
	2,203,060	1,691,252	1,641,525

B. Plan assets

The defined benefit plan for gratuity is unfunded.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

29 Employee Benefits (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 2017	31 March 2016	01 April 2015
Discount rate	7.30%	7.70%	7.80%
Salary escalation rate	6.00%	6.00%	6.00%
Mortality rate	Indian Assured Lives Mortality	Indian Assured Lives Mortality	Indian Assured Lives Mortality
Withdrawal rate	5% at younger reducing 1% at older	5% at younger reducing 1% at older	5% at younger reducing 1% at older

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 2017	
	Increase	Decrease
Discount rate (0.5% movement)	2,091,381	2,323,116
Future salary growth (0.5% movement)	2,324,052	2,089,544
Withdrawal rate (10% movement)	2,165,302	2,165,302

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 March 31, 2017 were as follows

Expected contribution

Expected future benefit payments

March 31, 2018	56,749
March 31, 2019	62,960
March 31, 2020	76,993
March 31, 2021	82,945
March 31, 2022	83,518
Thereafter	392,692



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

29 Employee Benefits (Continued)

(iii) Defined Benefit Plan: Leave Encashment

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

	31 March 2017	31 March 2016	01 April 2015
Defined benefit obligation	1,458,183	2,436,556	3,023,446
Fair value of plan assets	-	-	-
Net defined benefit (obligation)/assets	(1,458,183)	(2,436,556)	(3,023,446)

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 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Opening balance	2,436,556	3,023,446	2,709,294	-	-	-	2,436,556	3,023,446	2,709,294
Current service cost	402,636	399,566	572,223	-	-	-	402,636	399,566	572,223
Past service cost	-	-	(109,425)	-	-	-	-	-	(109,425)
Interest cost	182,374	229,670	240,133	-	-	-	182,374	229,670	240,133
	3,021,566	3,652,682	3,412,225	-	-	-	3,021,566	3,652,682	3,412,225
Included in OCI	-	-	-	-	-	-	-	-	-
Demographic assumptions	-	65,866	-	-	-	-	-	65,866	-
Financial assumptions	56,842	22,487	443,797	-	-	-	56,842	22,487	443,797
Experience adjustment	(148,326)	465,055	-	-	-	-	(148,326)	465,055	-
	(91,484)	553,408	443,797	-	-	-	(91,484)	553,408	443,797
Other									
Benefits paid	(1,471,899)	(1,769,534)	(832,576)	-	-	-	(1,471,899)	(1,769,534)	(832,576)
Closing balance	(1,563,383)	(1,216,126)	(388,779)	-	-	-	(1,563,383)	(1,216,126)	(388,779)

Represented by

Net defined benefit asset	-	-	-
Net defined benefit liability	1,458,183	2,436,556	3,023,446
	1,458,183	2,436,556	3,023,446

B. Plan assets

The defined benefit plan for leave encashment is unfunded.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

29 Employee Benefits (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 2017	31 March 2016	01 April 2015
Discount rate	7.30%	7.70%	7.80%
Salary escalation rate	6.00%	6.00%	6.00%
Leave availment rate	1.25% p.a.	1.25% p.a.	1% p.a.
Mortality rate	Indian Assured Lives Mortality	Indian Assured Lives Mortality	Indian Assured Lives Mortality
Withdrawal rate	5% at younger ages reducing to 1% at older	5% at younger ages reducing to 1% at older	5% at younger ages reducing to 1% at older

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 2017	
	Increase	Decrease
Discount rate (0.5% movement)	1,387,671	1,534,435
Future salary growth (0.5% movement)	1,535,031	1,386,515

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 March 31, 2017 were as follows

Expected contribution

Expected future benefit payments

March 31, 2018	82,922
March 31, 2019	84,455
March 31, 2020	86,041
March 31, 2021	87,676
March 31, 2022	84,886
Thereafter	415,809



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

30. Operating segments

Basis for segmentation

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

The Company operates in only one business segment viz. fund management 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.

