

**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092

Ph.: Off: 42445220 Tele fax: 22450737

Mob: 9810039548 E Mail-rcagg2003@yahoo.com

**To the Members of FRIENDLY REALITY PROJECTS LIMITED (FORMERLY KNOWN AS KASHYAP METAL & ALLIED INDUSTRIES LIMITED)**

**Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **FRIENDLY REALITY PROJECTS LIMITED (FORMERLY KNOWN AS KASHYAP METAL & ALLIED INDUSTRIES LIMITED)** ("the Company") which comprise the Balance Sheet as at 31 March 2019 and the Statement of Profit and Loss (including other comprehensive income), the statement of Cash Flows and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

**Management's Responsibility for the Financial Statements**

1. The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 ("the Act") read with relevant rules issued there under. This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the fraud and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made there under.

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

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



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

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the standalone Ind AS, of the financial position of the company as at 31<sup>st</sup> March, 2019 and its financial performance including other comprehensive income, its cash flow and changes in equity for the year ended on that date

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give the Annexure A, statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Companies Act, 2013 we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss and Cash Flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone Ind AS financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued there under.
  - e. On the basis of written representations received from the directors as on 31 March 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.



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- f. With respect to the adequacy of the Internal Financial Controls over financial reporting of the company and the operating effectiveness of such control, refer to our separate report in "Annexure B"; and
- 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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements: Refer note to the standalone Ind As Financial statements;
  - ii. the company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts- Refer Note to the standalone Ind AS financial statements; and
  - iii. there is no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **R.C. AGARWAL & CO.**

Chartered Accountants

Firm's registration number: 003175N

**R.C AGARWAL**

Partner

Membership number: 10200

Place: Delhi

Date: **10/04/2019**



**R. C. AGARWAL & CO.**  
**CHARTERED ACCOUNTANTS**

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**Annexure A to the Auditors' Report**

The Annexure referred to in our report to the members of **FRIENDLY REALITY PROJECTS LIMITED (FORMERLY KNOWN AS KASHYAP METAL & ALLIED INDUSTRIES LIMITED)** ("the Company") on the standalone Ind AS financial statements for the year ended 31 March 2019. We Report that:

1. The company does not have any fixed assets, hence sub-clause (a),(b) and (c) of paragraph 3 (i) of the company's Auditors Report order 2016 are not applicable to the company.
2. As explained to us, the company did not have any inventory, hence paragraph 3 (ii) of the company's Auditors Report order 2016 are not applicable to the company.
3. During the year under review, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. As on the Balance sheet date, there is an outstanding interest free unsecured loan recoverable from wholly owned subsidiary i.e. Rajputana Infrastructure Corporate Limited which was given during the financial year Rs.2320 Lacs in 2007-08 and Rs. 5 lacs in financial year 2015-16 and the same has been received back during the year 2017-18. In respect of the said loans, the Maximum amount outstanding at any time during the year and the year ended balance was Rs. 2320 Lacs.
4. In respect of loans, investments, guarantees and security necessary provision of section 185 and 186 of the Companies act, 2013 have been complied with.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information & explanation given by the management, maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Act.
7. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, duty of Service Tax, duty of Custom, duty of Excise, value added tax cess to the extent applicable and any other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31<sup>st</sup> of March, 2019 for a period of more than six months from the date they became payable.  
(b) According to information and explanations given to us there was no outstanding due of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess on account of dispute.
8. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders as the company has not taken any loans from financial institution, bank or debenture holders.
9. The company has not raised money by way of initial public offer or further public offer and term loan as such clause 9 of the order is not applicable.



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10. Based on the audit procedures performed and the information and explanations given to us, we report that no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.

11. No managerial remuneration has been paid or provided in accordance with requisite approvals mandated by the provisions of the section 197 read with schedule V of the companies Act, 2013.

12. The company is not a Nidhi Company,

13. Detail of all the transactions with related parties in compliance with section 177 and 188 of Companies act, 2013 have been disclosed in the financial statements.

14. The company has not made private placement of shares during the year under review and the requirements of section 42 of the Companies Act, 2013 have been complied with the amount raised have been used for the purposes which the funds were raised.

