
INDEPENDENT AUDITOR'S REPORT

To,
The Members of,
Charosa Wineries Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Charosa Wineries Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss (including Other Comprehensive Income) and the cash flow statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these standalone IND AS financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards (IND AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 the design, implementation and maintenance of adequate 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 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, issued by the Institute of Chartered Accountants of India, as 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 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 IND AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 IND AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the IND AS financial statements.

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G.D. Apte & Co. Chartered Accountants

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.

Basis for Qualified opinion

- a) Accounting impact in respect of provision for Expected Credit loss as required by IND AS 109 Financial Instruments, have not been ascertained and accounted for.
- b) Certain Trade Payables, Loans and Advances and Trade Receivables, are subject to confirmation, reconciliation and consequential adjustments, if any.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of matters described in the Basis for Qualified opinion paragraph above, the 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 Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note No. 2.45 in the IND AS Financial Statements. The company has incurred a net loss of Rs. 3,018.07 Lakhs for the year ended 31st March 2017 and as of the date; the company's current and non-current liabilities exceeded its total assets by Rs. 7,714.11. These conditions, along with other matters as set forth in Note No. 2.45, indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. However the IND AS financial statements of the company have been prepared on a going concern basis for the reasons stated in the said note.

Other Matters

The comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements, prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March 2016 and 31st March 2015 dated 25th April, 2016 and 27th April 2015 respectively expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

- i. 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 Act we give in the Annexure A, a statement on the matters specified in paragraphs 4 and 5 of the Order.

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- II. As required by section 143(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, the Cash Flow Statement and 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 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 written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this Report.
 - 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 the pending litigations on its financial position in its financial statements. (Refer Note 2.34 to the financial statements.)
 - ii. The Company does not have any material foreseeable losses on long-term contracts including derivative contracts. (Refer Note 2.43 to the financial statements.)
 - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The company did not have any holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. (Refer Note 2.39 to the financial statements.)

For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)


Chetan R. Sapre
(Partner)
ICAI Membership No. 116952
Place: Mumbai
Date: 24th April, 2017



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Annexure A to Independent Auditors' Report

(Referred to in paragraph I under 'Report on Other Legal and Regulatory Requirements' section of our report)

- (i)
 - a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) As per the information and explanations given to us, the fixed assets having substantial value, have been physically verified by the management at a reasonable intervals, which in our opinion is reasonable, having regard to the size of company and nature of its business.
 - c) On the basis of the information provided to us, we report that the title/lease deeds of immovable properties are held in the name of company.
- (ii) According to the information and explanations given to us, the inventory has been physically verified at reasonable intervals during the year by the management which did not reveal any material discrepancies. In our opinion, the procedures for physical verification of inventories, ascertainment of discrepancies, and carrying out of consequent accounting adjustments are commensurate with the size of the company and the nature of its business.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of sub clauses (a), (b), (c) of clause (iii) of the order are not applicable to the company.
- (iv) According to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of companies Act, 2013 with respect to loans and investments made and guarantees and securities given.
- (v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act, 2013, and the rules framed there under, are not applicable and hence not commented upon.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under clause 148(1) of the Companies Act, 2013, for the Company, and therefore the provisions of clause (vi) of the order are not applicable to the company.
- (vii)
 - a) According to records of the Company verified by us, we report that there have been considerable delays in payment of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues with the appropriate authorities.

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According to the information and explanations given to us, there have been no undisputed amounts payable in respect of the aforesaid dues as mentioned below were outstanding as at March 31, 2017 for a period more than six months from the date of becoming payable.

- b) According to the information and explanations given to us, there were no dues in respect of Income Tax, Duty of Excise, Duty of Customs, Sales Tax, Service Tax and Value Added Tax which have not been deposited on account of any dispute.
- (viii) According to the information and explanations given to us, we are of the opinion that the company has defaulted in repayment of loans or borrowings to financial institutions and banks as below. The company has not issued any debentures.

Particulars	Principal paid with delay	- with	Principal Un paid	Interest - paid with delay	Unpaid interest
Loan from Yes Bank Limited					
less than or equal to 1 month		-	-	374.58	93.88
1 to 3 months		-	-	281.24	
3 months and above		-	-	93.27	

- (ix) According to the information and explanation provided by the management, the company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) and term loans during the year.
- (x) According to the information and explanation provided by the management, there were no frauds by the company or any fraud on the company by its officers or employees have been noticed or reported during the course of our audit.
- (xi) In absence of managerial personnel, no managerial remuneration is paid and therefore provisions of clause 3 (xi) of the order is not applicable to the company.
- (xii) In our opinion the company is not a Nidhi Company. Therefore provisions of clause 3 (xii) of the order is not applicable to the company.
- (xiii) All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and therefore provisions of clause 3 (xiv) of the order is not applicable to the company.

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G.D. Apte & Co.
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- (xv) The company has not entered into any non cash transactions with the directors or persons connected with him and hence clause 3 (xv) of the order is not applicable to the company.
- (xvi) According to the information and explanation provided by the management, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

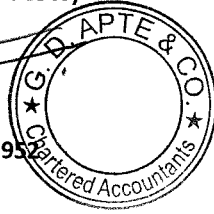
For G. D. Apte & Co.
Chartered Accountants
(Firm Registration No. 100515W)

Chetan R. Sapre
(Partner)

ICAI Membership No. 11695

Place: Mumbai

Date: 24th April, 2017



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Annexure B to Independent Auditors' Report

(Referred to in paragraph II (f) under 'Report on Other Legal and Regulatory Requirements' section of our report)

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

To the Members of Charosa Wineries Limited

In conjunction with our audit of the standalone financial statements of **Charosa Wineries Limited** ("the Company") as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **Charosa Wineries Limited** ("the Company") as of 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 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 over financial reporting 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") 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 applicable to an audit of Internal Financial Controls and, 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 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 judgement, 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 INDAS 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) pertains 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 IND AS 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 maintained 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, 2017, based on the internal control over financial reporting criteria established considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. D. Apte & Co.
Chartered Accountants

(Firm Registration No. 100515W)



Chetan R. Sapre
(Partner)

