

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

102, Laxman Palace, 19, Veer Savarkar Block, Madhuban Road, Shakarpur, Delhi-110092 Ph.: Off: 42445220
Mob: 9810039548 E Mail-rcagg2003@yahoo.com

**To the Members of FRIENDLY REALITY PROJECTS LIMITED
Report on the Financial Statements**

We have audited the accompanying standalone financial statements of **FRIENDLY REALITY PROJECTS LIMITED** ("the Company") which comprise the Balance Sheet as at 31 March 2021 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.

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.



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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 31st March, 2021 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 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021, from being appointed as a director in terms of sub-section (2) of Section 164 of the Companies Act, 2013.
 - 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



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- 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

UDIN : 21010200AAAAAK2424

Place: Delhi

Date: **26/05/2021**



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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** ("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 2019-20.
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 31st of March, 2021 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.
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.



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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

UDIN: **21010200AAAAAK2424**

Place: Delhi

Date: 26/05/2021



**R. C. AGARWAL & CO.
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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** as of March 31, 2021 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.

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.



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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, 2021, 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 & CO.

Chartered Accountants

Firm's registration number: 003175N

R.C AGARWAL

Partner

Membership number: 10200

UDIN: **21010200AAAAAK2424**

Place: Delhi

Date: 26/05/2021



**R. C. AGARWAL & CO.
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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, 2021 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 31st, 2021 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
Firm's registration number: 003175N

R.C. AGARWAL
Partner
Membership number: 10200
UDIN: **21010200AAAAAK2424**
Place: Delhi
Date: 26/05/2021



FRIENDLY REALITY PROJECTS LIMITED
BALANCE SHEET AS AT 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

Particulars	Note No.	As at 31.03.2021	As at 31.3.2020
ASSETS			
Non-current assets			
Financial assets			
- Investments	2	48,83,24,958	44,97,47,375
Income tax assets (net)	3	-	18,157
Total non-current assets		48,83,24,958	44,97,65,532
Current assets			
Inventories	4	18,47,62,290	-
Financial assets			
- Cash and cash equivalents	5	32,299	48,403
- Other bank balances	6	1,88,69,292	3,65,329
- Other financial assets	7	8,15,882	56,480
Other current assets	8	-	1,36,944
Total current assets		20,44,79,763	6,07,156
Total assets		69,28,04,721	45,03,72,688
EQUITY AND LIABILITIES			
Equity			
Equity share capital	9	33,30,500	21,66,000
Other equity	10	68,85,76,266	44,79,22,302
Total equity		69,19,06,766	45,00,88,302
Liabilities			
Non-current liabilities			
Financial liabilities			
-Other financial liabilities	11	40,000	40,000
Deferred tax liabilities (net)	12	2,63,210	2,26,386
Total non-current liabilities		3,03,210	2,66,386
Current liabilities			
Financial liabilities			
-Trade payables	13	1,99,605	16,200
-Other financial liabilities	11	-	-
Current tax liabilities (Net)	14	2,13,817	-
Other current liabilities	15	1,81,323	1,800
Total current liabilities		5,94,745	18,000
Total equity and liabilities		69,28,04,721	45,03,72,688

Notes forming part of the Financial Statements

1-28

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 Agarwal
Director
DIN 00029286

Sanjay Kumar Gupta
Director
DIN 00027728

Place : New Delhi
Dated : 26th May, 2021

FRIENDLY REALITY PROJECTS LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021
 (All amounts in INR, unless otherwise stated)

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.3.2020
INCOME			
Other income	16	21,60,948	2,50,982
TOTAL INCOME		21,60,948	2,50,982
EXPENSES			
Purchases of traded goods	17	18,47,62,290	-
Changes in inventories of finished goods, work-in-process and traded goods	18	(18,47,62,290)	-
Other expenses	19	18,85,760	2,48,985
TOTAL EXPENSES		18,85,760	2,48,985
Profit/(Loss) before tax		2,75,188	1,997
Tax expense:			
Current tax		4,03,000	-
Current tax relating to prior periods		-	-
Deferred tax		36,824	46,642
Loss for the year		(1,64,636)	(44,645)
Earning per equity share	25		
Basic		(6.17)	(2.06)
Diluted		(5.20)	(2.06)
(Face value of share - Rs. 100 each)			

Notes forming part of the Financial Statements 1-28

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

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



Place : New Delhi
 Dated : 26th May, 2021

For and on behalf of the Board of Directors


 Sunil Agarwal
 Director
 DIN 00029286


 Sanjay Kumar Gupta
 Director
 DIN 00027728

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FRIENDLY REALITY PROJECTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