31. Explanation of transition to Ind AS

As stated in Note 2, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Company has adjusted amounts reported previously financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed

Property plant and equipment

As per Ind AS 101 an entity may elect to measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

The elections above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost);

- i) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2017

(Amount in INR)

31. Explanation of transition to Ind AS (*Continued*)

Mandatory exceptions

a. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the financial statements that were not required under the previous GAAP are listed below

- Fair valuation of financial instruments carried at FVTPL and/ or FVOCI
- Impairment of financial assets based on the expected credit loss model

b. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at has been done retrospectively except where the same is impracticable.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

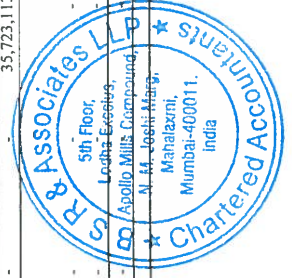
(Amount in INR)

32 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

31 March 2017	Carrying amount				Fair value			
	FVTPL	FVTOCI	Other financial assets- amortised cost	Other financial liabilities	Total	Level 1	Level 2	Total
Financial assets measured at fair value								
Non-current investments	36,656,776	-	-	-	36,656,776	-	-	36,656,776
Long-term loans and advances	6,161,826	-	-	-	6,161,826	-	-	6,161,826
Financial assets not measured at fair value								
Trade and other receivables	-	-	19,980,704	-	19,980,704	-	-	-
Cash and cash equivalents	-	-	18,643,717	-	18,643,717	-	-	-
Other current financial assets	-	-	1,437,714	-	1,437,714	-	-	-
	42,818,601	-	40,062,135	-	82,880,737	-	-	42,818,601
Financial liabilities not measured at fair value								
Trade and other payables	-	-	-	15,629,003	15,629,003	-	-	-
Short term provisions	-	-	-	95,145	95,145	-	-	-
	-	-	-	15,724,148	15,724,148	-	-	-

31 March 2016	Carrying amount				Fair value			
	FVTPL	FVTOCI	Other financial assets- amortised cost	Other financial liabilities	Total	Level 1	Level 2	Total
Financial assets measured at fair value								
Non-current investments	31,850,110	-	-	-	31,850,110	-	-	31,850,110
Long-term loans and advances	3,873,003	-	-	-	3,873,003	-	-	3,873,003
Financial assets not measured at fair value								
Trade and other receivables	-	-	3,685,254	-	3,685,254	-	-	-
Cash and cash equivalents	-	-	14,286,339	-	14,286,339	-	-	-
Other current financial assets	-	-	909,066	-	909,066	-	-	-
	35,723,113	-	18,880,659	-	54,603,772	-	-	35,723,113
Financial liabilities not measured at fair value								
Trade and other payables	-	-	-	10,620,235	10,620,235	-	-	-
Short term provisions	-	-	-	61,570	61,570	-	-	-
	-	-	-	10,681,804	10,681,804	-	-	-



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

32 Financial instruments – Fair values and risk management (Continued)

A. Accounting classification and fair values (Continued)

1 April 2015	FVTPL	FVTOCI	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	16,643,220	-	-	-	16,643,220	-	-	16,643,220	16,643,220
Long-term loans and advances	1,905,489	-	-	-	1,905,489	-	-	1,905,489	1,905,489
Financial assets not measured at fair value									
Trade and other receivables	-	-	2,312,782	-	2,312,782	-	-	-	-
Cash and cash equivalents	-	-	41,171,567	-	41,171,567	-	-	-	-
Short-term loans and advances	-	-	962,865	-	962,865	-	-	-	-
	18,548,709	-	44,447,214	-	62,995,923	-	-	18,548,709	18,548,709
Financial liabilities not measured at fair value									
Trade and other payables	-	-	-	10,051,979	10,051,979	-	-	-	-
Short term provisions	-	-	-	30,310	30,310	-	-	-	-
Other Current financial liabilities	-	-	-	181,350	181,350	-	-	-	-
	-	-	-	10,263,639	10,263,639	-	-	-	-

B. Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used

Financial instruments measured at fair value

Type	Valuation technique
Non-current investment	This investment relates to investment in units of Peninsula Brookfield India Real Estate Fund. The said investment is valued on the basis of Net asset value. Net asset value is derived by deducting fair value of assets from liabilities of the fund. Such value is used to calculate NAV applicable to each unit in the fund.

