



INDEPENDENT AUDITOR'S REPORT

To the Members of Chase Investments Limited

Report on the Audit of the Special Purpose Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying special purpose Standalone Ind AS financial statements of CHASE INVESTMENTS LIMITED (hereinafter referred to as "the Company") which comprise the Balance Sheet as at 31st March, 2019, and the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Standalone Ind AS financial statements"). These special purpose Standalone Ind AS financial statements have been prepared by the management of CHASE INVESTMENTS LIMITED as the holding company of CHASE INVESTMENTS LIMITED is required to present Ind AS Standalone financial statements for its Group. {Refer Note No. 1(2) of the special purpose Standalone Ind AS financial statements}.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Standalone financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Companies Act, 2013 and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matter, in our opinion, is as under:

Fair Valuation of Unquoted Equity Shares

As on the Balance sheet date, the Company holds 91,875 unquoted equity shares of Rs. 10 each costing Rs.36,78,000 in KK Modi Investments & Financial Services Private Limited. As on the Balance Sheet date, these shares have been accounted for at fair value of Rs. 126,69,56,250/- (As on 31st March, 2018 Rs. 78,63,58,125) on the basis of valuation report issued by a firm of Chartered Accountants and changes in fair value of Rs. 48,05,98,125/- (previous year Rs. 22,41,75,000) have been recognised in the Other Comprehensive Income. We have relied upon the report of firm of Chartered Accountants appointed by the Company regarding fair valuation of these unquoted equity shares stated above in forming our opinion on these special purpose consolidated Ind AS financial statements of the company.



Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to the Board's Report, Corporate Governance and shareholders information and does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Board's Report including Annexures to the Board's Report, Corporate Governance and shareholders information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these special purpose Standalone Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (the Act) that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the special purpose Standalone Ind AS financial statements by the Directors of the Company, as aforesaid.

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

The Board of Directors of the company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the special purpose Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Standalone Ind AS financial statements, including the disclosures, and whether the special purpose Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the special purpose Standalone Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Standalone financial statements of which we are the independent auditors. For the other entities included in the special purpose Standalone Ind AS financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the special purpose Standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

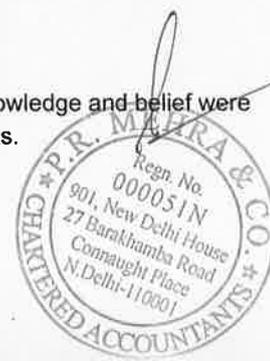
Other Matters

Without modifying our opinion, we draw attention to Note 1(2) of the special purpose Standalone Ind AS financial statements, which describes the purpose of preparation of the special purpose Standalone Ind AS financial statements i.e. to assist the holding company of Chase Investment Limited to prepare Standalone Ind AS financial statements. As a result, these special purpose Standalone Ind AS financial statements may not be suitable for another purpose. Our report is intended solely for Chase Investment Limited and its holding company and their auditors and should not be distributed to or used by other parties.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of special purpose Standalone Ind AS financial statements.



(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid special purpose Standalone Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Standalone Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of special purpose Standalone Ind AS financial statements.

(d) In our opinion, the aforesaid special purpose Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors of the company as on 31st March, 2019 taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operative effectiveness of such controls, refer to our separate Report in Annexure A.

(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.

For P.R. Mehra & Co
Chartered Accountants
(Firm's Registration No. 000051N)


Laxman Prasad
(Partner)
Membership No: 013910
Place: New Delhi
Dated: 24.05.2019



Annexure – “A” to the Auditors’ Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the special purpose Standalone Ind AS financial statements of the Company as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to the financial statements of CHASE INVESTMENTS LIMITED (“the Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company are responsible for establishing and maintaining internal financial controls based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements issued by the Institute of Chartered Accountants of India (“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.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to the financial statements 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”) issued by ICAI and the Standards on Auditing, issued by 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 issued by the Institute of Chartered Accountants of India. 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 with reference to the financial statements 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 with reference to the financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, 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 with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A company’s internal financial control with reference to the financial statements 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. A company’s internal financial control with reference to the financial statements 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 With reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, 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 with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial



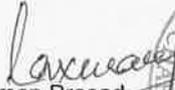
statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2019, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to the financial statements issued by the ICAI.