15. The company has not entered into any non cash transactions with the directors or persons connected with him.

16. The company is not required under section 45IA of the Reserve Bank of India Act, 1934

For **R.C. AGARWAL & CO.**

Chartered Accountants

Firm's registration number: 003175N

**R.C AGARWAL**

Partner

Membership number: 10200

Place: Delhi

Date: 10/04/2019



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**ANNEXURE B**

Annexure referred to in paragraph 2(i) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

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

We have audited the internal financial controls over financial reporting of **FRIENDLY REALITY PROJECTS LIMITED (FORMERLY KNOWN AS KASHYAP METAL & ALLIED INDUSTRIES LIMITED)** as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, both 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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



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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

**FOR R.C. AGARWAL AND CO.**

**Chartered Accountants**

**FRN – 001375N**

**R.C. AGARWAL**

Partner

Membership number: 10200

Place: Delhi

Date: 10/04/2019



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**Report of the auditors of Friendly Reality Projects Limited to M/s S.R. BATLIBOI & CO LLP auditors of Godfrey Phillips India Ltd**

We have audited the attached Balance Sheet of M/S Friendly Reality Projects Limited as at 31st March, 2019 and the Statement of Profit And Loss Account and Cash Flow Statement of the Company for the period ended on that date and other reconciliations and information (all collectively referred to as the Fit For Consolidation (FFC) Accounts). These FFC accounts are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the FFC Accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the FFC Accounts presentations. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

These FFC Accounts have been prepared solely to enable Chase Investments Limited being holding company to prepare its Consolidated Financial Statement in accordance with the requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India and not to report on Friendly Reality Projects Limited as a separate entity. Accordingly, these FFC Accounts are not intended to present a true and fair view of the Balance Sheet of Friendly Reality Projects Limited as at March 31<sup>st</sup>, 2019 and of the result of operations and Cash Flows for the period ended in accordance with generally accepted accounting principles in India.

However, in our opinion, these FFC Accounts have been prepared, in all material respects, in conformity with accounting principles of Godfrey Phillips India Ltd and the instructions received from the Director and are suitable for inclusion in the Consolidated Financial Statements of Godfrey Phillips India Ltd to be prepared in accordance with the requirements of Accounting Standard - 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

We further state that there are no any matters that, in our judgment, need to be reported to you.

This report is intended solely for the use of M/s S.R. BATLIBOI & CO LLP auditors of Godfrey Phillips India Ltd in connection with the audit of the Consolidated Financial Statements of Godfrey Phillips India Ltd and should not be used for any other purpose.

For and on behalf of

**R.C.AGARWAL & Co.**

Chartered Accountants

[F. R. No 003175N]

(CA R. C. AGARWAL)

PARTNER

M. No. 10200



Place: New Delhi

Date: April 10, 2019

# FRIENDLY REALITY PROJECTS LIMITED

## BALANCE SHEET AS AT MAR 31, 2019

All amounts in INR unless otherwise stated

Particulars	Note No.	As at 31.3.2019	As at 31.03.2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
-Investments	2	169,527,055	129,410,863
<b>Total non-current assets</b>		<b>169,527,055</b>	<b>129,410,863</b>
<b>Current assets</b>			
Loans	3	232,000,000	232,000,000
Financial assets			
-Cash and cash equivalents	4	658,031	666,257
Other current assets	5	183,805	176,373
		<b>232,841,836</b>	<b>232,842,630</b>
<b>Total current assets</b>		<b>232,841,836</b>	<b>232,842,630</b>
<b>Total assets</b>		<b>402,368,891</b>	<b>362,253,493</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	6	1,935,000	1,810,000
Other equity	7	400,196,147	360,234,417
<b>Total equity</b>		<b>402,131,147</b>	<b>362,044,417</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Other liabilities	8	40,000	40,000
Deferred tax liability	9	179,744	155,576
<b>Total non-current liabilities</b>		<b>219,744</b>	<b>195,576</b>
<b>Current liabilities</b>			
Financial liabilities			
-Other	10	18,000	13,500
<b>Total current liabilities</b>		<b>18,000</b>	<b>13,500</b>
<b>Total liabilities</b>		<b>237,744</b>	<b>209,076</b>
<b>Total equity and liabilities</b>		<b>402,368,891</b>	<b>362,253,493</b>