Particulars	For the year ended 31.03.2021	For the year ended 31.3.2020
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit/(loss) before tax	2,75,188	1,997
Less: Fair value adjustment of current Investment	(1,77,039)	(2,24,239)
Adjustments for:		
Interest income from:		
Fixed deposits and others	(19,83,909)	(25,921)
Operating profit before working capital changes	(18,85,760)	(2,48,163)
Adjustments for changes in:		
Inventories	(18,47,62,290)	-
Other bank balance	(1,85,03,963)	2,30,367
Trade and other receivables	1,36,944	(40,564)
Trade and other payables	1,83,405	(1,800)
Other current liabilities	1,79,523	1,800
Other financial liabilities	-	-
Cash generated from operations	(20,46,52,141)	(58,360)
Direct taxes paid	(1,71,026)	12,788
Net cash from / (used in) operating activities	(20,48,23,167)	(45,572)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	12,24,507	25,921
Net cash from investing activities	12,24,507	(19,651)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Share Capital received	24,19,83,100	4,82,26,039
Investment made realised	(3,84,00,544)	(4,82,20,320)
Net cash from financing activities	20,35,82,556	5,719
Net Increase/(decrease) in cash and cash equivalent	(16,104)	(13,932)
Cash and cash equivalents at the beginning of the year	48,403	62,335
cash and cash equivalents at the end of the year	32,299	48,403
Components of cash and cash equivalents:		
Cash and cheque on hand		
Balances with bank- in current accounts	32,299	48,403
	32,299	48,403

Notes forming part of the Financial Statements

1-28

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 : 26th May, 2021

BS

FRIENDLY REALITY PROJECTS LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

(a) Equity share capital

Particulars	Amount
Balance at 1 April 2019	19,35,000
Changes in equity share capital during the year	2,31,000
Balance at 31 March 2020	21,66,000
Changes in equity share capital during the year	11,64,500
Balance at 31 March 2021	33,30,500

(b) Other equity

Particulars	General reserve	Share Premium	Retained earnings	Total
Balance at 1 April 2019	28,765	37,23,00,000	2,78,67,382	40,01,96,147
Share capital issued during the year	-	4,77,70,800	-	4,77,70,800
Loss for the year	-	-	(44,645)	(44,645)
Balance at 31 March 2020	28,765	42,00,70,800	2,78,22,737	44,79,22,302
Share capital issued during the year	-	24,08,18,600	-	24,08,18,600
Loss for the year	-	-	(1,64,636)	(1,64,636)
Balance at 31 March 2021	28,765	66,08,89,400	2,76,58,101	68,85,76,266

Notes forming part of the Financial Statements

1-28

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 : 26th May, 2021

BS

FRIENDLY REALITY PROJECTS LIMITED**Note-1: Notes to Financial Statements for the year ended 31 March 2021****1 Corporate Information, Statement of Compliance and Accounting Policies****A. 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 address of its registered office is Omaxe Square, Plot No-14, 5th Floor, Jasola District Centre, Jasola, New Delhi-110025

B. (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.

(d) 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.

C. 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.

D. 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



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. Inventories

Inventories are stated at lower of cost and net realisable value. The cost of raw materials, stores and spares and traded goods is determined on moving weighted average cost basis. The cost of finished goods and work-in-process is determined on standard absorption cost basis which approximates actual costs. Absorption cost comprises raw materials cost, direct wages, appropriate share of production overheads and applicable excise duty paid/payable thereon.

Net realisable value is the estimated selling price for inventories in the ordinary course of business, less all estimated costs of completion and costs necessary to make the sale.

g. 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).

h. 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 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.



FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

2 Non current investments	As at 31.03.2021	As at 31.3.2020
Investments in Equity Instruments		
Subsidiary company valued at cost		
Rajputana Infrastructure Corporate limited		
40,000 Shares of Rs.10 each at a premium of Rs 3990	16,00,00,000	16,00,00,000
50,000 Shares of Rs.10 each at par, Fully Paid up (paid up Rs 5.00 and premium Rs 997.50 per share)	5,00,000	5,00,000
131870 equity shares of Rs 10 each at a premium of Rs 1810 (paid up Rs. 3.6 and premium Rs. 651.60)	8,64,01,224	4,80,00,680
127470 equity shares of Rs 10 each at a premium of Rs 1810 fully paid up	23,19,95,400	23,19,95,400
Investments in Preference Instruments		
700000 (8% NCNCR Preference share of Rs 10 each.	70,00,000	70,00,000
Total aggregate unquoted investment (A)	48,58,96,624	44,74,96,080
Investments - quoted		
ICICI Prudential Income Opportunities fund- Regular Plan- Growth	24,28,334	22,51,295
Total aggregate quoted investment (B)	24,28,334	22,51,295
Total non-current investments (A+B)	48,83,24,958	44,97,47,375
3 Income tax assets (net)	As at 31.03.2021	As at 31.3.2020
Tax recoverable (Net of Provision of tax)	-	18,157
	-	18,157
4 Inventories	As at 31.03.2021	As at 31.3.2020
Stock in Trade		
Land	18,47,62,290	-
	18,47,62,290	-
5 Cash and cash equivalents	As at 31.03.2021	As at 31.3.2020
Balances with Banks		
-In current accounts	32,299	48,403
	32,299	48,403
Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods 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 the following:		
Balances with Banks		
-In current accounts	32,299	48,403
	32,299	48,403
6 Other bank balances	As at 31.03.2021	As at 31.3.2020
Balances with Banks		
-FDR bank balances	1,88,69,292	3,65,329
	1,88,69,292	3,65,329
7 Other financial assets	As at 31.03.2021	As at 31.3.2020
Security Deposits	10,000	10,000
Interest accrued on bank and other deposits	8,05,882	46,480
	8,15,882	56,480
8 Other assets	As at 31.03.2021	As at 31.3.2020
Current		
GST Recoverable	-	1,36,944
	-	1,36,944



FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

9 Equity Share capital

Authorised

35,000 Equity Shares of Rs. 100 each (31.3.2020: 32000 equity shares of Rs 100 each)

As at
31.03.2021

As at
31.3.2020

35,00,000 32,00,000

Issued & subscribed

7700 Equity shares of Rs. 100 each
6650 Equity shares of Rs. 100 each (issued at a premium of Rs. 32000)
5000 Equity shares of Rs. 100 each (issued at a premium of Rs. 31900)
11550* Equity shares of Rs. 100 each (issued at a premium of Rs. 20680)
2405** Equity shares of Rs. 100 each at a premium of Rs. 20680 paid up Rs.100

7,70,000 7,70,000
6,65,000 6,65,000
5,00,000 5,00,000
11,55,000 11,55,000
2,40,500 -
33,30,500 30,90,000

Paid up

7700 Equity shares of Rs. 100 each
6650 Equity shares of Rs. 100 each at a premium of Rs. 32000, paid up Rs. 100
5000 Equity shares of Rs. 100 each at a premium of Rs. 31900, paid up Rs. 100
11550* Equity shares of Rs. 100 each at a premium of Rs. 20680, paid up Rs.100
2405** Equity shares of Rs. 100 each at a premium of Rs. 20680, paid up Rs.100

7,70,000 7,70,000
6,65,000 6,65,000
5,00,000 5,00,000
11,55,000 2,31,000
2,40,500 -
33,30,500 21,66,000

- (i) *11550 Equity Shares of Rs 100 each issued at a premium of Rs 20680 per share. These shares became fully paid up on 14.10.2020.
(ii) **2405 Equity Shares of Rs 100 each at a premium of Rs 20680 each fully paid up was allotted on 10.12.2020

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

Name of the shareholder	No. of shares	% held as at 31.03.2021	No. of shares	% held as at 31.3.2020
Godfrey Phillips India Ltd (Fully paid up)*	11,650	34.98%	11,650	53.78%
Godfrey Phillips India Ltd (Fully paid up @ Rs. 100)*	11,550	34.69%	11,550	10.66%
Godfrey Phillips India Ltd (Fully paid up @ Rs. 100)*	2,405	7.22%	-	-
Chase Investment Limited **	5,100	15.31%	5,100	23.55%
K.K.Mod Investment and Financial Services Pvt. Ltd.	1,600	4.80%	1,600	7.39%
HMA Udyog Pvt. Ltd.	1,000	3.00%	1,000	4.62%

* Holding Company

** Subsidiary of Holding Company

10 Other equity

General Reserve
Share premium A/c
Retained Earnings

As at
31.03.2021

As at
31.3.2020

28,765 28,765
66,06,89,400 42,00,70,800
2,76,58,101 2,78,22,737
68,85,76,266 44,79,22,302

