

**Peninsula Investment Management
Company Limited**

Financial statements
together with the
Independent Auditors' Report
for the year ended 31 March 2014

Peninsula Investment Management Company Limited

Financial statements together with Independent Auditor's Report

for the year ended 31 March 2014

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B S R & Associates LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Peninsula Investment Management Company Limited

Report on the financial statements

We have audited the accompanying financial statements of Peninsula Investment Management Company Limited ('the Company') which comprise the balance sheet as at 31 March 2014, the statement of profit and loss and the cash flow statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independent Auditors' Report (*Continued*)

Peninsula Investment Management Company Limited

Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2014;
- (ii) in the case of the statement of profit and loss, of the profit for the year ended on that date; and
- (iii) in the case of cash flow statement, of the cash flows for the year ended on that date.

Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2003 ('the Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order. .
- 2 As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the 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, statement of profit and loss and cash flow statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the balance sheet, statement of profit and loss and cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of the written representations received from the directors of the Company as on 31 March 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2014 from being appointed as director in terms of clause (g) of sub section (1) of section 274 to the Act.

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



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
15 May 2014

Peninsula Investment Management Company Limited

Annexure to the Independent Auditors' Report – 31 March 2014

(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 program of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this 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 has not disposed off any fixed assets during the year, and therefore, there is no impact on the going concern assumption.
- (ii) The Company is a service company, primarily rendering investment advisory services. Accordingly it does not hold any physical inventory. Thus, paragraph 4(ii) of the Order is not applicable.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and with regard to sale of services. We have not observed any major weakness in the internal control system during the course of audit. The Company is a service company and does not purchase or sell goods.
- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts and arrangements referred to in (a) above and exceeding the value of Rs 5 lacs with any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the activities conducted by the Company.



Peninsula Investment Management Company Limited

Annexure to the Independent Auditors' Report – 31 March 2014 (Continued)

- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Sales-tax, Custom duty, Excise duty and Investor Education and Protection fund.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax and other material statutory dues were in arrears as at 31 March 2014 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of provident fund, Income-tax, Service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- (x) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xi) The Company did not have any outstanding dues to any financial institution, banks or debenture holders during the year.
- (xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not a chit fund / nidhi / mutual benefit fund / society. Accordingly, paragraph 4 (xiii) of the Order is not applicable to the Company.
- (xiv) Based on information and explanations provided by the management, in respect of dealing or trading in shares and securities, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares and securities have been held by the Company in its own name. As explained to us, the Company is not involved in dealing or trading of debentures and other investments.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year. Accordingly, paragraph 4 (xvi) of the Order is not applicable to the Company.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.




Peninsula Investment Management Company Limited

Annexure to the Independent Auditors' Report – 31 March 2014 *(Continued)*

- (xviii) The Company has not made any preferential allotment of shares to companies/firms/parties covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issues.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

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



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai
15 May 2014

Peninsula Investment Management Company Limited

Balance sheet

as at 31 March 2014

(Currency: Indian rupees)

Particulars	Note	31.03.2014	31.03.2013
I. EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	100,000,000	100,000,000
(b) Reserves and surplus	4	61,765,823	40,741,416
Non-current liabilities			
(a) Long-term provisions	5	146,702	98,211
(b) Other long term liabilities	6	35,981,382	1,312,986
Current liabilities			
(a) Trade Payables	7	265,145	236,595
(b) Other current liabilities	8	703,313	815,784
(c) Short-term provisions	9	45,416	43,961
Total		198,907,781	143,248,954
II. ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	10	80,649	130,178
(ii) Intangible assets	11	199,005	-
(b) Non-current investments	12	97,798,400	1,000,000
(c) Deferred tax assets (net)	13	76,303	13,163
(d) Long term loans and advances	14	5,900,650	6,256,160
Current assets			
(a) Current investments	15	6,883,952	70,067,936
(b) Trade receivables	16	72,993,950	40,464,382
(c) Cash and bank balance	17	1,046,557	17,181,441
(d) Short-term loans and advances	18	13,928,315	8,135,694
Total		198,907,781	143,248,954

Significant accounting Policies

2

Notes to the financial statements

3 to 31

Notes referred to above form an integral part of the financials statements


As per our report of even date attached.

