



# P.R. MEHRA & CO.

## CHARTERED ACCOUNTANTS

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### INDEPENDENT AUDITOR'S REPORT

To the Members of Chase Investments Limited

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

#### Opinion

We have audited the accompanying special purpose Standalone Ind AS financial statements of CHASE INVESTMENTS LIMITED (hereinafter referred to as "the Company") which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss, the statement of changes in equity and the Cash Flow Statement for the year then ended, and notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the special purpose Standalone Ind AS financial statements"). These special purpose Standalone Ind AS financial statements have been prepared by the management of CHASE INVESTMENTS LIMITED as the holding company of CHASE INVESTMENTS LIMITED is required to present Ind AS consolidated financial statements for its Group. {Refer Note No. 1(2) of the special purpose Standalone Ind AS financial statements}.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid special purpose Standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

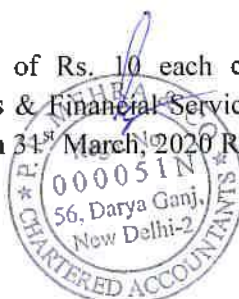
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section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

#### Key Audit Matters

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

#### Fair Valuation of Unquoted Equity Shares

The 91,875 unquoted equity shares of Rs. 10 each costing Rs.36,78,000, held as non-current investments, in KK Modi Investments & Financial Services Private Limited, have been measured at fair value of Rs.136,17,71,250/- (As on 31<sup>st</sup> March 2020 Rs.111,15,95,625/-) by a firm of Chartered



Accountants appointed by the company and changes in fair value of Rs.25,01,75,625/- (previous year Rs.15,53,60,625/-) have been recognised in the Other Comprehensive Income. We have relied upon the report of firm of Chartered Accountants appointed by the Company regarding fair valuation of these unquoted equity shares stated above in forming our opinion on the special purpose Standalone Ind AS financial statements of the company.

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

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the special purpose Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and

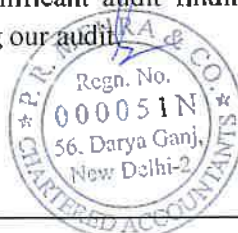


to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material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

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

- Identify and assess the risks of material misstatement of the special purpose Ind AS Standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the special purpose Standalone Ind AS financial statements, including the disclosures, and whether the special purpose Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the special purpose Standalone Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Standalone financial statements of which we are the independent auditors. For the other entities included in the special purpose Standalone Ind AS financial statements which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit.

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



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

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

### **Other Matters**

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

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

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

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

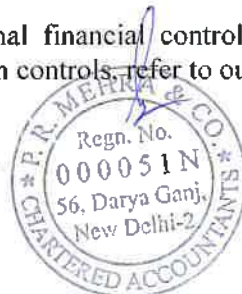
(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid special purpose Standalone Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

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

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

(e) On the basis of the written representations received from the directors of the company as on 31st March, 2021 taken on record by the Board of Directors of the Company, none of the directors of the company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

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

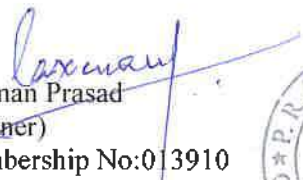




(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

  
Laxman Prasad  
(Partner)  
Membership No: 013910



UDIN: 21013910AAAABM5656  
Place: New Delhi  
Dated: May 28, 2021

## **Annexure – “A” to the Auditors’ Report**

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

In conjunction with our audit of the special purpose Standalone Ind AS financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to the special purpose Standalone Ind AS financial statements of **CHASE INVESTMENTS LIMITED** (“the Company”), as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

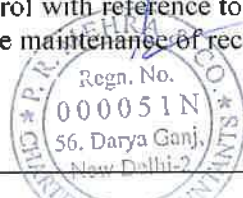
Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the financial statements and their operating effectiveness.

Our audit of internal financial controls with reference to the financial statements included obtaining an understanding of internal financial controls with reference to the financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls with reference to the financial statements**

A company’s internal financial control with reference to the financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to the financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and



fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


#### **Inherent Limitations of Internal Financial Controls With reference to the financial statements**

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

#### **Opinion**

In our opinion, the Company has in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at 31 March 2021, based on the internal control with reference to the financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls With reference to the financial statements issued by the ICAI.