ICAI Membership No. 116952

Place: Mumbai

Date: 24th April, 2017

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Charosa Wineries Limited
CIN: U52208MH2007PLC176631
Balance sheet as at 31st March 2017

					₹ Lakhs
Particulars	Note No.	As at 31 March 2017	As at 31 March 2016	As at 1 April 2015	
ASSETS					
(1) Non-current assets					
(a) Property, Plant and Equipment	2.1	3,886.87	4,240.60	4,623.3	
(b) Capital work-in-progress	2.1	242.08	242.08	242.0	
(c) Investment Property		-	-	-	
(d) Goodwill		-	-	-	
(e) Other Intangible assets		-	-	-	
(f) Intangible assets under development		-	-	-	
(g) Biological Assets other than bearer plants		-	-	-	
(h) Financial Assets		-	-	-	
(i) Investments	2.2	173.80	173.80	173.8	
(ii) Trade receivables		-	-	-	
(iii) Loans		-	-	-	
(iv) Others (to be specified)	2.3	286.20	332.83	850.4	
(i) Deferred tax assets (net)		-	-	-	
(j) Other non-current assets	2.4	61.74	61.74	61.7	
(k) Income Tax Assets (Net)	2.5	9.63	14.25	9.7	
(2) Current assets					
(a) Inventories	2.6	1,203.75	1,405.98	1,128.3	
(b) Financial Assets					
(i) Investments		-	-	-	
(ii) Trade receivables	2.7	158.15	271.99	327.3	
(iii) Cash and cash equivalents	2.8	98.94	11.11	17.3	
(iv) Bank balances other than (iii) above		-	-	-	
(v) Loans	2.9	-	-	-	
(vi) Others (to be specified)	2.10	41.83	41.83	1,030.0	
(c) Current Tax Assets (Net)		-	-	32.5	
(d) Other current assets	2.11	190.54	163.89	142.0	
Total Assets		6,353.55	6,960.11	8,638.8	

EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	2.12	700.00	700.00	700.00
(b) Other Equity	2.12	(8,414.11)	(5,396.04)	(3,461.6)
LIABILITIES				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.13	11,485.48	9,777.67	9,600.5
(ii) Trade payables		-	-	-
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)	2.14	160.64	79.32	173.8
(b) Provisions	2.15	10.82	8.15	6.5
(c) Deferred tax liabilities (Net)		-	-	-
(d) Other non-current liabilities		-	-	-
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	2.16	597.74	597.74	597.7
(ii) Trade payables	2.17	295.28	277.09	148.7
(iii) Other financial liabilities (other than those specified in (c) below, to be specified)	2.18	893.43	808.68	701.0
(b) Other current liabilities	2.19	618.47	100.45	162.9
(c) Provisions	2.20	5.80	7.05	9.0
(d) Current Tax Liabilities (Net)		-	-	-
Total Equity and Liabilities		6,353.55	6,960.11	8,638.8

Significant Accounting Policies

Notes to the Accounts

The accompanying notes are integral part of the financial statements


1


2.28-2.47

This is the Balance Sheet referred to in our audit report of even date

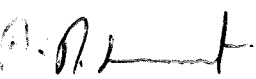
For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W

For and on behalf of Board of Directors


Chetan R. Sapre
Partner
Membership No.: 116952


Shalaka Gulabchand Dhawan
Director
DIN: 00011094


Ajit Gulabchand
Chairman
DIN: 00010827


Parag Kamat
Chief Operating Officer

Pralhad Parvatikar
Director
DIN: 07049076


Arun Karambelkar
Director
DIN: 02151606


Sandeep Gurav
Company Secretary

Amruta Bam
Director
DIN: 07136342

Hamshire Rodriguez
Director
DIN: 06538992

Place : Mumbai

Date : 24/04/2017

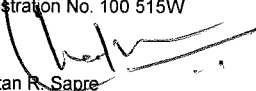
Statement of Profit and Loss For The Year Ended 31st Mar, 2017

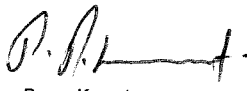
		₹ Lakhs	
Particulars	Note No.	Year ended 31 March 2017	Year ended 31 March 2016
I Revenue From Operations	2.21	106.78	317.00
II Other Income	2.22	246.24	185.27
III Total Income (I + II)		353.02	502.27
IV EXPENSES			
Cost of materials consumed	2.23	168.21	194.69
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	2.24	278.09	(297.08)
Employee benefits expense	2.25	189.92	215.61
Finance costs	2.26	1,688.69	1,435.94
Depreciation and amortization expense	2.1	355.39	402.26
Other expenses	2.27	689.29	486.94
Total expenses (IV)		3,369.59	2,438.37
V Profit / (Loss) before exceptional items and tax (I - IV)		(3,016.56)	(1,936.10)
VI Exceptional Items		-	-
VII Profit / (Loss) before tax (V - VI)		(3,016.56)	(1,936.10)
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		-	-
IX Profit (Loss) for the period from continuing operations (VII - VIII)		(3,016.56)	(1,936.10)
X Profit / (loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit / (loss) from discontinued operations (after tax) (X - XI)		-	-
XIII Profit / (Loss) for the period (IX + XII)		(3,016.56)	(1,936.10)
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		(1.51)	1.68
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
XV Total Comprehensive Income for the period (XIII + XIV) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		(3,018.07)	(1,934.42)
XVI Earnings per equity share (for continuing operation):			
(1) Basic		(43.12)	(27.63)
(2) Diluted		(43.12)	(27.63)
XVII Earnings per equity share (for discontinued operation):			
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operation):			
(1) Basic		(43.12)	(27.63)
(2) Diluted		(43.12)	(27.63)

Notes 1 to 2.47 form an integral part of the standalone financial statements

This is the statement of profit and loss referred to in our audit report of even date