### Notes forming part of the Financial Statement 1-17

In terms of our report attached  
For R.C.AGARWAL & Co.  
Chartered Accountants

R. C. Agarwal  
Partner

Membership No.10200  
FRN NO. : 003175N



For and on behalf of the Board of Directors

Sunil Aggarwal  
Director  
DIN 00029286

Sanjay Kumar Gupta  
Director  
DIN 00027728

**FRIENDLY REALITY PROJECTS LIMITED****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MAR 31,2019**

All amounts in INR unless otherwise stated

Particulars	Note No.	As at 31.3.2019	As at 31.3.2018
<b>INCOME</b>			
Other income	11	145,544	244,434
<b>TOTAL INCOME</b>		<u>145,544</u>	<u>244,434</u>
<b>EXPENSES</b>			
Other expenses	12	34,646	601,969
<b>TOTAL EXPENSES</b>		<u>34,646</u>	<u>601,969</u>
<b>Profit before tax</b>		<b>110,898</b>	(357,535)
<b>Tax expense:</b>			
Current tax		-	1,829
Current tax expenses relating to prior years		24,168	20,601
Deferred tax charge/(credit)			
<b>Profit for the period</b>		<u><b>86,730</b></u>	<u>(379,965)</u>
<b>Earning per equity share- basic/diluted</b> (Face value of share - Rs. 100 each)		<b>4.48</b>	(20.99)

**Notes forming part of the Financial Statements****1-17**

In terms of our report attached

For R.C.AGARWAL &amp; Co.

Chartered Accountants

For and on behalf of the Board of Directors

R. C. Agarwal  
Partner  
Membership No.10200  
FRN NO. : 003175N



Place : New Delhi  
Dated : 10.04.2019

Sunil Aggarwal  
Director  
DIN 00029286

Sanjay Kumar Gupta  
Director  
DIN 00027728

**FRIENDLY REALITY PROJECTS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019**  
All amounts in INR unless otherwise stated

Particulars	For the year ending 31 March 2019	For the year ending 31 March 2018
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit before tax	110898	(357,535)
Less: Fair value adjustment of current Investment	(116192)	(100,003)
Adjustments for:		
Interest income from:		
others	(29352)	(144,431)
<b>Operating profit before working capital changes</b>	<b>(34646)</b>	<b>(601,969)</b>
Adjustments for:		
Increase/(Decrease) in other bank balance	62615	56,229
Trade and other receivables	(4320)	(102,060)
Trade and other payables	4500	(3,750)
<b>Cash generated from operations</b>	<b>28149</b>	<b>(651550)</b>
Direct taxes paid	(2936)	27,374
<b>Net cash from operating activities</b>	<b>25213</b>	<b>(624,176)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	29176	98,127
<b>Net cash used in investing activities</b>	<b>54389</b>	<b>(526,049)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share Capital received	40000000	40,000,000
Investment made realised	(40000000)	(40,000,000)
Advance realised	0	500,000
<b>Net cash used in financing activities</b>	<b>0</b>	<b>500,000</b>
<b>Net Increase/(decrease) in cash and cash equivalents</b>	<b>54389</b>	<b>(26,049)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>7946</b>	<b>33,995</b>
<b>cash and cash equivalents at the end of the year</b>	<b>62335</b>	<b>7,946</b>
<b>Components of cash and cash equivalents:</b>		
<b>cash and cheque on hand</b>		
<b>with bank- IN current Accounts</b>	<b>62335</b>	<b>7,946</b>
	<b>62335</b>	<b>7,946</b>

In terms of our report attached  
For R.C.AGARWAL & Co.  
Chartered Accountants

R. C. Agarwal  
Partner  
Membership No.10200  
FRN NO. : 003175N



For and on behalf of the Board of Directors

Sunil Aggarwal  
Director  
DIN 00029286

Sanjay Kumar Gupta  
Director  
DIN 00027728

Place : New Delhi  
Dated : 10.04.2019

**FRIENDLY REALITY PROJECTS LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019**


(All amounts are in Rs. lakhs unless otherwise stated)