For B S R & Associates LLP

Chartered Accountants

Firm's Registration No: 116231W

For and on behalf of the Board of Directors of
Peninsula Investment Management Company Limited



N Sampath Ganesh

Partner

Membership No: 042554

Mumbai



Rajeev Piramal

Managing Director

Mumbai



Mahesh Gupta

Director

15 MAY 2014

Peninsula Investment Management Company Limited

Statement of profit and loss

for the year ended 31 March 2014

(Currency: Indian rupees)

Particulars	Note	31.03.2014	31.03.2013
Revenue from operations	19	32,168,000	32,168,000
Other Income	20	5,779,888	7,046,449
Total Revenue		37,947,888	39,214,449
<u>Expenses:</u>			
Employee benefit expense	21	4,208,228	6,108,671
Depreciation expense	10 & 11	168,828	74,584
Other expenses	22	1,988,890	1,694,066
Total Expenses		6,365,946	7,877,322
Profit before tax		31,581,942	31,337,128
Tax expense:			
Current tax		10,620,675	9,145,383
Deferred tax		63,140	206,667
Profit after tax		21,024,407	21,985,078
Earning per equity share:	27		
Basic		2.10	2.20
Diluted		2.10	2.20

Significant accounting Policies

Notes to the financial statements

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



N Sampath Ganesh
Partner
Membership No: 042554

Mumbai

For and on behalf of the Board of Directors of
Peninsula Investment Management Company Limited



Rajeev Piramal
Managing Director

Mumbai



Mahesh Gupta
Director

Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.3 Depreciation (Continued)

The rates of depreciation prescribed in Schedule XIV to the Companies Act, 1956 are considered as the minimum rates. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Pursuant to this policy, depreciation on computers, furniture and fixture and office equipment has been provided for at the following rate which is the corresponding rates prescribed in Schedule XIV:

Class of Fixed Asset	Rate of Depreciation (%)
Computer Software (except PIT software)	40.00
Computers	40.00
Office equipment	13.91
Furniture and fixture	18.10

Depreciation on Intangible assets (i.e. Post Investment Tracker software ('PIT')) is provided on straight line basis over a period of 36 months commencing from the month of acquisition.

All fixed assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

2.4 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the Company estimates the recoverable amount of the assets. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs, is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date, there is an indication that previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

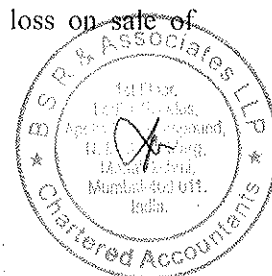
2.5 Investment

Investments are classified as long term or current based on intention of the management at the time of purchase.

Long-term investments are carried at carrying cost less any diminution in value, which is other than temporary, determined separately for each individual investment.

Current investments are valued at lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each individual investment.

Purchase and sale of investments are recorded on trade date. Profit or loss on sale of investments is determined on the basis of first in first out (FIFO).



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.6 Revenue recognition

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.

Other Income

Interest income is accounted on an accrual basis.

Dividend is recognized as income as and when the right to receive the same is established.

2.7 Employee benefits

Provident fund

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

Gratuity

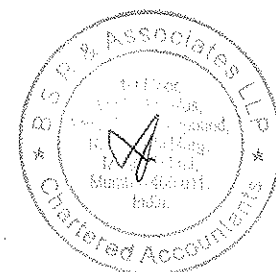
The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets, if any, is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

Leave encashment

The Company provides for leave encashment liability, which is a defined benefit scheme is determined based on actuarial valuation using the Projected Unit Credit Method at the balance sheet date conducted by an independent actuary.



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.7 Employee benefits (continued)

Actuarial gains / losses

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

2.8 Taxation

Current and Deferred Tax

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Provision for income tax is recognised on an annual basis under the taxes payable method, based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with Income Tax Act, 1961. In case of matters under appeal due to disallowance or otherwise, full provision is made when the said liabilities are accepted by the Company.

The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is a reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable / virtually certain (as the case may be) to be realised.

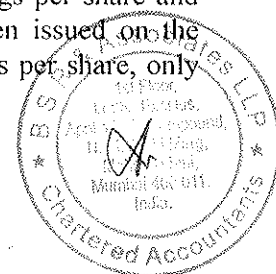
Minimum Alternate Tax

As per the provision of Section 115JAA, MAT Credit receivable has been recognized on the basis of return of income filed for the previous years. MAT credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. MAT credit is recognised as an asset in accordance with the recommendation contained in guidance note issued by the Institute of Chartered Accountants of India. The said assets is created by the way of credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company will review the same at each balance sheet date and write down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

2.9 Earnings per share ('EPS')

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share, only potential equity shares that are dilutive are included.