General reserve

28,765 28,765

Share Premium A/c

Opening balance
Add : Shares issued during the year
Closing balance

42,00,70,800 37,23,00,000
24,08,18,600 4,77,70,800
66,08,89,400 42,00,70,800

Retained Earnings

Opening balance
Add: Profit/(Loss) for the year
Closing balance

2,78,22,737 2,78,67,382
(1,64,636) (44,645)
2,76,58,101 2,78,22,737

11 Other financial liabilities

Non-current
Security Deposit

As at
31.03.2021

As at
31.3.2020

40,000 40,000

Current

Liability towards property, plant and equipment

- -
40,000 40,000

12 Deferred Tax Liability

Fair value of Current investment

As at
31.03.2021

As at
31.3.2020

2,63,210 2,26,386
2,63,210 2,26,386

13 Trade payables

Current

Trade payables - Other than Micro and small enterprises

As at
31.03.2021

As at
31.3.2020

1,99,605 16,200
1,99,605 16,200

14 Current tax liabilities (Net)

Tax Payable (Net of Advance tax/Tds)

As at
31.03.2021

As at
31.3.2020

2,13,817 -
2,13,817 -

15 Other current liabilities

Statutory dues
TDS Payable

As at
31.03.2021

As at
31.3.2020

1,23,238 -
58,085 1,800
1,81,323 1,800



FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

	For the year ended 31.03.2021	For the year ended 31.3.2020
16 Other income		
Interest on Fixed deposit	19,83,909	25,921
Interest - Others	-	822
Current Investments fair valued through profit & loss	1,77,039	2,24,239
	21,60,948	2,50,982
17 Purchases of traded goods		
Other goods (Land)	18,47,62,290	-
	18,47,62,290	-
18 Changes in Inventories of finished goods, work-in-process and traded goods		
Opening stock:		
Land	-	-
Opening stock	-	-
Closing stock:		
Land	18,47,62,290	-
Closing stock	18,47,62,290	-
(Increase)/Decrease in inventories	(18,47,62,290)	-
19 Other Expenses		
Assets written off	1,75,862	-
Audit fees	32,568	27,600
Bank charges	1,136	236
Custody Fees	5,900	22,124
Demat charges	22,715	-
Filing fees	21,950	16,700
Legal and professional expenses	3,00,049	1,44,525
Rates and taxes	2,512	37,800
Security Service Charges	13,23,028	-
Miscellaneous expenses	40	-
	18,85,760	2,48,985



FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
 (All amounts in INR, unless otherwise stated)

20 Income taxes

Income tax expense in the standalone statement of profit and loss comprises:

	Year ended 31.03.2021	Year ended 31.3.2020
Statement of profit and loss		
Current income tax		
In respect of the current year	4,03,000	-
In respect of the prior years	-	-
Deferred tax		
In respect of the current year	36,824	46,642
Total income tax expense recognised in the statement of profit and loss	4,39,824	46,642

The income tax expense for the year can be reconciled to the accounting profit as follows:

	Year ended 31.03.2021	Year ended 31.3.2020
Profit/(loss) before tax	2,75,188	1,997
Income tax expense calculated at corporate tax rate of 25.168% (previous year 26%)	69,259	519
Differential tax rate used to created deferred tax on temporary differences	(7,733)	(11,660)
Effect of expenses that are not deductible in determining taxable profit	3,77,873	-
Items on which no deferred tax asset was created	-	57,783
Others	425	-
At the effective income tax rate	4,39,824	46,642

The tax rate used for the current year reconciliation above is the corporate tax rate of 25.168% (Previous year 26%) payable by corporate entities



FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(A!! amounts in INR, unless otherwise stated)

- 21 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.
- 22 During the year, the Company has purchased title, rights, and interest in 50,110 sq. mt. plot of land which is part of the 'Sikri Bagh Land' referred to in Note 4 by virtue of a sale deed executed in its favour by the seller Rajputana Fertilizers Limited, for an agreed consideration of Rs.1695 Lakhs, with the intention of developing it into real estate property in course of time. The Company has taken possession of the said plot of land and has taken steps to get its name recorded in the land records maintained by the appropriate authority. The Company has been legally advised that the title of the seller in the above land is clear and marketable.
- 23 Deferred tax assets have not been recognized in relation to carried forward losses from previous years in view of uncertainty of sufficient future taxable income, in accordance with Ind AS 12 as issued by the Institute of Chartered Accountants of India.
- 24 Being a Single unit Company, segment reporting in accordance with Ind AS 108 as issued by the Institute of Chartered Accountants of India, is not applicable.