For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W


Chetan R. Sapre
Partner
Membership No.: 116952

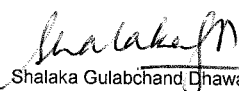

Parag Kamat
Chief Operating Officer

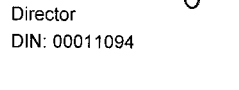

Sandeep Srav
Company Secretary

Place : Mumbai

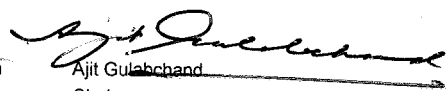
Date : 24/04/2017

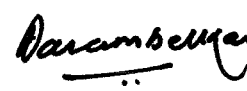
For and on behalf of Board of Directors

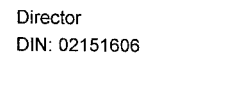

Shalaka Gulabchand Dhawan
Director
DIN: 00011094


Pralhad Parvatikar
Director
DIN: 07049076


Amruta Bam
Director
DIN: 07136342


Ajit Gulabchand
Chairman
DIN: 00010827


Arun Karambelkar
Director
DIN: 02151606

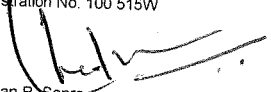

Hamshire Rodriguez
Director
DIN: 06538992

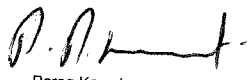
CHAROSA WINERIES LIMITED
CIN: U52208MH2007PLC176631

Cash Flow Statement For The Year Period 31st Mar, 2017

	Year ended 31 March 2017	Year ended 31 March 2016
	Rs. In Lakhs	Rs. in Lakhs
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before tax and extraordinary items		
<u>Adjustments for:</u>	(3,018.07)	(1,934.42)
Depreciation		
Finance Cost (Including Fair Value Measurement)	355.39	402.26
Interest Income	1,688.69	1,435.94
Financial Guarantee Income	(1.09)	-
Foreign Exchange Gain/ (Loss)	(74.67)	-
	-	-
Operating Profit/(Loss) before working capital changes	(1,049.75)	(96.21)
Adjustments for:		
(Increase)/Decrease in Other Non-Current Financial Assets	46.63	517.58
(Increase)/Decrease in Other Non-Current Assets	-	(0.00)
(Increase)/Decrease in Inventories	202.23	(277.59)
(Increase)/Decrease in Trade receivables	113.84	55.34
(Increase)/Decrease in Current Assets - Loans	-	1,030.00
(Increase)/Decrease in Current Financial Assets	-	(9.26)
(Increase)/Decrease in Other Current Assets	(26.65)	(21.84)
Increase/ (Decrease) in Non-Current Financial Liabilities	156.00	(94.49)
Increase/ (Decrease) in Non-Current Provisions	2.67	1.64
Increase/ (Decrease) in Trades Payables	18.18	128.31
Increase/ (Decrease) in Current Financial Liabilities	84.75	107.63
Increase/ (Decrease) in Other Current Liabilities	518.02	(62.54)
Increase/ (Decrease) in Current Provisions	(1.25)	(2.03)
Income Tax Paid	1,114.42	1,372.76
	4.62	(4.50)
NET CASH FLOW FROM OPERATING ACTIVITIES	69.29	1,272.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Addition)/ Deletion of Fixed Assets		
(Addition)/ Deletion of Investments	(1.67)	(19.51)
Receipt of Capital Subsidy from Government	-	-
(Increase)/Decrease in Capital Work in Progress		
(Increase)/Decrease in Other Non-current Assets		
	(1.67)	(19.51)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/ (repayment) of Non-Current Borrowings		
Proceeds/ (repayment) of Current Borrowings	20.21	(1,258.77)
Short term advances to related party	-	-
Increase/(Decrease) Borrowings from related party		
	20.21	(1,258.77)
NET CASH USED IN FINANCING ACTIVITIES	20.21	(1,258.77)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	87.83	(6.24)
CASH AND CASH EQUIVALENTS- OPENING BALANCE	11.11	17.35
CASH AND CASH EQUIVALENTS- CLOSING BALANCE	98.94	11.11
	87.83	(6.24)


As per our report of even date
For **G. D. Apte & Co.**
Chartered Accountants
Registration No. 100 515W


Chetan R. Sapre
Partner
Membership No.: 116952


Parag Kamat
Chief Operating Officer

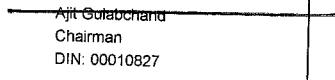

Sandeep Gulav
Company Secretary

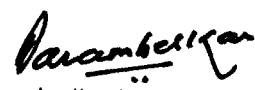
For and on behalf of Board of Directors


Shalaka Gulabchand Dhawan
Director
DIN: 00011094

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Chairman
DIN: 00010827


Arun Karambelkar
Director
DIN: 02151606

Hamshire Rodriguez
Director
DIN: 06538992

Place: Mumbai
Date: 24/04/2017

Charosa Wineries Limited
CIN: U52208MH2007PLC176631

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

Note No 1 : Significant Accounting Policies

1.1 Basis of Preparation of Financial Statements

The financial statements ("the financial statements") of Charosa Wineries Limited ("the Company") have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified by the Companies (Accounting Standards) Rules, 2015 in respect of Section 133 of the Companies Act, 2013 ("the Act").

The financial statements upto year ended 31 March 2016 were prepared in accordance with the Accounting Standards notified by the Companies (Accounting Standards) rules, read with rule 7 to the Companies (Accounts) Rules, 2014 (as amended) in respect of Section 133 of the Act ("previous GAAP"). These financial statements are the first financial statements of the Company under Ind AS. Refer note no 1.3, for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flow.

The financial statements have been prepared under the historical cost convention with the exception of certain financial assets and liabilities, share based payments and contingent consideration that are measured at fair values, on an accrual basis of accounting.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act.

These financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest Lakhs(INR 00,000)/rupees, except when otherwise indicated.

1.2 Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets and provisions and contingent liabilities.

1.3 First-time adoption of Ind-AS

These are the Company's First Financial Statements prepared in accordance with Ind AS.

The Company has adopted Ind AS with effect from 1 April 2016 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 April 2015 and all the periods presented have been restated accordingly.

These financial statements of the Company for the financial year ended March 31, 2017 have been prepared in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101-First Time adoption of Indian Accounting Standard, with April 1, 2015 as the transition date and IGAAP as the previous GAAP. The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes there to and accounting policies and principles.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

1.4 Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition including attributable interest and finance costs, if any, till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress represents expenditure incurred in respect of assets under development and not ready for its intended use are carried at cost. Cost includes related acquisition expenses, construction cost, related borrowing cost and other direct expenditure.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 April 2015.