For and on behalf of

For P.R. Mehra & Co.
Chartered Accountants
(Regn. No. 000051N)


Laxman Prasad
Partner
M. No. 013910

Place: New Delhi

Date: 24.05.2019



CHASE INVESTMENTS LIMITED

SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

All amounts in Rs. unless otherwise stated

Particulars	Note No.	As at 31.3.2019	As at 31.3.2018
ASSETS			
Non-current assets			
Financial Assets			
- Investments	2	1,598,608,128	1,073,469,625
Total non-current assets		1,598,608,128	1,073,469,625
Current assets			
Financial Assets			
- Investments	2	29,664,225	28,778,025
- Cash and cash equivalents	3	3,146,288	235,844
- Others	4	49,295	93,362
		32,859,808	29,107,231
Total current assets		32,859,808	29,107,231
Total assets		1,631,467,936	1,102,576,856
EQUITY AND LIABILITIES			
Equity			
Equity share capital	5	28,045,500	28,045,500
Other equity	6	1,305,295,167	893,589,103
Total equity		1,333,340,667	921,634,603
Liabilities			
Non current liabilities			
Deferred tax liability	7	297,853,114	180,165,463
Current liabilities			
Financial liabilities			
- Other	8	219,348	304,486
Short Term Provisions	9	29,497	462,294
Other current liabilities	10	25,310	10,010
Total current liabilities		274,155	776,790
Total liabilities		298,127,269	180,942,253
Total equity and liabilities		1,631,467,936	1,102,576,856

Notes forming part of the Financial Statements

1-19

In terms of our report attached

**For P.R.Mehra & Co.,
Chartered Accountants
(F.R.No. 000051N)**

For and on behalf of the Board of Directors

(LAXMAN PRASAD)
Partner
M.No.: 013910

Place: New Delhi
Dated: 24.05.2019



Sunil Aggarwal
Director
DIN 00029286

Sanjay Kumar Gupta
Director
DIN 00027728

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CHASE INVESTMENTS LIMITED

SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31,2019

All amounts in Rs. unless otherwise stated

Particulars	Note No.	For the year ended 31.3.2019	For the year ended 31.3.2018
INCOME			
Revenue from operations	11	50,080,371	44,226,254
Other income	12	65,290	120,810
TOTAL INCOME		50,145,661	44,347,064
EXPENSES			
Finance cost	13	54,500	13,892
Other expenses	14	983,320	2,130,633
TOTAL EXPENSES		1,037,820	2,144,525
Profit before tax		49,107,841	42,202,539
Tax expense:			
Current tax (MAT)		281,421	500,000
Tax for earlier years		30,830	(8,124)
Deferred tax		5,773,827	(3,585,367)
Profit for the period		43,021,763	45,296,030
Other comprehensive income			
Items that will not to be reclassified to profit or loss			
(i) Gain/(Loss) on equity instruments through other comprehensive income		480,598,125	224,175,000
(ii) Income tax relating to items that are classified in other comprehensive income.		(111,913,824)	(52,756,978)
Total other comprehensive income - (i+ii)		368,684,301	171,418,022
Total comprehensive income for the period		411,706,064	216,714,052
Earning per equity share- basic/diluted	18	153	162
(Face value of share - Rs. 100 each)			

Notes forming part of the Financial Statement

1-19

In terms of our report attached

**For P.R.Mehra & Co.,
Chartered Accountants
(F.R.No. 000051N)**

(LAXMAN PRASAD)
Partner
M.No. 013910

Place: New Delhi
Dated: 24.05.2019



For and on behalf of the Board of Directors


Sunil Aggarwal
Director
DIN 00029286


Sanjay Kumar Gupta
Director
DIN 00027728

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CHASE INVESTMENTS LIMITED
Special Purpose Cash Flow Statement for the year ended March 31, 2019