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

  
Laxman Prasad  
Partner  
M. No. 013910



Place: New Delhi  
Date: May 28, 2021

**CHASE INVESTMENTS LIMITED**  
**SPECIAL PURPOSE STANDALONE BALANCE SHEET AS AT 31 MARCH 2021**  
(All amounts in Rs. unless otherwise stated)

Particulars	Note No.	As at 31.03.2021	As at 31.3.2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
- Investments	2	1,80,49,34,586	1,38,86,57,580
Income tax assets (net)	3	26,574	1,07,021
<b>Total non-current assets</b>		<b>1,80,49,61,160</b>	<b>1,38,87,64,601</b>
<b>Current assets</b>			
Financial assets			
- Investments	2	1,77,00,334	1,46,58,474
- Cash and cash equivalents	4	3,83,541	4,78,325
- Other bank balances	5	1,06,02,991	35,29,269
- Other financial assets	6	-	1,51,191
<b>Total current assets</b>		<b>2,86,86,866</b>	<b>1,88,17,259</b>
<b>Total assets</b>		<b>1,83,36,48,026</b>	<b>1,40,75,81,860</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	2,80,45,500	2,80,45,500
Other equity	8	1,47,33,31,101	1,12,61,12,900
<b>Total equity</b>		<b>1,50,13,76,601</b>	<b>1,15,41,58,400</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Deferred tax liabilities (net)	9	33,20,03,446	25,31,24,464
<b>Total non-current liabilities</b>		<b>33,20,03,446</b>	<b>25,31,24,464</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
-Trade payables	10		
-Outstanding dues of micro and small enterprises		1,85,325	-
-Outstanding dues of other than micro and small enterprises		67,141	2,73,657
Other current liabilities	11	15,513	25,339
<b>Total current liabilities</b>		<b>2,67,979</b>	<b>2,98,996</b>
<b>Total equity and liabilities</b>		<b>1,83,36,48,026</b>	<b>1,40,75,81,860</b>

**Notes forming part of the Financial Statements** 1-22

In terms of our report attached

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

  
**(LAXMAN PRASAD)**  
Partner  
M.No.: 013910



Place: New Delhi  
Dated: 28th May, 2021

For and on behalf of the Board of Directors

  
Sunil Aggarwal  
Director  
DIN 00029286

  
Sanjay Kumar Gupta  
Director  
DIN 00027728



**CHASE INVESTMENTS LIMITED**  
**SPECIAL PURPOSE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2021**  
 (All amounts in Rs. unless otherwise stated)

Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.3.2020
<b>INCOME</b>			
Revenue from operations	12	17,70,37,443	42,42,940
Other income	13	3,00,910	2,19,351
<b>TOTAL INCOME</b>		<b>17,73,38,353</b>	<b>44,62,291</b>
<b>EXPENSES</b>			
Other expenses	15	7,98,211	7,21,57,583
<b>TOTAL EXPENSES</b>		<b>8,10,243</b>	<b>7,21,57,583</b>
<b>Profit/(loss) before tax</b>		<b>17,65,28,110</b>	<b>(6,76,95,292)</b>
Tax expense:			
Current tax		6,06,295	8,55,000
Current tax relating to prior periods		257	-
Deferred tax		2,07,19,645	(85,35,839)
<b>Profit/(loss) for the year</b>		<b>15,52,01,913</b>	<b>(6,00,14,453)</b>

**Other comprehensive income**

**Items that will not to be reclassified to profit or loss**

(i) Gain/(Loss) on equity instruments through other comprehensive income	25,01,75,625	(15,53,60,625)
(ii) Income tax relating to items that are classified in other comprehensive income.	(5,81,59,337)	3,61,92,811
<b>Total other comprehensive income - (i+ii)</b>	<b>19,20,16,288</b>	<b>(11,91,67,814)</b>
<b>Total comprehensive income for the period</b>	<b>34,72,18,201</b>	<b>(17,91,82,267)</b>

<b>Earning per equity share- basic</b>	<b>553.39</b>	<b>(213.99)</b>
<b>Earning per equity share- diluted</b>	<b>431.48</b>	<b>(213.99)</b>
(Face value of share - Rs. 100 each)		

**Notes forming part of the Financial Statement**

1-22

In terms of our report attached

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

For and on behalf of the Board of Directors

**(LAXMAN PRASAD)**  
 Partner  
 M.No.: 013910

Place: New Delhi  
 Dated: 28th May, 2021



Sunil Aggarwal  
 Director  
 DIN 00029286

Sanjay Kumar Gupta  
 Director  
 DIN 00027728

**CHASE INVESTMENTS LIMITED**  
**SPECIAL PURPOSE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Rs. unless otherwise stated)