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 board of directors has established the Risk Management Committee which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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 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 orderly investment environment in employees understand their roles and obligations.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

32 Financial instruments – Fair values and risk management (Continued)

ii. Credit risk

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

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

Trade and other receivables

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

Impairment

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

	Carrying amount (in INR)	
	March 31, 2017	March 31, 2016
Neither past due nor impaired	9,359,909	280,761
Past due 1–30 days	6,932,061	3,010,306
Past due 31–90 days	3,688,734	394,187
Past due 91–120 days	19,980,704	3,685,254

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

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

Cash and cash equivalents

The Company held cash and cash equivalents of INR 18,643,717 at 31 March 2017 (31 March 2016: Rs. 14,286,339). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

32 Financial instruments – Fair values and risk management (Continued)

iii. Liquidity risk

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

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

Exposure to liquidity risk

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

			Contractual cash flows			
31 March 2017	Carrying amount	Total	Within 12 months	1-2 years	2-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Trade and other payables	15,629,003	15,629,003	15,629,003			
Other Non-Current financial liabilities	3,521,572	3,521,572	3,521,572			
Other Current financial liabilities	1,145,667	1,145,667	1,145,667			
			Contractual cash flows			
31 March 2016	Carrying amount	Total	Within 12 months	1-2 years	2-5 years	More than 5 years
INR						
Non-derivative financial liabilities						
Trade and other payables	10,620,235	10,620,235	10,620,235	-	-	-
Other Non-Current financial liabilities	3,976,796	3,976,796	3,976,796	-	-	-
Other Current financial liabilities	2,737,834	2,737,834	2,737,834	-	-	-



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

32 Financial instruments – Fair values and risk management (Continued)

iv. Market risk

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

v. Currency risk

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



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

32 Financial instruments – Fair values and risk management (Continued)

Interest rate risk

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

Exposure to interest rate risk

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

The Company does not have any additional impact on equity other than the impact on retained earnings.



Peninsula Brookfield Investment Managers Private Limited

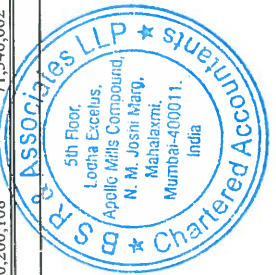
Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

33 Explanation of transition to Ind AS

A Reconciliation of equity

Particulars	As at date of transition 1 April 2015		As at date of transition 31 March 2016	
	Previous GAAP	Adjustment on transition to Ind AS	Ind AS	Previous GAAP Adjustment on transition to Ind AS
ASSETS				
Non-current assets				
(a) Property, plant and equipment	488,269	-	488,269	328,792
(b) Other intangible assets	30,242	-	30,242	2,345
(c) Financial assets				
(i) Investments	16,500,000	143,220	16,643,220	30,425,289
(ii) Loans	3,310,000	-1,404,511	1,905,489	5,560,000
(d) Deferred tax asset (net)	-	61,580,287	61,580,287	69,921,840
(e) Other non-current assets	6,476,198	1,404,511	7,880,710	6,749,488
Total non-current assets	26,804,709	61,723,507	88,528,216	43,065,914
				71,346,662
				114,412,575
(2) Current assets				
(a) Financial assets				
(i) Trade receivables	2,312,782	-	2,312,782	3,685,254
(ii) Cash and cash equivalents	41,171,567	-	41,171,567	14,286,339
(iii) Loans	962,865	-	962,865	482,634
(iv) Others	-	-	-	909,066
(c) Current tax assets (net)	3,353,205	-	3,353,205	7,704,851
(d) Other current assets	12,288,965	-	12,288,965	10,126,051
Total current assets	60,089,383	-	60,089,383	37,194,194
				-
				37,194,194
TOTAL ASSETS	86,894,093	61,723,507	148,617,600	80,260,108
				71,346,662
				151,606,770



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

33 Explanation of transition to Ind AS (Continued)

A Reconciliation of equity (Continued)