1.5 Intangible Assets

Charosa Wineries Limited
CIN: U52208MH2007PLC176631

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

Note No 1 : Significant Accounting Policies

Intangible assets comprise of license fees, implementation cost for software and other application software acquired / developed for in-house use. These assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 April 2015 of its Intangible Assets and used that carrying value as the deemed cost of the Intangible Assets on the date of transition i.e. 1 April 2015.

1.6 Depreciation/ Amortisation

Depreciation on tangible assets is provided on reducing balance method over the estimated useful lives of the assets on pro-rata basis. The estimated useful lives are as below,

- i) In respect of Biological assets on straight line basis over the estimated useful life of 20 years on pro-rata basis for the year.
 - ii) In respect of computers on straight line basis over a year of three years on pro-rata basis.
 - iii) In respect of Furniture and Fixtures at leased premises on straight line basis over the year of lease.
 - iv) In respect of Oak Barrels on straight line basis over a year of 4 years on pro-rata basis.
 - v) For the above classes of assets, based on internal assessment, Management believes that the useful life as given above represents the year over which it expects to use these assets. Hence the useful lives of these assets are different from the useful lives as prescribed under Part C of Schedule II of Companies Act, 2013.
- In respect of intangible assets being computer software relating to Enterprise Resource System is amortized over the estimated useful life of Five years under straight line method on pro-rata basis.

1.7 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.

(a) Financial Assets

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.

i) Financial Assets at Amortised Cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii) Financial Assets Measured at Fair Value

Financial assets are measured at fair value through other comprehensive income ("OCI") if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at fair value through profit or loss.

iii) Impairment of Financial Assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

(b) Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

i) Equity Instruments and Financial Liabilities

Charosa Wineries Limited

CIN: U52208MH2007PLC176631

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

Note No 1 : Significant Accounting Policies

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

ii) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables 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.

1 Borrowings

Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Also, the EIR amortisation is included in finance costs.

Borrowing costs relating to acquisition, construction or production of a qualifying asset which takes substantial period of time to get ready for its intended use are added to the cost of such asset to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the period in which they occur.

2 De-recognition of Financial Liabilities

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non cash assets transferred or liabilities assumed, is recognised in the Statement of Profit and Loss as other gains/ (losses).

3 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis; to realise the assets and settle the liabilities simultaneously.

1.8 Inventory

- (a) Raw Materials, Stores, Spares & Consumables Stocks are valued at lower of cost and net realizable value.
- (b) Work-in-process and Finished Goods are valued at lower of cost and net realizable value after providing for obsolescence, if any. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- (c) Borrowing cost attributable to production of inventory are capitalized as part of such inventory till the time the inventory is ready for its intended use or sale.

1.9 Cash & Cash Equivalents

Cash and cash equivalents comprise of cash at bank and cash on hand. The Company considers all highly liquid investments with an original maturity of three month or less from date of purchase, to be cash equivalents.

1.10 Provisions, Contingent Liabilities and Contingent Assets

- (a) A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. When appropriate, the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.
- (b) Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.
- (c) Contingent assets are neither recognised nor disclosed in the financial statements.

1.11 Finance Cost

Borrowing costs attributable to acquisition, construction or production of qualifying assets/inventory are capitalized as part of such asset/inventory till the time the asset/inventory is ready for its intended use or sale. All other borrowing costs are recognized as an expense in the year in which they are incurred.

1.12 Revenue Recognition

(a) Revenue from operations

Sales are recognised on despatch of goods to customers and are recorded net of trade discounts, sales tax/value added tax.

(b) Interest and Other Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Other non operating income is accounted for on accrual basis. Where the receipt of income is uncertain it is accounted for on receipt basis.

1.13 Taxation

Tax on Income for the current year is computed in accordance with the provisions of the Income Tax Act, 1961.

The deferred tax charge or credit is recognized using the tax rates and tax laws that have been enacted on the Balance sheet date. Where there is unabsorbed depreciation or carry forward losses, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Other deferred tax assets are recognized only to the extent there is reasonable certainty of realization in future. At each balance sheet date, recognized and unrecognized deferred tax assets are reviewed.

1.14 Earnings Per Share

Charosa Wineries Limited
CIN: U52208MH2007PLC176631

Summary of significant accounting policies and other explanatory information to the financial statements as at and for the period ended 31st March, 2017

Note No 1 : Significant Accounting Policies

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of shares outstanding during the year. For the purpose of calculating diluted earning per share, net profit or loss for the year attributable to equity shareholders and weighted number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.15 Segment Reporting

The Company is operating only in one significant business segment i.e. Winery, hence segment information as per Accounting Standard 17 is not required to be disclosed. The Company caters mainly to the need of the domestic market, as such there is no reportable Geographical Segments.

1.16 Employees Benefits

(a) Defined Contribution Plans

Company's contributions paid/payable during the year to Provident Fund, Officer's Superannuation Fund, and Labour Welfare Fund are recognized in the statement of profit and loss.

(b) Defined Benefit Plan & other long term benefits

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method which considers each year of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation. Actuarial gain and losses are recognized immediately in the statement of profit and loss as income or expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government bonds where the currency and terms of the Government bonds are consistent with the currency and estimated terms of the defined benefit obligation.

1.17 Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation. Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

1.18 Government Grants & Subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit and loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight line basis over the expected lives of the related assets and presented with other income.

1.19 Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

(a) Initial Recognition

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. However, for practical reasons, the Company uses an average rate if the average rate approximate the actual rate at the date of the transactions.

(b) Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(c) Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of short-term foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

On transition to Ind AS, the Company has opted to continue with the accounting for exchange differences arising on long-term foreign currency monetary items, outstanding as on the transition date, as per previous GAAP. Exchange differences arising on long-term foreign currency monetary items related to acquisition of a fixed asset are capitalised and depreciated over the remaining useful life of the asset and exchange differences arising on other long-term foreign currency monetary items are accumulated in the "Foreign Currency Monetary Translation Account" and amortised over the remaining life of the concerned monetary item.