Particulars	For the year ended 31.03.2021	For the year ended 31.3.2020
<b>A. Cash flow from operating activities</b>		
Net profit/(loss) before tax	17,65,28,110	(6,76,95,292)
<b>Adjustment for:</b>		
Decrease / (Increase) in fair value of Non-current Investment	(16,82,01,607)	6,95,54,738
Decrease / (Increase) in fair value of Current Investment	(45,61,132)	15,74,778
<b>Movements in working capital:</b>		
Decrease / (Increase) in other current Financial assets assets	1,51,191	(1,01,896)
Decrease / (Increase) in Non-current and current Investments(other than fair value change) (net)	36,19,498	(15,33,842)
Decrease / (Increase) in other bank balances	(70,73,722)	(6,32,969)
Increase / (Decrease) in current liabilities/current financial liability	(31,017)	54,338
	<b>(17,60,96,789)</b>	<b>6,89,15,147</b>
<b>Cash generated from operations</b>	<b>4,31,321</b>	<b>12,19,855</b>
Direct Tax paid	(5,26,105)	(9,91,518)
<b>Net cash flow from operating activities (A)</b>	<b>(94,784)</b>	<b>2,28,337</b>
<b>B. Cash Flows from investing activities (B)</b>	-	-
<b>C. Cash Flows from financing activities (C)</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(94,784)</b>	<b>2,28,337</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>4,78,325</b>	<b>2,49,988</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>3,83,541</b>	<b>4,78,325</b>
<b>Components of cash and cash equivalents:</b>		
With banks - in current account	<b>3,83,541</b>	<b>4,78,325</b>
	<b>3,83,541</b>	<b>4,78,325</b>

Notes forming part of the Financial Statement

1-22

As per our Report of even date attached  
For P.R.Mehra & Co.,  
Chartered Accountants  
(F.R.No. 000051N)

(LAXMAN PRASAD)  
Partner  
M.No.: 043910

Place: New Delhi  
Dated: 28th May, 2021



For and on behalf of the Board of Directors

  
Sunil Aggarwal  
Director  
DIN 00029286

  
Sanjay Kumar Gupta  
Director  
DIN 00027728

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**CHASE INVESTMENTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Rs. unless otherwise stated)

(a) Equity share capital	Amount
Particulars	
Balance at 1 April 2019	2,80,45,500
Changes in equity share capital during the year	-
Balance at 31 March 2020	2,80,45,500
Changes in equity share capital during the year	-
Balance at 31 March 2021	2,80,45,500

**(b) Other equity**

Particular	General reserves	Capital redemption reserve	Amalgamation Reserve	Statutory Reserve	Fair value through			Total
					Other Comprehensive Income Reserve (FVTOCI)	Retained earnings		
<b>Balance at 1 April 2019</b>	1,16,600	12,600	1,59,05,090	55,34,596	96,97,49,146	31,39,77,135		1,30,52,95,167
Transfer to Statutory reserve from retained earnings	-	-	-	15,54,172	-	(15,54,172)		-
Loss for the year	-	-	-	-	-	(6,00,14,453)		(6,00,14,453)
Other Comprehensive income for the year, net of Income tax	-	-	-	-	(11,91,67,814)	-		(11,91,67,814)
<b>Balance at 31 March 2020</b>	1,16,600	12,600	1,59,05,090	70,88,768	85,05,81,332	25,24,08,510		1,12,61,12,900
Transfer to Statutory reserve from retained earnings	-	-	-	6,76,969	-	(6,76,969)		-
Profit for the year	-	-	-	-	-	15,52,01,913		15,52,01,913
Other Comprehensive income for the year, net of Income tax	-	-	-	-	19,20,16,288	-		19,20,16,288
<b>Balance at 31 March 2021</b>	1,16,600	12,600	1,59,05,090	77,65,737	1,04,25,97,620	40,69,33,454		1,47,33,31,101

1-22

**Notes forming part of the financial statements**

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



(LAXMAN PRASAD)  
Partner  
M.No.: 013910

Place: New Delhi  
Dated: 28th May, 2021

For and on behalf of the Board of Directors

Sunil Agarwal  
Director  
DIN 00029286

Saniav Kumar Gupta  
Director  
DIN 00027728

AS

## CHASE INVESTMENTS LIMITED

### NOTE-1: NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

#### 1 Corporate information

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

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

#### 2 Statement of compliance

The holding company i.e. GODFREY PHILIPS INDIA LIMITED, a listed company, has adopted IND AS with effect from financial year 2016-17. However, the non-banking financial companies below a specified net worth are not required to adopt IND AS as per the road map for applicability of Indian Accounting Standards (IND AS). Accordingly, even though the company has prepared standalone financial statements as per previous Indian GAAP under the Companies Act 2013, these special purpose standalone financial statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 in view of applicability of Ind AS on the ultimate holding company.

#### 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. Dividend income from shares/ mutual funds is recognised for when the right to receive it is established.