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
A. Cash flow from operating activities		
Net profit/(loss) before tax	49,107,841	42,202,539
Adjustment for:		
Decrease / (Increase) in fair value of Non-current Investment	(44,441,382)	(40,044,575)
Decrease / (Increase) in fair value of Current Investment	(1,032,354)	(738,350)
Movements in working capital:		
Decrease / (Increase) in other current Financial assets assets	44,067	55,558
Decrease / (Increase) in Non-current Investments(other than fair value change) (net)	(98,995)	5,127,650
Decrease / (Increase) in Current Investments(other than fair value change) (net)	146,154	(9,712,748)
Decrease / (Increase) in other bank balances	(2,710,746)	2,934,001
Increase / (Decrease) in current liabilities/current financial liability	(69,838)	267,246
	(48,163,095)	(42,111,218)
Cash generated from operations	944,746	91,321
Direct Tax paid	(745,048)	(136,292)
Net cash flow from operating activities (A)	199,698	(44,971)
B. Cash Flows from investing activities (B)	-	-
C. Cash Flows from financing activities (C)	-	-
Net increase / (decrease) in cash and cash equivalents (A + B + C)	199,698	(44,971)
Cash and cash equivalents at the beginning of the year	50,290	95,261
Cash and cash equivalents at the end of the year	249,988	50,290
Components of cash and cash equivalents:		
Cash and cheques on hand	-	-
With banks - in current account	249,988	50,290
	249,988	50,290

As per our Report of even date attached
For P.R.Mehra & Co.,

For and on behalf of the Board of Directors

(F.R.No. 000051N)

(LAXMAN PRASAD)
Partner
M.No.: 013910

Place: New Delhi
Dated: 24.05.2019


Sanjay Kumar Gupta
Director
DIN 00027728


Sunil Agarwal
Director
DIN 00029286



CHASE INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(All amounts are in INR, unless otherwise stated)

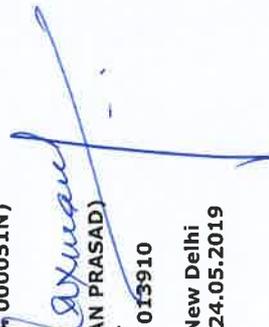
(a) Equity share capital Particular	Amount
Balance at March 31, 2018	28,045,500
Changes in equity share capital during the year	-
Balance at March 31, 2019	28,045,500

(b) Other equity

Particular	General reserves	Capital redemption reserve	Amalgamation Reserve	Statutory Reserve	Fair value through Other Comprehensive Income Reserve (FVTOCI)	Retained earnings	Total
Balance at March 31, 2018	116,600	12,600	15,905,090	4,881,758	601,064,845	271,608,210	893,589,103
Transfer to Statutory reserve from retained earnings Profit for the year	-	-	-	652,838	-	(652,838)	43,021,763
Other Comprehensive income for the year, net of Income tax	-	-	-	-	-	43,021,763	368,684,301
Balance at March 31, 2019	116,600	12,600	15,905,090	5,534,596	969,749,146	313,977,135	1,305,295,167

Notes forming part of the financial statements

In terms of our report attached
 For P.R.Mehra & Co.,
 Chartered Accountants
 (F.R.No. 000051N)


 (LAXMAN PRASAD)
 Partner
 M.No.: 013910
 Place: New Delhi
 Dated: 24.05.2019

For and on behalf of the Board of Directors


 Sunil Aqarwal
 Director
 DIN 00029286


 Sanjay Kumar Gupta
 Director
 DIN 00027728



CHASE INVESTMENTS LIMITED

Note-1: Notes to Special Purpose Standalone Financial Statements for the period ended 31 March 2019

1. Corporate information

Chase Investment Limited ('the Company') was incorporated in India on January 28, 1984. The Company is fully owned by Indian Shareholders.

The addresses of its registered office is Omaxe Square Plot No 14, 5th Floor, Jasola District Centre, Jasola, New Delhi-110025

2(a). Statement of compliance

The holding company i.e GODFREY PHILIPS INDIA LIMITED, a listed company, has adopted IND AS with effect from financial year 2016-17. However, the non-banking financial companies are required to adopt IND AS with effect from financial year 2019-20 as per the road map for applicability of Indian Accounting Standards (IND AS). Accordingly, even though the company has prepared standalone financial statements as per previous Indian GAAP under the Companies Act 2013, these special purpose standalone financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015. in view of applicability of Ind AS on the ultimate holding company.

Exemptions applied

(b).

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions:

Investments in subsidiaries and associates in separate financial statements

The Company has opted to consider previous GAAP carrying value of investments as deemed cost on transition date for investments in subsidiaries and associates in separate financial statements.

3. Basis of preparation and presentation

a. Basis of preparation and presentation

The financial statements are presented in Rs.