CHAROSA WINERIES LIMITED

CIN: U52208MH2007PLC176631

Notes Forming Part of Financial Statements As At 31st March, 2017

Note 2.1. Property, Plant and Equipment / Capital Work in Progress / Other Intangible Assets:

Particulars	Tangible assets										Intangible Assets			Total		
	Vehicles	Speed boat	Building and sheds	Computers	Furniture and fixtures	Land	Plant & Machinery And Office equipment	Biological Assets	Computer software	Trademarks	Total	CWIP				
Gross block																
As at 1 April 2015	20.90	-	1,787.26	9.30	32.97	1,413.01	3,093.12	251.52	2.21	-	-	-	2.21	-	-	-
Additions	-	-	-	0.31	-	-	44.20	-	-	-	-	-	-	-	-	-
Deductions/ disposals	-	-	-	-	-	-	(25.00)	-	-	-	-	-	-	-	-	-
As at 31 March 2016	20.90	-	1,787.26	9.61	32.97	1,413.01	3,112.32	251.52	2.21	-	-	-	2.21	-	-	-
Additions	-	-	-	-	-	-	1.67	-	-	-	-	-	-	-	-	-
Deductions/ disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	20.90	-	1,787.26	9.61	32.97	1,413.01	3,113.99	251.52	2.21	-	-	-	2.21	-	-	-
Accumulated depreciation / amortisation																
Balance as at 1 April 2015	18.34	-	573.52	7.84	24.10	-	1,295.96	64.97	2.21	-	-	-	2.21	-	-	-
Depreciation/ amortisation charge	0.70	-	119.89	0.75	1.46	-	266.89	12.57	-	-	-	-	-	-	-	-
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in the statement of P & L	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2016	19.04	-	693.41	8.59	25.56	-	1,562.85	77.54	2.21	-	-	-	2.21	-	-	-
Depreciation/ amortisation charge	0.51	-	107.87	0.71	1.21	-	232.42	12.58	-	-	-	-	-	-	-	-
Accumulated depreciation/ amortisation on disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at 31 March 2017	19.55	-	801.38	9.30	26.77	-	1,795.27	90.12	2.21	-	-	-	2.21	-	-	-
Net block																
As at 01 April 2015	2.56	-	1,213.74	1.46	8.87	1,413.01	1,797.16	186.55	-	-	-	-	-	-	-	-
As at 31 March 2016	1.86	-	1,093.85	1.02	7.41	1,413.01	1,549.47	173.98	-	-	-	-	-	-	-	-
As at 31 March 2017	1.35	-	985.88	0.31	6.20	1,413.01	1,318.72	161.40	-	-	-	-	-	-	-	-
TOTAL																

Note 2.1 Depreciation and amortisation expense

	Period ended 31 December 2016	Year ended 31 March 2016
	₹ lacs	₹ lacs
Depreciation of Tangible assets	355.39	402.26
Amortisation of Intangible assets	-	-
TOTAL	355.39	402.26

Charosa Wineries Limited

CIN: U52208MH2007PLC176631

Note 2 : Notes Forming Part Of Financial Statements as on 31st Mar, 2017

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
NON-CURRENT ASSETS			
Financial Asset			
2.2 Investments			
Investment in Fellow Subsidiary	173.80	173.80	173.80
	173.80	173.80	173.80
2.3 Other Financial Assets			
Security Deposits - Unsecured considered good	12.78	12.78	12.78
Margin Money Deposit	3.07	1.32	470.76
Financial Guarantee Asset	270.35	318.73	366.87
	286.20	332.83	850.41
2.4 OTHER NON-CURRENT ASSETS			
Capital Advances	61.74	61.74	61.74
	61.74	61.74	61.74
2.5 INCOME TAX ASSETS (NET)			
Advance Payment of Income Taxes	9.63	14.25	9.75
	9.63	14.25	9.75
2.6 INVENTORIES			
(Valued at lower of Cost or Net Realizable Value)			
Finished Goods	91.69	142.75	69.03
Stores, Spares, Process Chemicals, Fuel & Packing Material	115.16	39.30	58.78
Work in Progress (Valued at lower of Cost or Net Realizable Value)	996.90	1,223.93	1000.58
	1,203.75	1,405.98	1,128.39
2.7 TRADE RECEIVABLES			
Unsecured, Considered Good			
Trade receivables	158.15	271.99	327.33
	158.15	271.99	327.33
2.8 CASH AND BANK BALANCES			
Cash & Cash Equivalents			
a. Balances with Banks	98.94	10.90	17.35
b. Cash in hand	-	0.21	-
Cheques/Drafts in hand			
Others			
	98.94	11.11	17.35
2.9 SHORT TERM LOANS AND ADVANCES			
Loans and advances to related parties			
Unsecured, considered good	-	-	
Loans and advances to Employees	-	-	
Advance Given to Related Parties			
(Unsecured - Considered good):			
Inter Corporate Deposit given to HCC Infrastructure Company Limited	-	-	1030.00
	-	-	1,030.00
2.10 OTHER FINANCIAL ASSETS			
Interest Receivable on Inter Corporate Deposit	41.83	41.83	32.57
	41.83	41.83	32.57
2.11 OTHER CURRENT ASSETS			
Deposits/Balance with Excise/Sales Tax Authorities	62.59	133.47	114.95
Advance recoverable in cash or kind	124.95	30.42	27.10
Other recoverables- employees	3.01		
	190.54	163.89	142.05

CHAROSA WINERIES LIMITED
CIN: U52208MH2007PLC178631

Note No

2.12

Statement of Changes in Equity As On 31st March, 2017

A) Equity Share Capital

For the period ended 31 March 2017

₹ lakhs		
Balance as at 1 April 2016	Changes in Equity Share Capital during the period	Balance as at 31 Mar 2017
700.00	-	700.00

For the year ended 31 March 2016

₹ lakhs		
Balance as at 1 April 2015	Changes in Equity Share Capital during the period	Balance as at 31 March 16
700.00	-	700.00