##### Income from services

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

##### Other income

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

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

##### b. Taxation

##### Current tax

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

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

##### Deferred tax

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

##### c. Finance Costs

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

##### d. Cash and cash equivalents

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

##### e. 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 three categories:

##### Financial assets at amortised cost:

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

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

## CHASE INVESTMENTS LIMITED

### NOTE-1: NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

#### Equity investments:

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

#### Derecognition

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

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

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

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

#### Financial liabilities

##### Initial recognition and measurement

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

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

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

##### Financial liabilities at fair value through profit or loss:

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are 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.



**CHASE INVESTMENTS LIMITED**  
**NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
 (All amounts in Rs. unless otherwise stated)

**2 Investments**  
**(a) Non-current Investments**

Name of the Company/Entity	Quantity 31.03.2021	As at 31.03.2021	Quantity 31.3.2020	As at 31.3.2020
<b>A Equity Shares - Unquoted</b>				
Narang Industries Limited	40,000	-	40,000	-
Friendly Realty Projects Limited	5,100	1,21,76,608	5,100	1,21,76,608
K K Modi Investment and Financial Services Private Limited	91,875	1,36,17,71,250	91,875	1,11,15,95,625
Unique Space Developers limited	3,580	53,06,000	3,580	53,06,000
Circassia Pacific Investment Limited	1,00,000	-	1,00,000	-
<b>B Preference Share- Unquoted</b>				
K K Modi Investment and Financial Services Private Limited	71,28,000	1,76,03,223	71,28,000	1,39,79,569
Unique Space Developers limited	2,25,000	2,25,00,000	2,25,000	2,25,00,000
<b>C Equity, Preference Shares &amp; Debentures - Quoted</b>				
Aditya Birla Capital Limited	12,577	15,27,477	12,577	5,30,121
Ashoka Buildcon Limited	9,090	9,35,361	9,090	3,75,872
Ashok Leyland Limited	15,000	17,12,250	15,000	6,45,750
Axis Bank	5,000	34,93,750	5,000	18,95,000
Bank of Baroda	5,000	3,71,250	5,000	2,67,750
Bharat Electronics Limited	8,800	11,08,800	8,800	6,55,160
Care rating Limited	1,020	4,34,877	1,020	3,33,897
Century Plyboards India Limited	7,133	22,81,490	7,133	7,91,406
Cochin shipyard Limited	2,286	8,60,679	2,286	6,08,876
Cipla Limited	1,000	8,19,000	1,000	4,22,850
Coal India Limited	154	20,266	154	21,568
Castrol India Limited	4,800	6,03,760	4,800	4,77,360
Digilent Media Corporation Ltd	57	40	57	17
Dabur India Limited	6,000	32,57,700	6,000	27,00,300
Deccan Chronicle Holdings Limited	2,000	-	2,000	-
Engineers India Limited	4,500	3,50,775	4,500	2,70,225
Emami Limited	5,400	26,09,280	5,400	9,17,730
Fortis Healthcare Limited	51,176	1,02,27,524	51,176	64,55,852
Glaxo Smithkline Consumer Healthcare Limited	-	-	320	31,91,760
Golden Tobacco Limited	100	4,135	100	1,970
HDFC Bank Limited	1,46,400	21,79,16,400	1,46,400	12,61,82,160
Hindustan Unilever Limited	1,694	41,31,327	290	6,66,565
ICICI Bank Limited	12,864	74,81,059	12,864	41,64,720
ICRA Limited	1,000	33,08,400	1,000	21,44,700
Indian Bank Limited	2,096	2,48,586	2,096	90,338
Infosys Technologies Limited	4,000	55,62,800	4,000	25,66,000
IDFC BANK LIMITED	13,815	7,93,672	13,815	2,91,497
ITC Limited	13,500	29,68,650	13,500	23,17,950
J.K.Cement Limited	2,000	58,80,700	2,000	18,71,100
KEC International Limited	-	-	3,835	7,11,393
Kotak Mahindra Bank Limited	4,000	70,65,600	4,000	51,84,200
L&T Technology Services Ltd	-	-	810	9,40,613
Maruti Suzuki India Limited	950	66,13,568	950	40,73,885
NCL Industries Limited	2,790	4,80,996	2,790	1,50,381
Nestle India Ltd	93	15,90,300	93	15,15,956
NTPC Limited ES	7,852	8,51,157	7,852	6,61,138
NTPC Limited	6,544	89,456	6,544	85,792
Oriental Bank of Commerce	-	-	1,000	43,450
Punjab National Bank	1,150	42,608	-	-
PNB Housing Finance Limited	1,538	5,89,669	1,538	2,49,387
Power Finance Corporation Limited	1,994	2,28,413	1,994	1,83,348
Power Grid Corporation of India Limited	17,068	36,73,034	17,068	27,15,519
Persistent System Limited	-	-	825	4,54,534
Piramal Enterprises Limited	432	7,76,412	432	4,05,864
Reliance Home finance Limited	75	188	75	56
Reliance Capital Limited	75	825	75	338
Reliance Industries Limited	10,352	2,09,05,346	10,352	1,15,29,540
RBL Bank Limited	2,300	4,80,470	2,300	3,11,650
SRF Limited	3,200	1,77,11,360	3,200	89,06,560
State Bank of India	40,910	1,49,56,696	40,910	80,53,134
Steel Authority of India Limited	100	8,125	-	-
Tata Chemicals Limited	1,500	11,34,000	1,500	3,35,325
Tata Consultancy Services Limited	7,700	2,46,73,680	7,700	1,40,60,970
Tata Consumer Products Limited	10,164	11,02,352	1,710	5,04,194
Tata Motors Limited	1,710	31,01,036	10,164	7,22,152
VST Industries Limited	100	3,37,620	100	2,77,195
Zee Entertainment Enterprises Limited	1,094	2,24,544	1,094	1,35,601
Zee Entertainment Enterprises Limited - 6% Pref. Share	2,297	4,364	2,297	6,776
Zee Media Corporation Limited (Earlier Zee News Limited)	226	1,471	226	814
<b>E ETF - Quoted</b>				
Reliance Liquid Bees fund	22.100	21,987	21.384	21,519
<b>F Portfolio Management Scheme - Unquoted</b>				
Sai Rayalaseema Paper Mills Limited	15,895	-	15,895	-
		<b>1,80,49,34,586</b>		<b>1,38,86,57,580</b>
<b>(b) Current Investment</b>				
DSP Black Rock Arbitrage Fund Direct- Dividend	6,16,558.68	64,82,498	6,16,558.68	62,44,506
IIPL Special Opportunities Fund Series 5	10,28,489.30	1,12,17,836	10,28,489.30	84,13,968
		<b>1,77,00,334</b>		<b>1,46,58,474</b>