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.10 Provisions and contingencies

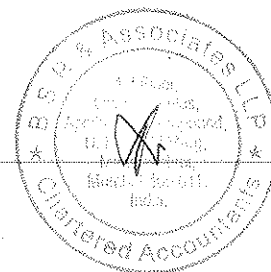
Provisions comprise liabilities of uncertain timing or amount. Provisions are recognized when the Company recognizes that it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

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

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



Peninsula Investment Management Company Limited

Notes to the financial statements (Continued)

as at 31 March 2014

(Currency: Indian rupees)

3 Share capital

	31.03.2014	31.03.2013
Authorised capital		
10,000,000 (Previous Year: 10,000,000) equity shares of Rs. 10 each	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>
Issued, subscribed and paid-up capital		
10,000,000 (Previous Year: 10,000,000) equity shares of Rs. 10 each, fully paid up	100,000,000	100,000,000
	<u>100,000,000</u>	<u>100,000,000</u>

a. Shareholder holding more than 5% of equity shares in the Company

Name of shareholder	31-Mar-14		31-Mar-13	
	Number of equity share	% of holding	Number of equity share	% of holding
Peninsula Holdings and Investment Pvt. Ltd. - Holding Co.	7,501,000	75%	7,500,000	75%
Jaydev Mukund Mody	-	0%	1,400,000	14%
Mahesh S. Gupta	500,000	5%	500,000	5%
Ms. Urvi A. Piramal	1,000,000	10%	150,000	1.50%

*Note:-There is no movement in the outstanding shares during the year.

b. Reconciliation of shares outstanding at the beginning and at the end of the financial year

Name of shareholder	31-Mar-14		31.03.2013	
	Number of equity share	Amount	Number of equity share	Amount
At the beginning of the year	100,000	1,000,000	100,000	10,000,000
Add: Issued during the year	-	-	-	-
At the end of the year	100,000	1,000,000	100,000	10,000,000

Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees

4 Reserve and Surplus

	31.03.2014	31.03.2013
Surplus (Profit and Loss balance)		
At the commencement of the year	40,741,416	18,756,338
Add : Profit for the year	21,024,407	21,985,078
Total Reserves and Surplus	<u>61,765,823</u>	<u>40,741,416</u>

5 Long term provisions

	31.03.2014	31.03.2013
Provision For Employees Benefit		
Provision for gratuity (refer note 25)	101,924	60,748
Provision for leave encashment (refer note 25)	44,778	37,463
	<u>146,702</u>	<u>98,211</u>



Peninsula Investment Management Company Limited

Notes to the financial statements (Continued)

as at 31 March 2014

(Currency: Indian rupees)

6 Other long term liabilities

	31.03.2014	31.03.2013
Liability for transfer of employees to related party	2,703,897	1,312,986
Payable to Holding Company	33,277,485	-
	<u>35,981,382</u>	<u>1,312,986</u>

7 Trade payables#

	31.03.2014	31.03.2013
Provision for expenses	213,303	223,574
Other payable	51,842	13,021
	<u>265,145</u>	<u>236,595</u>

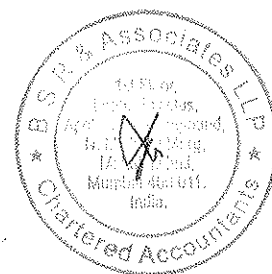
For dues to Micro, Small & Medium enterprises refer note no. 28

8 Other current liabilities

	31.03.2014	31.03.2013
Taxes payable	109,816	47,413
Interest accrued and due on Loan from Related Party	321,278	-
Payable to Employees	272,219	768,371
	<u>703,313</u>	<u>815,784</u>

9 Short term provisions

	31.03.2014	31.03.2013
Provision For Employees Benefit		
Provision for gratuity (refer note 25)	1,800	1,394
Provision for leave encashment (refer note 25)	3,616	2,567
Provision for Leave travel allowance	40,000	40,000
	<u>45,416</u>	<u>43,961</u>