**(a) Equity share capital**

Particular	Amount
Balance at March 31, 2018	1,810,000
Changes in equity share capital during the year	125,000.00
Balance at March 31, 2019	1,935,000

**(b) Other equity**

Particular	General reserves	Share Premium	Retained earnings	Total
Balance at March 31, 2018	28,765	332,425,000	27,780,652	360,234,417
Profit for the year	-	39,875,000	86,730	39,961,730
Balance at March 31, 2019	28,765	372,300,000	27,867,382	400,196,147

**Notes forming part of the financial statements****In terms of our report attached**For R.C.AGARWAL & Co.  
Chartered AccountantsR. C. Agrawal  
Partner  
Membership No.10200  
FRN NO. : 003175NPlace : New Delhi  
Dated : 10.04.2019**For and on behalf of the Board of Directors**  
Sunil Aggarwal  
Director  
DIN 00029286  
Sanjay Kumar Gupta  
Director  
DIN 00027728

## **Friendly Reality Projects Limited**

### **Note-1: Notes to Financial Statements for the period ended 31 March 2019**

#### **1. Corporate information**

Friendly Reality Projects Limited ('the Company') was incorporated in India on March 23, 1973, 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 financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

For all periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. In view of applicability of Ind AS on the ultimate holding company, the adopted Ind AS and the financial statements for the year ended March 31, 2017 are the Company's first Ind AS financial statement. The date of transition to Ind AS is April 01, 2015.

#### **(b) First time adoption of Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The effect of the Company's transition to Ind AS is summarised in the following notes:

- (i) Transition elections
- (ii) Reconciliation of equity, balance sheet, profit and loss

#### **(C) Transition elections**

The Company has prepared the opening balance sheet as per Ind AS as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain mandatory optional exemptions availed by the Company as detailed below.

#### **Exemptions applied**

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 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.

### **3. Basis of preparation and presentation**

#### **a. Basis of preparation and presentation**

The financial statements are presented in INR.

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.

#### **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 gain on investments, interest income, dividend income.



Income from investments and interest income is accounted for on accrual basis. Dividend income from shares/ mutual funds is recognised for when the right to receive it is established.

## **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.

## **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. Earnings 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 two categories:

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

#### **Equity investments:**

All equity investments in scope of Ind AS 109 are measured at fair value, with all changes recognized in the P&L.

#### **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 recognized 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 and the 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.



**FRIENDLY REALITY PROJECTS LIMITED**

All amounts in INR unless otherwise stated

	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.
<b>2 Non current investments</b>		
<b>Financial assets</b>		
<b><u>Investments - unquoted</u></b>		
<b>Investments in Equity Instruments</b>		
<b>Subsidiary company valued at cost</b>		
Rajputana Infrastructure Corporate limited		
40,000 Shares of Rs.10 each at a premium of Rs 3990, Partly paid up	160,000,000	120,000,000
50,000 Shares of Rs.10 each at par, Fully Paid up	500,000	500,000
(paid up Rs 5.00 and premium Rs 997.50 per share)		
<b>Investments in Prefrence Instruments</b>		
700000 (8% NCNCR Prefrence share of Rs 10 each.	7,000,000	7,000,000
<b>Total aggregate unquoted investment (A)</b>	<b>167,500,000</b>	<b>127,500,000</b>
<b><u>Investments - quoted</u></b>		
ICICI Prudential Income Opportunities fund- Regular Plan- Growth		
78705 Units of ICICI Prudential Income-Opportunity Fund-Regular plan-Growth of Rs.10 each	2,027,055	1,910,863
<b>Total aggregate quoted investment (B)</b>	<b>2,027,055</b>	<b>1,910,863</b>
<b>Total non-current investments (A+B)</b>	<b>169,527,055</b>	<b>129,410,863</b>
<b>3 Loans carried at amortised cost</b>		
<b>(unsecured considered good unless otherwise stated)</b>		
<b>Non-current</b>		
Loans to related parties		
(Rajputana Infrastructure Corporate Limited)	232,000,000	232,000,000
- Loan to subsidiary companies	232,000,000	232,000,000
<b>Total</b>	<b>232,000,000</b>	<b>232,000,000</b>