**CHASE INVESTMENTS LIMITED**  
**NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
 (All amounts in Rs. unless otherwise stated)

**3 Income tax assets (net)**

Tax recoverable (Net of Provision of tax)

As at	As at
31.03.2021	31.3.2020
26,574	1,07,021
<u>26,574</u>	<u>1,07,021</u>

**4 Cash and cash equivalents**

Balances with Banks  
 -In current accounts

As at	As at
31.03.2021	31.3.2020
3,83,541	4,78,325
<u>3,83,541</u>	<u>4,78,325</u>

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

3,83,541	4,78,325
<u>3,83,541</u>	<u>4,78,325</u>

**5 Other bank balances**

Balances with Banks  
 -FDR bank balances

As at	As at
31.03.2021	31.3.2020
1,06,02,991	35,29,269
<u>1,06,02,991</u>	<u>35,29,269</u>

**6 Other financial assets**

Dividend Receivable  
 Interest accrued on bank and other deposits

As at	As at
31.03.2021	31.3.2020
-	1,51,191
-	-
<u>-</u>	<u>1,51,191</u>

**CHASE INVESTMENTS LIMITED**  
**NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**  
(All amounts in Rs. unless otherwise stated)

**7 Equity Share capital**

**Authorised**

588500 Equity Shares of Rs. 100 each  
11500 (12% Preference Shares of Rs. 100 each)

**Issued & subscribed**

201210 Equity shares of Rs. 100 each  
158490 Equity shares of Rs. 100 each paid up Rs. 50

**Paid up**

201210 Equity shares of Rs. 100 each  
158490 Equity shares of Rs. 100 each paid up Rs. 50

	As at 31.03.2021	As at 31.3.2020
<b>Authorised</b>		
588500 Equity Shares of Rs. 100 each	5,88,50,000	5,88,50,000
11500 (12% Preference Shares of Rs. 100 each)	11,50,000	11,50,000
	<b>6,00,00,000</b>	<b>6,00,00,000</b>
<b>Issued &amp; subscribed</b>		
201210 Equity shares of Rs. 100 each	2,01,21,000	2,01,21,000
158490 Equity shares of Rs. 100 each paid up Rs. 50	79,24,500	79,24,500
	<b>2,80,45,500</b>	<b>2,80,45,500</b>
<b>Paid up</b>		
201210 Equity shares of Rs. 100 each	2,01,21,000	2,01,21,000
158490 Equity shares of Rs. 100 each paid up Rs. 50	79,24,500	79,24,500
	<b>2,80,45,500</b>	<b>2,80,45,500</b>