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

b. Use of Estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the Management of the Company to make estimates and assumptions that affect the reported balance of assets and liabilities, revenues and expenses and disclosures relating to contingent liabilities.

The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results may differ from these estimates. Any revision to the accounting estimates or difference between the estimates and the actual results are recognised in the periods in which the results are known/materialise or the estimates are revised.

4. Significant accounting policies

a. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Dividend income from shares/ mutual funds is recognised for when the right to receive it is established.

Income from services

Revenue from service contracts priced on a time basis is recognised when services are rendered and related costs are incurred.

Other income

Other income comprises of fair value gain on investments and interest income.

Income from investments and interest income is accounted for on accrual basis.

b. Taxation

Current tax

Provision for current tax for the period is based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.

The tax currently payable is based on taxable profits for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax resulting from "temporary differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted as on balance sheet date. The deferred tax asset is recognised and carried forward only to the extent that there is reasonable certainty that the asset will be realised in future. Deferred tax that relates to items that are recognised in other comprehensive income is recognised in other comprehensive income.



c. Finance Costs

Finance costs comprise interest expense on loans and borrowings. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the Statement of Profit and Loss using effective interest rate (EIR). Borrowing cost may include exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

d. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

e. Earning per share (EPS)

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

f. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When the provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of time value is material).

g. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, (in the case of financial assets not recorded at fair value through profit or loss) transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

Financial assets at amortised cost:

A financial asset is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI):

A financial asset is classified as at the FVTOCI if both of the following criteria are met unless the asset is designated at fair value through profit or loss under fair value option.

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial asset, and
- (b) The asset's contractual cash flows represent SPPI.

Financial assets at Fair Value Through Profit or Loss (FVTPL):

FVTPL is a residual category for financial assets. Any asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Equity investments:

All equity investments, except investments in subsidiaries and associates and non current investment in unquoted equity shares of KK MODI INVESTMENT & FINANCIAL SERVICES PVT. LIMITED, in scope of Ind AS 109 are measured at fair value, with all changes recognized in the Statement of profit and loss. The investments in shares of subsidiaries and associates valued at cost. Non current investments in equity shares of KK MODI INVESTMENT & FINANCIAL SERVICES PVT. LIMITED are measured at fair value, with all changes recognized in the other comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.



Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

h. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is decided upon annually by the Board of directors and the selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Board of directors, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the board of directors analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the board of directors verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The board of directors, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.