B. Other Equity

Particulars	Reserve and surplus				Other items of Other Comprehensive Income	Capital Contribution	Total
	Securities Premium Reserve	Capital Redemption Reserve	Capital Subsidy from Govt	Retained Earnings			
Balance at the beginning of the reporting period 01.04.2016	600.00						
Addition during the year			-	(7,061.10)	1.68	1,063.38	(5,396.04)
				(3,016.56)			(3,016.56)
Restated balance at the 01.04.2016	600.00						
Other Comprehensive Income				(10,077.66)	1.68	1,063.38	(8,412.61)
Remeasurement gain/(loss) on defined benefit plans							-
Fair value on FVOCI financial assets Items that will reclassify to profit and loss account					(1.51)		(1.51)
Any other change (to be specified) (ref note)							-
Balance at the end of 31.03.2017	600.00			(10,077.66)	0.17	1,063.38	(8,414.11)
Balance at the beginning of the reporting period 01.04.2015	600.00		25.00	(5,810.08)			
Add: Fair value measurement			(25.00)	685.08			(5,185.08)
Restated balance	600.00			(5,125.00)		1,063.38	1,723.46
Addition during the year				(1,936.10)		1,063.38	(3,461.62)
Other Comprehensive Income							(1,936.10)
Remeasurement gain/(loss) on defined benefit plans							-
Fair value on FVOCI financial assets Items that will reclassify to profit and loss account					1.68		1.68
Any other change (to be specified) (ref note)							-
Balance at the end of 31.03.2016	600.00			(7,061.10)	1.68	1,063.38	(5,396.04)

Balance at the beginning of the reporting period 01.04.2015	600.00		25.00
Addition during the year			25.00
Restated balance at the beginning of the reporting period	600.00		(50.00)
Other Comprehensive Income			

Charosa Wineries Limited

CIN: U52208MH2007PLC176631

Note 2 : Notes Forming Part Of Financial Statements as on 31st Mar, 2017

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
2.13 Non-current liabilities			
(i) Borrowings			
Term Loan From YES Bank - Secured	7,068.48	8,696.97	8812.20
Less: Classified as other current liability due to maturity within next 12 months (Note No 2.6)	<u>(799.55)</u>		
Secured By :-	6,268.93		
(a) All the Fixed & Current Asstes including future assets of Company			
(b) Pledge of 21,00,000 numbers of shares held by holding Company HCC Real Estate Limited.			
(c) 100% Corporate Gurantee given by Holding Company, HCC Real Estate Limited (Repayable in 7 Years in Quarterly Instalments from March 2016. In First Year, Rs. 5 Cr, 2nd Year Rs. 8 Cr, 3rd Year Rs. 12 Cr, 4th Year Rs. 15 Cr, 5th Year Rs. 18.50 Cr, 6th Year Rs. 20 Cr and 7th Year Rs. 21.50 Cr.)			
(d) Overdue Interest of Rs. 93.88 lacs as on 31.03.2017			
Loans and Advances from HCC Real Estate Ltd, Holding Company (Repayable from April 30, 2017)	5,216.55	1,080.70	788.30
	11,485.48	9,777.67	9,600.50
2.14 Other Financial Liabilities			
Financial Guarantee Obligation	0.00	74.67	173.80
Interest Payable on ICD	160.64	4.65	-
	160.64	79.32	173.80
2.15 LONG TERM PROVISIONS			
Provision For Employee Benefits			
Provision for gratuity	6.05	4.81	4.25
Provision for leave benefits	4.77	3.34	2.26
	10.82	8.15	6.51

Charosa Wineries Limited

CIN: U52208MH2007PLC176631

Note 2 : Notes Forming Part Of Financial Statements as on 31st Mar, 2017

	As at 31.03.2017 Rs. in Lakhs	As at 31.03.2016 Rs. in Lakhs	As at 31.03.2015 Rs. in Lakhs
CURRENT LIABILITIES			
Financial Liabilities			
2.16 Borrowings			
Loans and Advances from Hindustan Construction Co. Ltd, the Ultimate Holding Company (Repayable on April 30, 2017)	597.74	597.74	597.74
	<u>597.74</u>	<u>597.74</u>	<u>597.74</u>
2.17 TRADE PAYABLES			
Trade Payables	277.58	260.25	144.30
Due To Related Parties	17.70	16.85	4.48
	<u>295.28</u>	<u>277.09</u>	<u>148.78</u>
2.18 OTHER FINANCIAL LIABILITIES			
Current Maturities of Long-term Debt - From Bank	799.55	699.61	499.72
Interest accrued & due on Long term Borrowings	93.88	109.07	201.32
	<u>893.43</u>	<u>808.68</u>	<u>701.04</u>
2.19 OTHER CURRENT LIABILITIES			
Other Payables	475.64	37.40	46.32
Other Payable-employees	22.66	23.37	17.98
Sales Tax & Withholding taxes payables	120.18	39.68	98.69
	<u>618.47</u>	<u>100.45</u>	<u>162.99</u>
2.20 SHORT TERM PROVISION			
Provision For Employee Benefits			
Provision for gratuity	1.16	2.55	2.04
Provision for leave benefits	4.64	4.50	7.05
	<u>5.80</u>	<u>7.05</u>	<u>9.08</u>

Charosa Wineries Limited

CIN: U52208MH2007PLC176631

Note 2 : Notes Forming Part Of Financial Statements as on 31st Mar, 2017

	Year ended 31 March 2017	Year ended 31 March 2016
2.21 REVENUE FROM OPERATIONS		
Sale of Products	106.78	317.00
	106.78	317.00
2.22 OTHER INCOME		
Foreigh Exchange Fluctuation Gain	-	-
Interest Income on Margin Money Deposit	1.09	36.50
Interest Income on Inter Corporate Deposits	-	10.29
Guarantee Income	74.67	99.13
Excess liability written back	8.23	-
Other Non Operating Income	162.26	39.36
Total	246.24	185.27
2.23 COST OF MATERIAL CONSUMED		
Raw & Process Materials Consumed	40.44	22.38
Power & Fuel	38.80	32.12
<u>Stores, Spares, Chemicals & Packing Materials:</u>		
Opening Stock	39.30	58.79
Add: Purchases	164.84	120.71
Less: Closing Stock	(115.16)	(39.30)
	168.21	194.69
2.24 CHANGES IN INVENTORIES OF FINISHED GOODS		
WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Stock at Close-Work in Process	996.90	1,223.93
Stock at Close-Finished Goods	91.69	142.75
	1,088.59	1,366.68
Stock at Commencement-Work in Process	1,223.93	1,000.58
Stock at Commencement-Finished Goods	142.75	69.03
	1,366.68	1,069.60
Increase/(Decrease) in Stocks	(278.09)	297.08
2.25 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus, & Allowances	182.34	199.03
Contribution to Provident, Superannuation Fund, Other Fun	3.43	10.81
Staff Welfare Expenses	4.15	5.77
	189.92	215.61
2.26 FINANCE COST		
Interest on Term Loans	1,309.86	1,276.22
Less: Transferred to Fixed Assets / CWIP	-	-
Interest on Inter Corporate Deposits	374.98	159.72
Interest on Other Borrowings	-	-
Other Borrowing Cost	-	-
Less: Interest Income	-	-
Other Interest	3.85	-
	1,688.69	1,435.94
	1,688.69	1,435.94
2.27 OTHER MANUFACTURING EXPENSES		
Labour & Job Work Charges	21.83	24.11
Insurance Charges	5.53	10.07
Repairs & Maintainance	5.70	1.75
	33.06	35.93