(i) 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.*	359700	100.00	359700	100.00

\* Holding Company

**8 Other equity**

General Reserve  
Capital Redemption Reserve  
Amalgamation Reserve  
Statutory Reserve  
Fair value through Other Comprehensive Income Reserve  
Retained Earnings

**General Reserve**

**Capital Redemption Reserve**

**Amalgamation Reserve**

**Statutory Reserve**

Opening balance  
Add : During the year

**Fair value through Other Comprehensive Income Reserve**

Opening balance  
Add : Net gain on FVTOCI (Net of tax) during the year  
**Net surplus in the statement of profit and loss**

**Retained Earnings**

Opening balance  
Add : Net profit/(loss) for the year  
Less : Transfer to statutory reserve  
**Net surplus in the statement of profit and loss**

	As at 31.03.2021	As at 31.3.2020
General Reserve	1,16,600	1,16,600
Capital Redemption Reserve	12,600	12,600
Amalgamation Reserve	1,59,05,090	1,59,05,090
Statutory Reserve	77,65,737	70,88,768
Fair value through Other Comprehensive Income Reserve	1,04,25,97,620	85,05,81,332
Retained Earnings	40,69,33,454	25,24,08,510
	<b>1,47,33,31,101</b>	<b>1,12,61,12,900</b>
<b>General Reserve</b>	<b>1,16,600</b>	<b>1,16,600</b>
<b>Capital Redemption Reserve</b>	<b>12,600</b>	<b>12,600</b>
<b>Amalgamation Reserve</b>	<b>1,59,05,090</b>	<b>1,59,05,090</b>
<b>Statutory Reserve</b>	<b>77,65,737</b>	<b>70,88,768</b>
<b>Fair value through Other Comprehensive Income Reserve</b>	<b>85,05,81,332</b>	<b>96,97,49,146</b>
Opening balance	19,20,16,288	(11,91,67,814)
Add : Net gain on FVTOCI (Net of tax) during the year	1,04,25,97,620	85,05,81,332
<b>Net surplus in the statement of profit and loss</b>	<b>1,04,25,97,620</b>	<b>85,05,81,332</b>
<b>Retained Earnings</b>	<b>25,24,08,510</b>	<b>31,39,77,135</b>
Opening balance	15,52,01,913	(6,00,14,453)
Add : Net profit/(loss) for the year	(6,76,969)	(15,54,172)
Less : Transfer to statutory reserve	40,69,33,454	25,24,08,510
<b>Net surplus in the statement of profit and loss</b>	<b>40,69,33,454</b>	<b>25,24,08,510</b>

**9 Deferred Tax Liability**

Deferred tax liabilities on Fair value of Investments  
Deferred tax asset - unutilised tax credit

	As at 31.03.2021	As at 31.3.2020
Deferred tax liabilities on Fair value of Investments	33,21,08,338	25,31,24,464
Deferred tax asset - unutilised tax credit	(1,04,892)	-
	<b>33,20,03,446</b>	<b>25,31,24,464</b>

**10 Trade payables**

**Current**

Trade payables - Micro and small enterprises  
Trade payables - Other than Micro and small enterprises

	As at 31.03.2021	As at 31.3.2020
Trade payables - Micro and small enterprises	1,85,325	-
Trade payables - Other than Micro and small enterprises	67,141	2,73,657
	<b>2,52,466</b>	<b>2,73,657</b>

**11 Other liabilities**

**Current**

Statutory dues

	As at 31.03.2021	As at 31.3.2020
Statutory dues	15,513	25,339
	<b>15,513</b>	<b>25,339</b>