**FRIENDLY REALITY PROJECTS LIMITED**

All amounts in INR unless otherwise stated

	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.
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**Financial assets****4 Cash and cash equivalents**

Balances with Banks		
-FDR bank balances	595696	658311
-In current accounts	62335	7946
-Cash on hand	-	-
	<b>658031</b>	666,257

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

**For the purpose of the statement of Cash flow, Cash and cash equivalents comprise of**

-Cash on hand	-	-
-Balances with Banks		
-In current accounts	62,335	7,946
	<b>62,335</b>	7,946

**5 Other current assets**

Interest accrued on bank and other deposits	46,480	46,304
Tax recoverable (Net of Provision of tax)	30,945	28,009
GST Recoverable	106,380	102,060
	<b>183,805</b>	176,373



**FRIENDLY REALITY PROJECTS LIMITED**

All amounts in INR unless otherwise stated

	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.
<b>6 Equity Share capital</b>		
<b>Authorised</b>		
20,000 Equity Shares of Rs. 100 each	<u>2,000,000</u>	<u>2,000,000</u>
	<b>2,000,000</b>	<b>2,000,000</b>
<b>Issued &amp; subscribed</b>		
7700 Equity shares of Rs. 100 each	<b>770,000</b>	770,000
6650 Equity shares of Rs 100 each (issued at a premium of Rs 32000)	<b>665,000</b>	665,000
5000 Equity shares of Rs 100 each (issued at a premium of Rs 31900)	<b>500,000</b>	500,000
	<u><b>1,935,000</b></u>	<u>1,935,000</u>
<b>Paid up</b>		
7700 Equity shares of Rs. 100 each	<b>770,000</b>	770,000
6650 Equity shares of Rs 100 each at a premium of Rs 32000, paid up Rs 100	<b>665,000</b>	665,000
5000 Equity shares of Rs 100 each at a premium of Rs 31900, paid up Rs 100*	<b>500,000</b>	375,000
(Previous year, paid up Rs 75)	<u><b>1,935,000</b></u>	<u>1,810,000</u>

(i) \*5000 Equity Shares of Rs 100 each issued at a premium of Rs 31900 per share. The amount called up on application cum allotment installment was Rs 100 per share as face value and Rs 7975 per share as share premium

(ii) 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 (Fully paid up)*	6650	34.37%	6650	36.74%
Godfrey Phillips India Ltd	5000	25.84%	3750	20.72%
Chase Investment Limited **	5100	26.36%	5100	28.18%
K.K.Mod Investment and Financial Services Pvt. Ltd.	1600	8.27%	1600	8.84%
HMA Udyog Pvt. Ltd.	1000	5.17%	1000	5.52%

\* Holding Company

\*\* Associate & also Subsidiary of Holding Company



**FRIENDLY REALITY PROJECTS LIMITED**

All amounts in INR unless otherwise stated

	As at 31.3.2019 Rs.	As at 31.3.2018 Rs.
<b>7 Other equity</b>		
General Reserve	28,765	28,765
Share premium A/c	372,300,000	332,425,000
Retained Earning	27,867,382	27,780,652
	<u>400,196,147</u>	<u>360,234,417</u>
 General Reserve	 28,765	 28,765
	<u>28,765</u>	<u>28,765</u>
 Share Premium A/c		
Opening balance	332,425,000	292,550,000
Add : During the year	39,875,000	39,875,000
	<u>372,300,000</u>	<u>332,425,000</u>
 <b>Retained Earning</b>		
Opening balance	27,780,652	28,160,617
Add : Net profit/(Loss) for the current year	86,730	(379,965)
	<u>27,867,382</u>	<u>27,780,652</u>
 <b>8 Other financial liabilities</b>		
<b>Non-current</b>		
Security Deposit	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
 <b>9 Deferred Tax</b>		
Deferred tax of fair value of Non-current investment	116,192	100,003
Deferred Tax Liability	24,168	20,601
	<u>24,168</u>	<u>20,601</u>
Reflect in the balance sheet as follows:	<u>179,744</u>	<u>155,576</u>
 <b>10 Financial liabilities</b>		
<b>Other</b>		
Audit fees payable	18,000	13,500
	<u>18,000</u>	<u>13,500</u>