CHASE INVESTMENTS LIMITED
All amounts in Rs. unless otherwise stated

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Investment

Name of the Company/Entity	Quantity 31.3.2019	As at 31.3.2019	Quantity 31.03.2018	As at 31.3.2018
		Amount		Amount
(a) Non-current Investments				
A Equity Shares - Unquoted				
Naranq Industries Limited	40000	-	40000	-
Friendly Realty Projects Limited	5100	12,176,608	5100	12,176,608
K K Modi Investment and Financial Services Private Limited	91875	1,266,956,250	91875	786,358,125
Modicare Limited	-	-	720000	-
Unique Space Developers limited	3580	5,306,000	3580	5,306,000
Circassia Pacific Investment Limited	100000	-	100000	1,000,000
B Preference Share- Unquoted				
K K Modi Investment and Financial Services Private Limited	7128000	11,098,178	7128000	9,757,681
Unique Space Developers limited	75000	7,500,000	75000	7,500,000
D Equity, Preference Shares & Debentures - Quoted				
Aditya Bila Capital Limited	7555	734,346	-	-
Ashoka Buildcon Limited	9090	1,153,521	6060	1,505,607
Ashok Leyland Ltd.	15000	1,369,500	15000	2,181,750
Axis Bank	5000	3,886,250	5000	2,552,500
Bank of Baroda	5000	643,250	5000	711,500
Bharat Electronics Limited	8800	820,600	8800	1,244,760
Capital First Limited	-	-	886	545,732
Care rating Limited	1020	1,009,392	460	556,002
Century Plyboards India Limited	4525	942,558	4525	1,477,865
Coachin shipyard Limited	2286	895,198	2286	1,148,372
Cipla Ltd.	1000	528,900	1000	545,450
Coal India Limited	154	36,529	154	43,628
Castrol India Limited	4800	798,720	4800	983,520
DIGILENT MEDIA CORPORATION LIMITED	57	71	57	459
Dabur India Limited	6000	2,452,800	6000	1,970,400
Deccan Chronicle Holdings Limited	2000	-	2000	4,140
Engineers India Limited	4500	527,850	4500	713,025
Emami Ltd.	5400	2,160,000	2700	2,885,895
Fortis Healthcare Ltd.	51176	6,947,142	51176	6,312,560
Glaxo Smithkline Consumer Healthcare Ltd.	320	2,318,976	320	1,952,032
Golden Tobacco Limited	100	4,495	100	5,510
H D F C Bank Ltd	73200	169,743,480	73200	138,062,520
Hindustan Unilever Ltd.	290	494,972	290	386,672
ICICI Bank Ltd	12864	5,152,032	12864	3,580,694
ICRA Ltd.	1000	2,887,250	1000	3,647,350
Indian Bank Ltd.	2096	587,090	2096	628,381
Infosys Technologies Ltd	4000	2,975,400	2000	2,263,600
IDFC BANK LIMITED	13815	766,733	1500	71,025
ITC Limited	13500	4,012,875	13500	3,449,250
J.K.Cement Limited	2000	1,733,400	2000	2,030,100
KEC International Limited	3835	1,149,541	6225	2,426,194
Kotak Mahindra Bank Ltd	4000	5,338,000	4000	4,191,200
L&T Technology Services Ltd	810	1,273,523	-	-
Mothersun Sumi Systems Limited	3033	454,040	2022	628,741
Maruti Suzuki India Ltd.	950	6,338,923	950	8,418,045
NCL Industries Limited	2790	401,621	2790	612,126
Nestle India Ltd	93	1,019,368	93	762,930
NTPC Ltd. - Equity Shares	7852	1,057,664	6544	1,110,517
NTPC Ltd. - 12.50% Non-convertible Debentures (25Mar25)	6544	82,520	6544	83,371
Oriental Bank of Commerce	1000	116,250	1000	91,600
PNB Housing Finance Limited	938	811,136	938	1,212,318
Power Finance Corporation Limited.	1994	245,461	1994	170,786
Power Grid Corporation of India Limited	17068	3,377,757	17068	3,298,391
Persistent System Limited	825	519,379	825	572,591
Piramal Enterprises Limited	432	1,193,724	432	1,050,991
Reliance Home finance Limited	75	2,156	75	4,470
Reliance Capital Ltd	75	15,338	75	31,748
Reliance Industries Ltd.	10352	14,112,364	10352	9,137,710
RBL Bank Limited	4600	3,129,610	4600	2,207,310
SRF Limited	3200	7,689,600	3200	6,256,480
State Bank of India	40910	13,121,883	40910	10,223,409
Tata Chemicals Ltd.	1500	883,200	1500	1,015,725
Tata Consultancy Services Limited	7700	15,412,705	3850	10,969,228
Tata Motors Limited	7870	1,371,351	7870	2,572,310
The Karur Vysya Bank Limited	-	-	9775	981,899
VST Industries Ltd	100	345,500	100	293,580
Yes Bank Limited	-	-	2990	911,502
Zee Entertainment Enterprises Ltd	1094	487,377	1094	629,597
Zee Entertainment Enterprises Ltd - 6% Pref. Share (05Mar22)	2297	12,748	2297	17,457
Zee News Limited	226	4,158	226	8,599
E ETF - Quoted				
Reliance Liquid Bees fund	20.868	20,868	20.087	20,087
F Portfolio Management Scheme - Unquoted				
Sai Rayalaseema Paper Mills Limited	15895	-	15895	-
		1,598,608,128		1,073,469,625
(b) Current Investment				
Birla Sunlife Saving Fund - Growth	25094.78	8,963,456	25993.02	8,599,387
DSP Black Rock Arbitrage Fund Direct- Dividend	1018353.81	10,761,963	1002978.85	10,124,069
DSP Black Rock Liquidity Fund Direct- Growth	-	-	2016.43	5,011,467
IIFL Special Opportunities Fund Series 5	1028489.30	9,938,806	513904.83	5,043,102
		29,664,225		28,778,025