**CHASE INVESTMENTS LIMITED****NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts in Rs. unless otherwise stated)

	For the year ended 31.03.2021	For the year ended 31.3.2020
<b>12 Revenue from Operations</b>		
Profit on Sale of Non Current Investment in equity	24,09,516	-
Profit on Sale of Investment in Current Investment	-	4,32,475
Dividend Income on equity	14,02,536	32,23,486
Dividend Income on Mutual Fund	4,62,652	5,86,979
Net gain on fair value adjustment of:		
- Non Current investments fair valued through profit and loss	16,82,01,607	-
- Current investments fair valued through profit and loss	45,61,132	-
	<b>17,70,37,443</b>	<b>42,42,940</b>
<b>13 Other Income</b>		
Interest on Fixed deposit	3,00,910	2,19,351
	<b>3,00,910</b>	<b>2,19,351</b>
<b>14 Finance costs</b>		
Interest on Income Tax	12,032	-
	<b>12,032</b>	<b>-</b>
<b>15 Other Expenses</b>		
Net loss on fair value adjustment of:		
- Non Current investments fair valued through profit and loss	-	6,95,54,738
- Current investments fair valued through profit and loss	-	15,74,778
Legal and professional expenses	5,68,610	6,31,249
Payment to auditors*	2,22,430	2,93,938
Bank charges	578	236
Demat Charges	3,914	3,620
Filling fees	1,800	15,100
Loss on Sale of Investments	-	33,419
Asset written off	-	47,232
Transaction cost of Shares purchased	-	3,273
Miscellaneous expenses	879	-
	<b>7,98,211</b>	<b>7,21,57,583</b>
<b>*Payment to auditors (including GST) as:</b>		
Audit fee	1,51,630	1,53,990
Limited review fee	70,800	1,26,732
Other services fee	-	13,216

## CHASE INVESTMENTS LIMITED

## NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

(All amounts in Rs. unless otherwise stated)

## 16 Income taxes

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

	Year ended 31.03.2021	Year ended 31.3.2020
<b>Statement of profit and loss</b>		
<b>Current income tax</b>		
In respect of the current year	6,06,295	8,55,000
In respect of the prior years	257	-
<b>Deferred tax</b>		
In respect of the current year	2,07,19,645	(85,35,839)
<b>Total income tax expense recognised in the statement of profit and loss</b>	<b>2,13,26,197</b>	<b>(76,80,839)</b>

Statement of Other Comprehensive Income:

Deferred tax related to items recognised in OCI during the year:

Gain on equity instruments fair valued through OCI

Income tax charged to OCI

(5,81,59,337)	3,61,92,811
(5,81,59,337)	3,61,92,811

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
<b>Profit/(loss) before tax</b>	<b>17,65,28,110</b>	<b>(6,76,95,292)</b>
Income tax expense calculated at corporate tax rate of 26% (previous year 26%)	4,58,97,309	(1,76,00,776)
Effect of expenses that are not deductible in determining taxable profit	-	1,72,948
Effect of exempt income (net of expenses)	-	(9,90,721)
Differential tax rate used to created deferred tax on temporary differences	(2,40,62,282)	1,13,07,658
Difference due to tax rate used for computing current tax	(5,09,087)	(5,69,948)
Tax of earlier years	257	-
<b>At the effective income tax rate of 12.08% (Previous year: 11.35%)</b>	<b>2,13,26,197</b>	<b>(76,80,839)</b>

The tax rate used for the current year reconciliation above is the corporate tax rate of 26% (Previous year 26%) payable by corporate entities in India on taxable profits under the Indian tax laws.



**CHASE INVESTMENTS LIMITED****NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts in Rs. unless otherwise stated)

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

18 Related party disclosure is as under:

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

**Holding Company:**

- Godfrey Phillips India Limited

**Subsidiary Company:**

- Unique Space Developers Limited

**Fellow Subsidiary Companies:**

- International Tobacco Company Limited

- Flavours & More Inc

- Godfrey Phillips Middle East DMCC

**Fellow Subsidiary Company and Associate company:**

- Friendly Reality Projects Limited

**Associate of the Holding Company:**

- KKM Management Centre Private Limited

- IPM India Wholesale Trading Private Limited

- KKM Management Centre Middle East FZE

**Subsidiary of Associate Company (Friendly Reality Projects Limited):**

- Rajputana Infrastructure Corporate Limited

**Key Management Personnel:**

- Mr. Sanjay Kumar Gupta, Director

- Mr. Sunil Agarwal, Director

- Mr. Shailender Singh Rana, Director

**Key Management Personnel of Holding Company:**

- Dr. Bina Modi, President and Managing Director

- Mr. Samir Modi, Executive Director

- Mr. Sharad Agarwal, Whole time Director

- Mr. Sunil Agarwal, Chief Financial Officer

- Mr. Sanjay Gupta, Company Secretary

(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:

Nature of Transaction	31.03.2021	31.3.2020
	Rs.	Rs.
<b>Transaction during the year</b>		
<b>With associates</b>	<b>None</b>	None
<b>With Subsidiary Company</b>		
<b>Unique Space Developers Limited</b>		
Investment made in preference share capital	-	1,50,00,000
<b>With key management personnel</b>	<b>None</b>	None
<b>Outstanding Balances</b>		
<b>With associates</b>		
<b>Friendly Reality Projects Limited</b>		
Investment in share capital	1,21,76,608	1,21,76,608
<b>With Subsidiary Company</b>		
<b>Unique Space Developers Limited</b>		
Investment in share capital:		
- Equity	53,06,000	53,06,000
- Preference	2,25,00,000	2,25,00,000
<b>With key management personnel</b>	<b>None</b>	None
<b>With enterprises over which significant influences exists</b>	<b>None</b>	None

**CHASE INVESTMENTS LIMITED**
**NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts in Rs. unless otherwise stated)

- 19** (a) Deferred tax assets has not been recognized in relation to carried forward losses in view of uncertainty of sufficient future taxable income as per Ind AS-12 Income Taxes.