Particulars	As at date of transition 1 April 2015 Previous GAAP	Adjustment on transition to Ind AS	Ind AS	As at date of transition 31 March 2016 Previous GAAP Adjustment on transition to Ind AS	Ind AS
EQUITY AND LIABILITIES					
(1) Equity					
(a) Equity share capital	305,876,200	-	305,876,200	332,875,600	332,875,600
(b) Other equity					
Retained earnings (including items of other comprehensive income)	-240,834,432	61,723,507	-179,110,924	-269,950,357	-198,603,695
Total equity	65,041,768	61,723,507	126,765,276	62,925,243	134,271,905
(2) Non-current liabilities					
(a) Provisions	4,443,770	-	4,443,770	3,976,796	3,976,796
Total Non-current liabilities	4,443,770	-	4,443,770	3,976,796	3,976,796
(3) Current liabilities					
(a) Financial liabilities					
(i) Trade and other payables	10,051,979	-	10,051,979	10,620,235	10,620,235
(b) Other current liabilities	6,965,064	-	6,965,064	2,525,252	2,525,252
(c) Short-term provisions	391,511	-	391,511	212,582	212,582
Total current liabilities	17,408,554	-	17,408,554	13,358,069	13,358,069
Total liabilities	21,852,324	-	21,852,324	17,334,865	17,334,865
TOTAL EQUITY AND LIABILITIES	86,894,093	61,723,507	148,617,600	80,260,108	151,606,770

The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

33 Explanation of transition to Ind AS (Continued)

B Reconciliation of total comprehensive income for the year ended 31 March 2016

Particulars	For the year ended 31 March 2016 Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
Revenue from operations	43,900,468	-	43,900,468
Other income	5,749,220	1,811,920	7,561,140
Total income	49,649,687	1,811,920	51,461,607
Employee benefits expenses	38,047,684	-1,412,936	36,634,748
Depreciation and amortization expenses	304,964	-	304,964
Other expenses	40,381,704	530,318	40,912,023
Total expenses	78,734,352	(882,618)	77,851,734
Loss before tax	(29,084,665)	2,694,538	(26,390,127)
Tax expense:			
Current tax	-	-	-
Deferred tax	-	7,904,955	7,904,955
Profit/(Loss) for the year	(29,084,665)	10,599,493	(18,485,172)
Other comprehensive income, net of tax	-	976,339	976,339
Total comprehensive income for the year	(29,084,665)	9,623,154	(19,461,510)

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued) for the year ended 31 March 2017

(Amount in INR)

33 Explanation of transition to Ind AS (Continued)

Notes to the reconciliations

- a. The Company has made investment in units of Peninsula Brookfield India Real Estate Fund. The said investment is fair valued based on the Net Asset Value (NAV) issued by the Fund. The changes have been given effect in investment and other equity in opening balance sheet and other income in comparative and current financial year.
- b. The Company has given zero coupon loan to Peninsula Brookfield Employee Benefit Trust. The said loan is discounted using effective interest rate. The effect has been given in deferred asset and interest. The company has accounted for notional interest income on the said loan.
- c. The Company has remeasured liability under defined benefit plan. The effect of actuarial gain/loss is given in 'Other comprehensive income'.
- d. The Company under Ind AS has recognised deferred tax assets based on availability of future taxable profits against which tax losses carried forward can be used.



Peninsula Brookfield Investment Managers Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Amount in INR)

34. Contingent Liability and capital commitment

There is no capital commitment as at 31 March 2017 (31 March 2016: Rs. Nil). The Company has commitment of unpaid call on its investment in funds amounting to Rs.3,000,000 as at 31 March 2017 (31 March 2016: Rs. 3,000,000).

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

35. Due to Micro and small suppliers

As per the information available with the Company, there are no micro, small and medium enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues as at the year end on account of principal and interest thereon and accordingly no additional disclosures have been made.

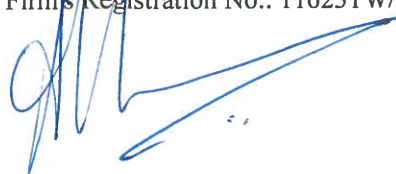
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the statutory auditors of the Company.

36. Subsequent events

The Company has evaluated subsequent events, as defined under IND AS 10 "Events after the reporting period" through 8 May 2017 and no material subsequent event have been identified.

As per our report of even date attached.

For **BSR & Associates LLP**
Chartered Accountants
Firm's Registration No.: 116231 W/W-100024



Ashwin Suvarna
Partner
Membership No: 109503

Mumbai
8 May 2017

For and on behalf of the Board of Directors of
**Peninsula Brookfield Investment Managers
Private Limited**
CIN : U67190MH2011PTC224167



Rajeev Piramal
Managing Director
DIN : 00044983

Mumbai
8 May 2017



Sridhar Rengan
Director
DIN : 03139082



Sugandha Vaidya
Company Secretary
ACS No. 29610