CHASE INVESTMENTS LIMITED

All amounts in Rs. unless otherwise stated

	As at 31.3.2019	As at 31.3.2018
3 Cash and cash equivalents		
Balances with Banks in current accounts	249,988	50,290
Other bank balances		
Fixed deposit with original Maturity of more than 12 month	2,896,300	185,554
	<u>3,146,288</u>	<u>235,844</u>
For the purpose of the statement of Cash flow, Cash and cash equivalents comprise of the following:		
-Balances with Banks in current account	249,988	50,290
	<u>249,988</u>	<u>50,290</u>
4 Other Current Financial assets		
Amount Recoverable	-	85,699
Interest accrued on Fixed deposit	49,295	7,663
	<u>49,295</u>	<u>93,362</u>



CHASE INVESTMENTS LIMITED

All amounts in Rs. unless otherwise stated

	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.
5 Equity Share capital		
Authorised		
588500 Equity Shares of Rs. 100 each	58,850,000	58,850,000
11500 (12% Preference Shares of Rs. 100 each)	<u>1,150,000</u>	<u>1,150,000</u>
	<u>60,000,000</u>	<u>60,000,000</u>
Issued, subscribed and fully paid up		
201210 Equity shares of Rs. 100 each	20,121,000	20,121,000
158490 Equity shares of Rs 100 each paid up Rs 50	<u>7,924,500</u>	<u>7,924,500</u>
	<u>28,045,500</u>	<u>28,045,500</u>

(i) Shares held by each shareholder holding more than 5%

Name of the shareholder	No. of shares	% held as at MAR 31, 2019	No. of shares	% held as at March 31, 2018
Godfrey Phillips India Ltd.*	359700	100.00	359700	100.00

* Holding Company



CHASE INVESTMENTS LIMITED

All amounts in Rs. unless otherwise stated

	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.
6 Other equity		
General Reserve	116,600	116,600
Capital Redemption Reserve	12,600	12,600
Amalgamation Reserve	15,905,090	15,905,090
Statutory Reserve	5,534,596	4,881,758
Fair value through Other Comprehensive Income Reserve	969,749,146	601,064,845
Retained Earning	313,977,135	271,608,210
	1,305,295,167	893,589,103
General Reserve	116,600	116,600
	116,600	116,600
Capital Redemption Reserve	12,600	12,600
	12,600	12,600
Amalgamation Reserve	15,905,090	15,905,090
	15,905,090	15,905,090
Statutory Reserve		
Opening balance	4,881,758	3,321,397
Add : During the year	652,838	1,560,361
	5,534,596	4,881,758
Fair value through Other Comprehensive Income Reserve (FVTOCI)		
Opening balance	601,064,845	429,646,823
Add: Net gain on FVTOCI (Net of tax) during the year	368,684,301	171,418,022
	969,749,146	601,064,845
Retained Earning		
Opening balance	271,608,210	227,872,541
Less: Transfer to Statutory Reserve	(652,838)	(1,560,361)
Add : Net profit/ (loss) for the current year	43,021,763	45,296,030
	313,977,135	271,608,210
7 Deferred Tax Liability		
On fair value of Current investment	300,055	231,753
On fair value of Non-current investment - Quoted	3,818,493	(1,642,749)
On fair value of Non-current investment - Unquoted	293,734,566	181,576,459
	297,853,114	180,165,463
8 Other current financial liabilities		
Audit fees payable	135,000	112,500
Trade payable	84,348	191,986
	219,348	304,486
9 Short Term provisions		
Provision for Income Tax (Net of tax paid)	29,497	462,294
	29,497	462,294
10 Other current liabilities		
Tds payable	25,310	10010
	25,310	10,010



CHASE INVESTMENTS LIMITED

All amounts in Rs. unless otherwise stated

	Year ended 31.3.2019	Year ended 31.3.2018
11 Revenue from operations		
Profit on Sale of Non Current Investment in equity	2,081,566	-
Profit on Sale of Non Current Investment in Mutual Fund	-	868,109
Profit on Sale of Investment in Current Investment	169,358	582,445
Dividend Income on equity	2,192,447	1,962,775
Dividend Income on Mutual Fund/ETF	163,264	30,000
Net gain on fair value adjustment of:		
- Non Current investments fair valued through profit and loss	44,441,382	40,044,575
- Current investments fair valued through profit and loss	1,032,354	738,350
Total revenue from operations	50,080,371	44,226,254
12 Other income		
Interest on Fixed deposit	65,290	120,810
	65,290	120,810
13 Finance Cost		
Interest on income tax	54,500	13,892
	54,500	13,892
14 Other Expenses		
Payment to auditor*	200,090	223,175
Bank charges	236	2,312
Demat Charges	5,456	1,271
Expenses/fee payable to portfolio manager	408,948	440,960
Filling fees & subscription	7,670	23,825
Loss on Sale of Non Current Investment in equity	-	850,139
Legal & professional charges	360,470	578,813
Misc. Expenses	450	10,138
Total	983,320	2,130,633
*Payment to auditor (Including GST) as:		
Audit fees	170,990	223,175
Certification fees	23,600	-
Others	5,500	-
	200,090	223,175