Peninsula Investment Management Company Limited

Notes to the financial statements (Continued)
as at 31 March 2014

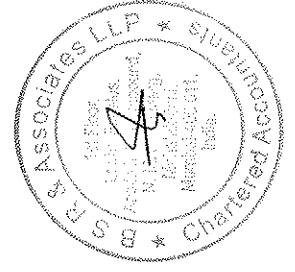
(Currency: Indian rupees)

10 Tangible assets

Particulars	Gross Block		Accumulated Depreciation			Net Block		
	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	For the year	Relating to Deletions	As at 31 March 2014	As at 31 March 2013
Computers	1,010,641	-	-	1,010,641	47,962	-	938,697	119,906
Furnitures and Fixtures	17,874	-	-	17,874	597	-	15,173	3,298
Office Equipment	16,761	-	-	16,761	970	-	10,757	6,974
Total	1,045,276	-	-	1,045,276	49,529	-	964,627	130,178
Previous year	1,025,242	20,034	-	1,045,276	74,584	-	915,098	130,178

11 Intangible assets

Particulars	Gross Block		Accumulated Depreciation			Net Block		
	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	For the year	Relating to Deletions	As at 31 March 2014	As at 31 March 2013
Computer Software	2,383,142	318,304	-	2,701,446	119,299	-	2,502,441	199,005
Total	2,383,142	318,304	-	2,701,446	119,299	-	2,502,441	199,005
Previous year	2,383,142	-	-	2,023,475	677,971	-	2,701,446	-



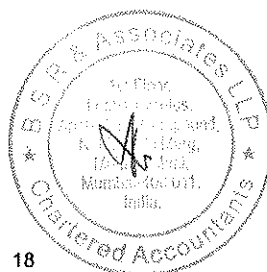
Peninsula Investment Management Company Limited

Notes to the financial statements (Continued)

as at 31 March 2014

(Currency: Indian rupees)

12 Non current investment	31.03.2014	31.03.2013
Investments in Preference Shares (Unquoted)		
9,27,884. 0.01% cumulative compulsorily convertible preference shares of Rs. 100 each Peninsula Brookfield Investment Managers Pvt. Ltd (Capital call)	92,788,400	-
Investments in Equity instruments (Unquoted)		
14,900 Equity Share (Class A, B and C) of Rs. 10 each of Peninsula Brookfield Investment Managers Pvt. Ltd	149,000	-
Other Non-Current Investments (Unquoted)		
10 (Previous year : 10) Class C Units of Rs. 100,000 each of PReF Indigo, a Scheme of Peninsula Realty Fund	1,000,000	1,000,000
38.61 (Previous year: Nil) Class B units of Rs. 1,00,000/-each of Peninsula Brookfield Real Estate Fund	3,861,000	-
	<u>97,798,400</u>	<u>1,000,000</u>
Aggregate amount of unquoted investment (book Value)	<u>97,798,400</u>	<u>1,000,000</u>
13 Deferred tax assets (Net)	31.03.2014	31.03.2013
Deferred tax is computed in accordance with Accounting Standard 22 - Taxes on income as prescribed in the Rules.		
Provision for gratuity	33,658	19,202
Provision for leave encashment	15,703	12,368
Depreciation on Fixed Assets	26,942	-
Deferred tax assets	<u>76,303</u>	<u>31,570</u>
Depreciation on Fixed Assets	-	18,407
Deferred tax liabilities	<u>-</u>	<u>18,407</u>
Deferred tax assets (Net)	<u>76,303</u>	<u>13,163</u>
14 Long term loans and advances		
(Unsecured, considered good unless otherwise stated)	31.03.2014	31.03.2013
Advance tax/ tax deducted at source (net of provision Rs.2,53,84,971 (Previous year Rs. 1,70,49,073))	5,900,650	6,256,160
	<u>5,900,650</u>	<u>6,256,160</u>
15 Current Investment	31.03.2014	31.03.2013
Investment in mutual fund (Unquoted, lower of cost or fair value)		
ICICI Prudential daily dividend scheme, floating Rate Plan	794	678,134
ICICI Prudential daily dividend scheme, liquid Plan	6,883,157	69,389,802
	<u>6,883,952</u>	<u>70,067,936</u>
*For Mutual fund units the net asset value is available		
Aggregate Book value of unquoted investments	6,883,952	70,067,936
Aggregate Market value	6,883,952	70,117,608