(b) During the year, tax is payable as per special provision under section 115JB of the Income tax act, define as Minimum Alternate tax (MAT). The MAT Credit has been accounted for in the books from the current year due to availability of future taxable income under normal provisions of Income Tax Act.

**20 Earning per share:**

Particulars	31.03.2021	31.3.2020
(a) Net profit as per Statement of profit and loss	15,52,01,913	(6,00,14,453)
(b) Weighted average no. of equity share	2,80,455	2,80,455
(c) Basic earnings per share	553.39	(213.99)
(d) Diluted earnings per share	431.48	(213.99)
(e) Face value per share	100	100

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

**22 Financial instruments and risk management**

**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
<b>Financial assets</b>				
<b>Financial instruments at FVTPL:</b>				
(i) Non - current Investment in				
- Equity Shares - Unquoted	1,74,82,608	-	-	1,74,82,608
- Equity Mutual Funds - Unquoted	21,987	21,987	-	-
- Equity, Preference Shares & Debentures - Quoted	38,55,55,518	38,55,55,518	-	-
(ii) Current Investments in debt mutual funds - unquoted	1,77,00,334	1,77,00,334	-	-
<b>Financial instruments at Other Comprehensive Income:</b>				
(iii) - Equity Shares - Unquoted	1,36,17,71,250	-	-	1,36,17,71,250
<b>Financial instruments at amortised cost:</b>				
(iv) Non - current Investment in				
- Preference Share - Unquoted	4,01,03,223	-	-	4,01,03,223
(v) Cash and cash equivalents	3,83,541	-	-	-
(vi) Other bank balances	1,06,02,991	-	-	-
(vii) Other current assets	-	-	-	-
<b>Total financial assets</b>	<b>1,83,36,21,452</b>	<b>40,32,77,839</b>	<b>-</b>	<b>1,41,93,57,081</b>
<b>Financial liabilities</b>				
<b>Financial instruments at amortised cost:</b>				
- Trade Payables	2,52,466	-	-	-
<b>Total financial liabilities</b>	<b>2,52,466</b>	<b>-</b>	<b>-</b>	<b>-</b>
As at 31.3.2020	Carrying amount	Level 1	Level 2	Level 3
<b>Financial assets</b>				
<b>Financial instruments at FVTPL:</b>				
(i) Non - current Investment in				
- Equity Shares - Unquoted	1,74,82,608	-	-	1,74,82,608
- Equity Mutual Funds - Unquoted	21,519	21,519	-	-
- Equity, Preference Shares & Debentures - Quoted	22,30,78,256	22,30,78,256	-	-
(ii) Current Investments in debt mutual funds - Unquoted	1,46,58,474	1,46,58,474	-	-
<b>Financial instruments at Other Comprehensive Income:</b>				
(iii) - Equity Shares - Unquoted	1,11,15,95,625	-	-	1,11,15,95,625
<b>Financial instruments at amortised cost:</b>				
(iv) Non - current Investment in				
- Preference Share - Unquoted	3,64,79,569	-	-	3,64,79,569
(vi) Cash and cash equivalents	4,78,325	-	-	-
(vi) Other bank balances	35,29,269	-	-	-
(vii) Other current assets	1,51,191	-	-	-
<b>Total financial assets</b>	<b>1,40,74,74,836</b>	<b>23,77,58,249</b>	<b>-</b>	<b>1,16,55,57,802</b>
<b>Financial liabilities</b>				
<b>Financial instruments at amortised cost:</b>				
- Trade Payables	2,73,657	-	-	-
<b>Total financial liabilities</b>	<b>2,73,657</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CHASE INVESTMENTS LIMITED****NOTES TO SPECIAL PURPOSE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021**

(All amounts in Rs. 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.

**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 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.

As per our Report of even date attached  
For P.R.Mehra & Co.,  
Chartered Accountants  
(F.R.No. 000051N)

(LAXMAN PRASAD)  
Partner  
M.No.: 013910

Place: New Delhi  
Dated: 28th May, 2021



For and on behalf of the Board of Directors

Sunil Aggarwal  
Director  
DIN 00029286

Sanjay Kumar Gupta  
Director  
DIN 00027728

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