15. During the year under review, the main source of income of the Company was from investment and allied activities and no other activity was pursued. Thus being a Single unit company, segment reporting is not applicable.

16. Related party disclosure is as under:

(a). Names of related parties and nature of related party relationships:

Holding Company

- Godfrey Phillips India Limited

Subsidiary Companies:

- Unique Space Developers Limited

Fellow Subsidiary Company:

- International Tobacco Company Limited
- Flavours & More Inc
- Godfrey Phillips Middle East DMCC

Fellow subsidiary Company and Associate Company:

- Friendly Reality Projects Limited

Subsidiary of subsidiary company (Unique Space Developers Limited)

- Gopal Krishna Infrastructure & Real Estate Limited
(Ceased to be a subsidiary w.e.f 25/02/2019)

Associate of the Holding Company

- Success Principles India Limited
- KKM Management Centre Private Limited
- IPM India Wholesale Trading Private Limited
- KKM Management Centre Middle East FZE

Subsidiary of Associate Company (Friendly Reality Projects Limited)

- Rajputana Infrastructure Corporate Limited

Key Management Personnel:

- Mr. Sanjay Kumar Gupta, Director
- Mr. Sunil Agarwal, Director
- Mr. Shailender Singh Rana, Director

Key Management Personnel of Holding Company

- Mr. K.K. Modi, Managing Director
- Mr. Samir Modi, Executive Director
- Mr. Sharad Aggarwal, Whole time Director
- Mr. Sunil Agrawal. Chief Financial Officer
- Mr. Sanjay Gupta, Company Secretary

(b) Enterprises over which key management personnel and their relatives are able to exercise significant influence: **None**

(c) Disclosure of transactions between the company and related parties during the year : Please refer point 16 (e).



(d) Status of balances standing as at the year-end.

Nature of transaction	2018-2019	2017-2018
	Rs.	Rs.
a) Unique Space Developers Limited (subsidiaries):		
- Investment in Share capital:		
- Equity	53,06,000	53,06,000
- Preference	75,00,000	75,00,000
b) Friendly Reality Projects Limited (Associate):		
- Investment in Share capital - Equity	12,176,608	12,176,608

(e) Enterprises over which key management personnel of Holding Company are able to exercise significant influence and with whom the transactions have been done during the year under review: **KK Modi Family Trust**

(f) Disclosure of transactions between the company and related parties during the year :

Name of Related Party	Nature of Transaction	2018-19	2017-18
KK Modi Family Trust	Sale of investment in Modicare Limited	19,15,200	-

17. (a) Deferred tax assets has not been recognized in relation to carried forward losses in view of uncertainty of sufficient future taxable income as per Ind AS-12 'Income Taxes'
 (b) During the year under review tax is payable as per special provision under section 115JB of the Income tax act, define as Minimum Alternate tax (MAT). The MAT Credit has not been accounted for in the books due to non-availability of future taxable income under normal provisions of Income Tax Act.

18. Earnings per Share

Particulars	FY 2018-19	FY 2017-18
(a) Net profit as per Statement of profit and loss	4,30,21,763	4,52,96,030
(b) Weighted Average No. of equity share	280,455	280,455
(c) Basic and diluted earnings per share	153	162
(d) Face value per share	100	100

19. Previous year figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our Report of even date attached

For P.R.Mehra & Co.,

Chartered Accountants

(F.R.No. 000051N)

For and on behalf of the Board of Directors

LAXMAN PRASAD

Partner

M.No.: 013910

Place: New Delhi

Dated: 24.05.2019

SANAJY KUMAR GUPTA

Director

DIN 00027728

SUNIL AGGARWAL

Director

DIN 00029286



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