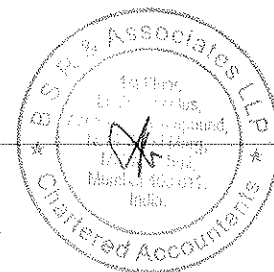
Peninsula Investment Management Company Limited

Notes to the financial statements (Continued)

as at 31 March 2014

(Currency: Indian rupees)

16 Trade receivables		
(Unsecured, considered good unless otherwise stated)	31.03.2014	31.03.2013
Outstanding for more than six months	56,729,166	24,199,598
Others	16,264,784	16,264,784
	<u>72,993,950</u>	<u>40,464,382</u>
17 Cash and bank balance		
	31.03.2014	31.03.2013
Cash and Cash Equivalents		
Cash on hand	1,425	10,857
Balances with Banks	1,045,132	17,170,584
	<u>1,046,557</u>	<u>17,181,441</u>
18 Short terms loans and advances		
(Unsecured, considered good unless otherwise stated)	31.03.2014	31.03.2013
Advances recoverable in cash or in kind or for value to be received	13,886,302	8,093,479
Prepaid Expenses	42,013	42,215
	<u>13,928,315</u>	<u>8,135,694</u>



Peninsula Investment Management Company Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2014

(Currency: Indian rupees)

19 Revenue from operations

	31.03.2014	31.03.2013
Management fees	32,168,000	32,168,000
	<u>32,168,000</u>	<u>32,168,000</u>

The Company is entitled to receive an annual management fees equal to 2% per annum of capital of Rs. 1,608,400,000 in accordance with the terms of Investment Management Agreement.

20 Other income

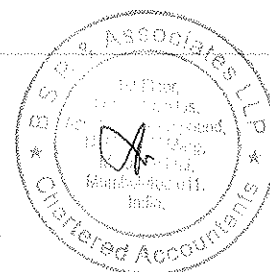
	31.03.2014	31.03.2013
Interest Income	4,608,066	3,069,248
Dividend Income	1,045,652	3,977,173
Other Income	126,170	29
	<u>5,779,888</u>	<u>7,046,449</u>

21 Employee benefit expense

	31.03.2014	31.03.2013
Salaries, bonus, allowances and other benefits (Refer Note 30)	4,042,727	5,612,000
Contribution to provident and other funds	134,301	394,974
Staff Welfare Expenses	31,200	101,697
	<u>4,208,228</u>	<u>6,108,671</u>

22 Other expenses

	31.03.2014	31.03.2013
Professional fees	801,845	896,859
IT Maintenance charges	491,900	504,777
Auditors' remuneration		
- Audit Fees	100,000	50,000
- Reimbursement of expenses	4,500	2,750
Miscellaneous expense	590,645	239,680
	<u>1,988,890</u>	<u>1,694,066</u>



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

23. Contingent liabilities / Capital commitment

There are no contingent liabilities / capital commitment as at 31 March 2014 (Previous year Rs. Nil).

24. Segment reporting

The Company operates in only one business segment viz. fund management to Peninsula Realty Fund and all of its operations are in India. Accordingly, the financial statements are reflective of the information required by Accounting Standard 17 on Segment Reporting prescribed in the Rules.

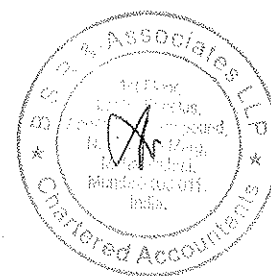
25. Retirement benefit- gratuity and leave encashment

The following tables summarizes the components of the net benefit expenses recognised in the statement of profit and loss, the fund status and amount recognised in the balance sheet for the gratuity benefit plan.

Statement of Profit and loss

Net gratuity expenses (recognized in employee costs)

Particulars	Gratuity		Leave Encashment	
	2014	2013	2014	2013
Current service cost	30,282	24,088	21,535	14,008
Interest on defined benefit obligations	5,096	25,213	3,282	(328)
Expected return on plan assets	-	-	-	-
Actuarial (gain)/losses	6,203	78,818	(16,453)	5,50,261
Prior Year Charge : Transfer of Gratuity Liability	4,09,451	-	9,91,460	-
Total in Gratuity Expenses	4,51,032	1,28,119	9,99,824	5,63,941



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

25. Retirement benefit- gratuity and leave encashment (Continued)

Amounts for the current and previous four periods are as follows:

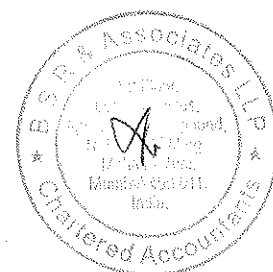
Defined benefit pension plans

Particulars	Gratuity				
	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligations	1,03,724	62,143	4,77,918	11,20,888	9,24,958
Plan assets	-	-	-	-	-
Surplus/(deficit)	(1,03,724)	(62,143)	(4,77,918)	(11,20,888)	(9,24,958)
Experience adjustments on plan Liabilities	22,057	76,195	(4,62,752)	(1,50,613)	(1,13,703)
Experience adjustments on plan Assets	-	-	-	-	-
Particulars	Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10
Defined Benefit Obligations	48,394	40,030	2,99,808	12,59,862	9,74,252
Plan assets	-	-	-	-	-
Surplus/(deficit)	(48,394)	(40,030)	(2,99,808)	(12,59,862)	(9,74,252)
Experience adjustments on plan Liabilities	(9,963)	5,48,785	(6,47,412)	1,35,236	1,10,877
Experience adjustments on plan Assets	-	-	-	-	-

Balance sheet

Details of provision for gratuity and Leave Encashment

Particulars	Gratuity		Leave Encashment	
	2014	2013	2014	2013
Liability at the end of the year	1,03,724	62,143	48,394	40,030
Fair value of the plan assets at the end of the year	-	-	-	-
Difference	1,03,724	62,143	48,394	40,030
Unrecognised past service cost	-	-	-	-
Unrecognised transition liability	-	-	-	-
Provision for gratuity	1,03,724	62,143	48,394	40,030



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

25. Retirement benefit- gratuity and leave encashment (Continued)

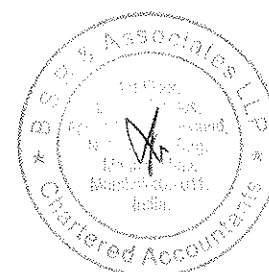
Changes in the present value of the defined benefit obligation are as follows:

Particulars	Gratuity		Leave Encashment	
	2014	2013	2014	2013
Liability at the beginning of the year	62,143	4,77,918	40,030	2,99,808
Liability transferred out to PBIMPL	-	(5,43,894)	-	(6,49,160)
Interest Cost	5,096	25,213	3,282	(328)
Current Service Cost	30,582	24,088	21,535	14,008
Benefits paid	-	-	-	(1,74,560)
Acturial (gain)/loss	6,203	78,818	(16,453)	5,50,261
Liability at the end of the year	1,03,724	62,143	48,394	40,030

Particulars	Gratuity		Leave Encashment	
	2013-14	2012-13	2013-14	2012-13
Current	1,800	1,395	3,616	2,567
Noncurrent	1,01,924	60,748	44,778	37,463

Actuarial assumptions

	2014	2013
Discount rate	9.2 per cent per annum	8.2 per cent per annum
Salary escalation	6 per cent per annum	6 per cent per annum
Employee attrition rate	5 per cent at younger ages reducing to 1% at older ages	5 per cent at younger ages reducing to 1% at older ages



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

26. Related party

List of Related Parties

a) Name of a related party by whom control is exercised

Peninsula Land Limited	(Ultimate Holding Company)
Peninsula Holdings and Investments Private Limited	(Holding Company)
Peninsula Brookfield Investment Managers Private Limited ('PBIMPL')	(Joint Venture)

b) Names of related parties, other than holding company

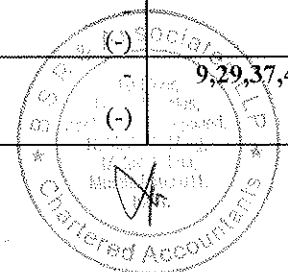
Peninsula Trustee Limited	(Fellow subsidiary)
Peninsula Realty Fund – Scheme PReF Indigo a scheme of Peninsula realty Fund	(Entity under common control)

c) Key Management Personnel

Mr. Rajeev A. Piramal (Managing Director)