25 Earning per share:

Particulars	31.03.2021	31.3.2020
(a) Net profit/loss as per Statement of profit and loss	(1,64,636)	(44,645)
(b) Weighted average no. of equity share	26,689	21,660
(c) Basic earnings per share	(6.17)	(2.06)
(d) Diluted earnings per share	(5.20)	(2.06)
(e) Face value per share	100	100

26 Related party disclosure is as under:

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

Holding Company:

- Godfrey Phillips India Limited

Subsidiaries 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:

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

Subsidiary of fellow subsidiary (Chase Investments Limited):

- Unique Space Developers Limited

Key Management Personnel:

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



FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(Amounts in INR, unless otherwise stated)

(b) 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: **None**

(c) Disclosure of transactions between the company and related parties during the year and the status of outstanding balances as at the end of the year:

Nature of Transaction	31.03.2021	31.3.2020
Transaction during the year		
With Holding Company		
Godfrey Phillips India Limited		
Share capital issued	11,64,500	2,31,000
Share premium received	24,08,18,600	4,77,70,800
With Subsidiary Company		
Rajputana Infrastructure Corporate Ltd (RICL)		
Investment made in share capital	3,84,00,544	27,99,96,080
Outstanding Balances		
With Subsidiary Company		
Rajputana Infrastructure Corporate Ltd (RICL)		
- Investment in RICL	48,58,96,624	44,04,96,080
With key management personnel	None	None
With enterprises over which significant influences exists	None	None

Financial Instruments and risk management

27 Fair value hierarchy

The following table provides an analysis of financial instruments that are measured at fair value and have been grouped into Level 1, Level 2 and Level 3 below:

As at 31.03.2021	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Financial instruments at FVTPL:				
(i) Investment in				
- Debt mutual funds	24,28,334	24,28,334	-	-
Financial instruments at amortised cost:				
(ii) Cash and cash equivalents	32,299	32,299	-	-
(iii) Other bank balances	1,88,69,292	1,88,69,292	-	-
Total financial assets	2,13,29,925	2,13,29,925	-	-
Financial liabilities				
Financial instruments measured at amortised cost:				
- Security Deposits	40,000	40,000	-	-
- Trade Payables	16,650	16,650	-	-
Total financial liabilities	56,650	56,650	-	-
As at 31.3.2020	Carrying amount	Level 1	Level 2	Level 3
Financial assets				
Financial instruments at FVTPL:				
(i) Investment in				
- Debt mutual funds	22,51,295	22,51,295	-	-
Financial instruments at amortised cost:				
(ii) Cash and cash equivalents	48,403	48,403	-	-
(iii) Other bank balances	3,65,329	3,65,329	-	-
Total financial assets	26,65,027	26,65,027	-	-
Financial liabilities				
Financial instruments measured at amortised cost:				
- Security Deposits	40,000	40,000	-	-
- Trade Payables	16,200	16,200	-	-
Total financial liabilities	56,200	56,200	-	-



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FRIENDLY REALITY PROJECTS LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
(All amounts in INR, unless otherwise stated)

The fair value of the financial assets are determined at the amount that would be received to sell an asset in an orderly transaction between market participants. The following methods and assumptions were used to estimate the fair values:

Investments in debt mutual funds: Fair value is determined by reference to net asset values (NAVs) declared by the respective mutual fund houses for the relevant schemes.

28 Financial risk management objectives and policies

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by its Senior Management.

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments, deposits and foreign currency receivables, payables, loans and borrowings.

The Company manages market risk through its finance department, which evaluates and exercises independent control over the entire process of market risk management. The finance department recommends risk management objectives and policies, which are approved by Senior Management. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest in order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, the finance department undertakes the interest rate risk management exercise from time to time.

The company is not exposed to significant interest rate risk as at the respective reporting dates.

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of trade receivables.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss in the subsequent reporting period. The management believes that there are no significant exposure of credit risk due to the nature of company's business.

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's finance department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by Senior Management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

In terms of our report attached

In terms of our report attached

For R.C. AGARWAL & Co.

Chartered Accountants

R. C. Agarwal

Partner

Membership No.10200

FRN NO. : 003175N

Place : New Delhi

Dated : 26th May, 2021



For and on behalf of the Board of Directors

Sunil Aggarwal
Director
DIN 00029286

Sanjay Kumar Gupta
Director
DIN 00027728

R3