**FRIENDLY REALITY PROJECTS LIMITED**

All amounts in INR unless otherwise stated

	Year ended 31.3.2019	Year ended 31.3.2018
<b>11 Other income</b>		
Interest income on ICD	-	41,671
Interest on Fixed deposit	29,352	102,760
<b>Net gain on sale/redemption/fair value adjustment of:</b>		
- Current investments fair valued through profit and loss	116,192	100,003
	<b>145,544</b>	244,434
<b>12 Other Expenses</b>		
Audit Fees	18,000	15,000
Bank charges	236	956
Filling fees and Supscription	7,410	20,175
Legal and Professional Fees	9,000	565,838
	<b>34,646</b>	601,969



### Subsidiary of fellow subsidiary

- Unique Space Developers Limited
- Flavours & More Inc
- Godfrey Phillips Middle East DMCC

### (b) Key Management Personnel:

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

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

(d) Disclosure of transactions between the company and related parties and the status of outstanding balances as at the year ended:

Nature of transaction	2018-19	2017-18
	Rs.	Rs.
<b>(A) Transaction during the year</b>		
<b>(1) With Holding Company, Godfrey Phillips India Ltd</b>		
Interest paid	-	-
Repayment of loan with interest	-	-
Share Capital issued	125000	1,25,000
Share premium received	3,98,75,000	3,98,75,000
<b>(ii) With Subsidiary Company Rajputana Infrastructure Corporate Ltd (RICL)</b>		
Investment made in share capital	4,00,00,000	4,00,00,000
<b>B) outstanding balances at the year end.</b>		
i) Investment in the RICL	160,000,000	120,000,000
ii) Loan receivable from RICL	23,20,00,000	23,20,00,000
iii) Detail of share capital issued to the holding company and its subsidiary is given in Note no-6.		




With key management personnel	None	None
With enterprises over which significant influences exists	None	None

For and on behalf of the Board of Directors

  
**Sunil Aggarwal**  
**Director**  
**DIN 00029286**

**Place : New Delhi**  
**Dated : 10.04.2019**

  
**Sanjay Kumar Gupta**  
**Director**  
**DIN 00027728**



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13. In opinion of the Board, the current assets and loans and advances are approximately of the value stated, if realized, in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.
14. During the financial year 2007-08, an interest free advance of Rs.2320 Lacs was given to Rajputana Infrastructure Corporate Limited (RICL), a wholly owned subsidiary of the parent Company, for making investment in Real Estate Projects by RICL. Subsequently RICL entered into an agreement dated 8<sup>th</sup> January, 2008 with Rajputana Fertilizers Limited (RFL) and formed an association of Person (AOP) with RFL. Under the said arrangement, the business of AOP shall be carried out in the name and style of 'Rajputana Developers Projects' wherein RFL shall contribute the land for development and RICL shall contribute financial resource to the said AOP and the profit derived by said AOP shall be distributed between the RFL and RICL in the ratio as per their agreement. The parent Company shall get return on its investment in the form of dividend as and when declared by RICL. The total advance outstanding as on the Balance sheet date was Rs 2320 lacs.
15. Deferred tax assets in relation thereto pursuant to Accounting Standard (AS – 22) on 'Accounting for Taxes on Income', has not been recognized in relation to loss incurred during the year and carried forward from previous years in view of uncertainty of sufficient future taxable income
16. During the year under review, the Company has not pursued any business activity. Thus segment reporting in accordance with Accounting Standard (AS – 17) as issued by the Institute of Chartered Accountants of India, is not applicable.
17. Related party disclosure under Accounting Standard 18:
- (A). Names of related parties and nature of related party relationships:
- Holding Company**  
-Godfrey Phillips India Limited
- Subsidiary Company**  
-Rajputana Infrastructure Corporate Limited
- Associates of the Holding Company**
- KKM Management Centre Private Limited
  - IPM India Wholesale Trading Private Limited
  - KKM Management Centre Middle East FZE
- Fellow Subsidiary Companies**
- Chase Investment Limited
  - International Tobacco Company Limited
- Subsidiary of fellow subsidiary**