Transactions with related parties

Nature of Transactions	Ultimate Holding company	Fellow Subsidiary	Entity under common control	Joint Venture	Key management Personnel	Total
Management fees	- (-)	- (-)	3,21,68,000 (3,21,68,000)	- (-)	- (-)	3,21,68,000 (3,21,68,000)
Interest Expense	3,56,976 (-)	-	-	-	-	3,56,976 (-)
Recovery of Expense	14,000 (1,36,828)	28,403 (50,831)	58,67,891 (67,44,760)	- (-)	- (-)	59,10,294 (69,32,419)
Salaries and other allowances	- (-)	- (-)	- (-)	- (-)	40,000 (20,000)	40,000 (20,000)
Transfer of Liability for transferred Employees	- (-)	- (-)	- (-)	13,90,911 (13,12,986)	- (-)	19,80,457 (13,12,986)
Loan accepted	3,33,50,000 (-)	- (-)	- (-)	- (-)	- (-)	3,33,50,000 (-)
Loan given	- (-)	- (-)	- (-)	26 (-)	- (-)	26 (-)
Investments made	- (-)	- (-)	- (-)	9,29,37,400 (-)	- (-)	9,29,37,400 (-)



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

Figures in bracket indicate previous year figures.

26. Related party (Continued)

Balance Outstanding as on 31 March 2014

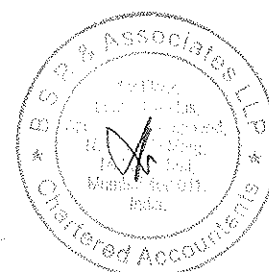
Particulars	Ultimate Holding company	Fellow Subsidiary	Entity under common control	Joint Venture
Balance outstanding at the year end	3,35,98,763	-	-	27,03,871
	(-)	(-)	(-)	(13,12,986)
Balance receivable at the year end	-	-	8,68,09,090	-
	(27,453)	-	(484,11,631)	(-)

Figures in bracket indicate previous year figures.

27. Earnings per share

In accordance with Accounting Standard 20 on 'Earnings per share' prescribed in the Rules, the computation of earnings per share is set out below.

	2014	2013
Net profit for the year after tax attributable to equity shareholders (a)	2,10,24,407	2,19,85,078
Calculation of number of shares		
Number of shares at the beginning of the year	1,00,00,000	1,00,00,000
Shares issued during the year	-	-
Total number of equity shares outstanding at the end of the year	1,00,00,000	1,00,00,000
Weighted average number of shares outstanding during the year (b)	1,00,00,000	1,00,00,000
Earnings per share of Rs 10 each, fully paid-up (a/b) (Basic and Diluted)	2.10	2.20



Peninsula Investment Management Company Limited

Notes to the financial statements

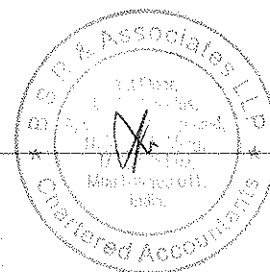
for the year ended 31 March 2014

(Currency: Indian rupees)

28. Dues to micro and small suppliers

Trade payables do not include any amount payable to Small Scale Industrial Undertakings and Micro, Small and Medium Enterprises. Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, the following disclosures are made for the amounts due to Micro, Small and Medium Enterprises, who have registered with the competent authorities.

Principal amount remaining unpaid to any supplier as at the year end	Nil
Interest due thereon	Nil
Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting period.	Nil
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED	Nil
Amount of interest accrued and remaining unpaid at the end of the accounting year	Nil



Peninsula Investment Management Company Limited

Notes to the financial statements

for the year ended 31 March 2014

(Currency: Indian rupees)

29. Earnings and expenditure in foreign currency.

During the year there are no earnings and expenditure in foreign currency (Previous Year: Nil).

30. Prior period items

Provision for Gratuity and Leave Encashment Rs. 14, 00,911/- not made in previous years.

31. Prior period comparatives

The previous period figures have been regrouped and reclassified wherever necessary to confirm to current year's presentation.

As per our report of even date attached.

For B S R & Associates LLP
Chartered Accountants
Firm's Registration No. 116231W



N Sampath Ganesh
Partner
Membership No: 042554

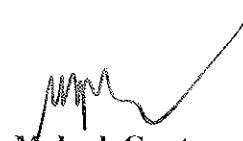
Mumbai

**For and on behalf of the Board of Directors of
Peninsula Investment Management Company Limited**



Rajeev Piramal
Managing Director

Mumbai



Mahesh Gupta
Director

15 MAY 2016