OTHER EXPENSES		
Rent	19.10	24.93
Rates & Taxes	17.04	20.09
Travelling & Other Incidental Expenses	14.33	15.81
Office Maintenance.	39.16	22.15
Vehicle Running & Maintenance	1.90	2.33
Printing & Stationery	0.59	0.74
Communication Expenses	2.70	3.32
Auditors Remuneration - For Statutory Audit	1.21	1.25
- For Other Services	0.05	0.18
- Out of pocket expenses	-	0.08
Legal, Professional & Consultancy Charges	31.49	29.10
Allocated Revenue / Manpower Expenses	-	-
Marketing Expenses	428.90	321.01
Debts & Advances written off	-	-
Miscellaneous Expenses	99.78	6.73
Foreign Exchange Fluctuation Loss	-	3.30
B	656.23	451.01

Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

CIN: U52208MH2007PLC176631

Charosa Wineries Limited

Note 2.28

I. Reconciliation of Equity as at March 31, 2015

	Note No.	IGAAP As at 01 April 2015 ₹ Lakhs	Adjustment	IND-AS As at 01 April 2015 ₹ Lakhs
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment		4,645.74	(22.39)	4,623.35
Capital Work-in-progress		242.08	0.00	242.08
Properties Held for Sale		-	-	-
Goodwill on Consolidation		-	-	-
Intangible asset		-	-	-
Intangible asset under development		-	-	-
Financial Assets	2			
Investments		-	173.80	173.80
Trade Receivables		-	-	-
Loans	2.1	61.74	(61.74)	-
Other Financial Assets	2.2	-	850.41	850.41
		61.74	962.47	1,024.21
Deferred tax assets			-	
Other Non-Current assets		483.54	(421.80)	61.74
		5,433.10	518.28	5,951.38
CURRENT ASSETS				
Inventories	3	1,128.39	0.00	1,128.39
Financial Assets	4			
Investments		-	-	-
Trade Receivables		327.33	0.00	327.33
Cash and cash equivalents	4.1	17.35	0.00	17.35
Other Bank balances		-	-	-
Loans		1,214.37	(184.37)	1,030.00
Other Financial Assets		-	32.57	32.57
		1,559.05	(151.80)	1,407.25
Current Tax assets (net)	5	-	9.75	9.75
Other Current assets	6	-	142.05	142.05
		2,687.44	0.00	2,687.44
TOTAL ASSETS		8,120.54	518.28	8,638.82
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	7	700.00	-	700.00
Other Equity	8	(5,185.08)	1,723.45	(3,461.62)
		(4,485.08)	1,723.45	(2,761.62)

Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

CIN: U52208MH2007PLC176631

Charosa Wineries Limited

LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities	9		-	
Borrowings	9.1	11,577.21	(1,976.72)	9,600.50
Other Financial Liabilities	9.2	-	173.80	173.80
		11,577.21	(1,802.91)	9,774.30
Provisions		6.51	0.00	6.51
Deferred Tax Liabilities (net)		-	-	-
		11,583.72	(1,802.91)	9,780.81
CURRENT LIABILITIES				
Financial Liabilities	10			
Borrowings		-	597.74	597.74
Trade Payables	10.1	195.10	(46.32)	148.78
Other Financial Liabilities		-	701.04	701.04
		195.10	1,252.47	1,447.56
Other current liabilities	11	817.72	(654.73)	162.99
Provisions		9.08	-	9.08
Current Tax Liabilities (net)		-	-	-
		1,021.90	597.74	1,619.64
TOTAL EQUITY AND LIABILITIES		8,120.54	518.28	8,638.82

Charosa Wineries Limited

II. Reconciliation of Equity as at March 31, 2016

	Note No.	IGAAP As at 31 March 2016 ₹ Lakhs	Adjustment	IND-AS As at 31 March 2016 ₹ Lakhs
ASSETS				
NON CURRENT ASSETS				
Property, Plant and Equipment		4,283.47	(42.88)	4,240.60
Capital Work-in-progress		242.08	-	242.08
Properties Held for Sale		-	-	-
Goodwill on Consolidation		-	-	-
Intangible asset		-	-	-
Intangible asset under development		-	-	-
Financial Assets	2	-	-	-
Investments		-	173.80	173.80
Trade Receivables		-	-	-
Loans	2.1	61.74	(61.74)	-
Other Financial Assets	2.2	-	332.83	332.83
		61.74	444.90	506.64
Deferred tax assets		-	-	-
Other Non-Current assets		14.10	47.64	61.74
		4,601.39	449.66	5,051.06

Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

CIN: U52208MH2007PLC176631

Charosa Wineries Limited

CURRENT ASSETS				
Inventories	3	1,405.98	-	1,405.98
Financial Assets	4		-	
Investments		-	-	-
Trade Receivables		271.99	-	271.99
Cash and cash equivalents	4.1	11.11	-	11.11
Other Bank balances		-	-	-
Loans		219.97	(219.97)	-
Other Financial Assets		-	41.83	41.83
		503.07	(178.14)	324.93
Current Tax assets (net)	5	-	14.25	14.25
Other Current assets	6	-	163.89	163.89
		1,909.05	-	1,909.05
TOTAL ASSETS		6,510.44	449.66	6,960.11
		(449.66)		
EQUITY AND LIABILITIES				
EQUITY				
Equity Share capital	7	700.00	-	700.00
Other Equity	8	(6,958.93)	1,562.89	(5,396.04)
		(6,258.93)	1,562.89	(4,696.04)
LIABILITIES				
NON CURRENT LIABILITIES				
Financial Liabilities	9		-	
Borrowings	9.1	11,567.95	(1,790.29)	9,777.67
Other Financial Liabilities	9.2	-	79.32	79.32
		11,567.95	(1,710.97)	9,856.98
Provisions		8.15	(0.00)	8.15
Deferred Tax Liabilities (net)		-	-	-
		11,576.10	(1,710.97)	9,865.13
CURRENT LIABILITIES				
Financial Liabilities	10		-	
Borrowings		-	597.74	597.74
Trade Payables	10.1	314.50	(37.40)	277.09
Other Financial Liabilities		-	808.68	808.68
		314.50	1,369.02	1,683.51
Other current liabilities	11	871.73	(771.28)	100.45
Provisions		7.05	0.00	7.05
Current Tax Liabilities (net)		-	-	-
		1,193.27	597.74	1,791.01
TOTAL EQUITY AND LIABILITIES		6,510.45	449.66	6,960.11

Disclosure as required by IND AS 101 First time adoption of Indian Accounting standards

CIN: U52208MH2007PLC176631

Charosa Wineries Limited

Charosa Wineries Limited

III. Reconciliation of Statement of Profit & Loss for the year ended March 31, 2016

		IGAAP		IND-AS
	Note No.	Year ended 31 March 2016	Adjustment	Year ended 31 March 2016
		₹ Lakhs		₹ Lakhs
INCOME				
Revenue from operations	12	317.00	-	317.00
Other income	13	86.14	99.13	185.27
TOTAL INCOME		403.14	99.13	502.27
EXPENSES				
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress		(297.08)	-	(297.08)
Cost of materials consumed		194.69	-	194.69
Employee benefits expense		213.93	1.68	215.61
Finance costs		1,196.73	239.22	1,435.94
Depreciation and amortization expense		406.78	(4.52)	402.26
Other expenses	14	486.94	-	486.94
TOTAL EXPENSES		2,202.00	236.38	2,438.37
PROFIT BEFORE EXCEPTIONAL ITEM AND TAX		(1,798.85)	(137.25)	(1,936.10)
Exceptional items		-	-	-
PROFIT BEFORE TAX		(1,798.85)	(137.25)	(1,936.10)
TAX EXPENSE				
Current tax		-	-	-
Less : MAT credit entitlement		-	-	-
Net current tax		-	-	-
Deferred tax charge		-	-	-
		-	-	-
Add Tax reversal of earlier year		-	-	-
PROFIT FOR THE PERIOD/YEAR		(1,798.85)	(137.25)	(1,936.10)
OTHER COMPREHENSIVE INCOME				
A (i) Items that will not be reclassified to profit or loss		-	-	-
(ii) Income tax relating to Items that will not be reclassified to profit or loss		-	-	-
B (i) Items that will be reclassified to profit or loss		-	-	-
(ii) Income tax relating to Items that will be reclassified to profit or loss		-	-	-
		-	-	-
TOTAL COMPREHENSIVE INCOME		(1,798.85)	(137.25)	(1,936.10)

Charosa Wineries Limited

CIN: U52208MH2007PLC176631

Note : 2.29

Transactions with Related Parties:

Nature of Transactions		2016-17	2015-16	01.04.2015
Corporate Guarantees taken and outstanding at the end of the year				
HCC Real Estate Limited	Holding Company	270.35	318.73	366.87
	Total	270.35	318.73	366.87
Corporate Guarantees given and outstanding at the end of the year				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	0.00	74.67	173.80
	Total	0.00	74.67	173.80
Investment in Fellow Subsidiary				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	173.80	173.80	173.80
	Total	173.80	173.80	173.80
Inter Corporate Deposit given during year				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	-	-	1,030.00
	Total	-	-	1,030.00
Inter Corporate Deposit received during year				
HCC Real Estate Limited	Holding Company	3,985.66	197.48	54.64
	Total	3,985.66	197.48	54.64
Inter Corporate Deposit repaid				
HCC Real Estate Limited	Holding Company	2.00	11.50	-
	Total	2.00	11.50	-
Inter Corporate Deposit received back				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	-	1,030.00	-
	Total	-	1,030.00	-
Deemed Equity received				
HCC Real Estate Limited	Holding Company	1,063.83	1,063.83	1,063.83
	Total	1,063.83	1,063.83	1,063.83
Consultancy Charges / Expense Paid during the period				
Vikhroli Coporate Park Private Limited	Associate of Parent Co	-	18.53	8.97
Dasve Retail Ltd	Other Related Party	0.69	8.29	0.90
Highbar Technologies Limited	Subsidiary of Parent Co	2.65	3.10	-
	Total	3.34	29.92	9.87
Outstanding Receivables				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	41.83	41.83	32.57
	Total	41.83	41.83	32.57
Outstanding Payables				
Hindustan Construction Company Ltd	Parent Co.	604.31	604.31	597.74
HCC Real Estate Limited	Subsidiary of Parent Co.	5,377.19	1,085.34	788.30
Dasve Retail Ltd	Other Related Party	11.13	9.53	4.48
Highbar Technologies Limited	Subsidiary of Parent Co	-	0.75	-
	Total	5,992.63	1,699.93	1,390.52
Interest Income on ICD				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	0.00	10.29	36.19
HCC Real Estate Limited	Holding Company	326.60	111.59	0.00
	Total	326.60	121.87	36.19
Income on Guarantee Given				
HCC Infrastructure Company Limited	Subsidiary of Parent Co.	74.67	99.13	0.05
	Total	74.67	99.13	0.05
Income on Guarantee Taken				
HCC Real Estate Limited	Holding Company	48.38	48.14	-
	Total	48.38	48.14	-
Security Deposit Given				
Dasve Retail Limited	Other Related Party	4.14	4.14	4.14
	Total	4.14	4.14	4.14

The above figure does not include provisional gratuity liability valued by Actuary, as separate figures are not available.

Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

Defined benefit obligations - Gratuity (unfunded)

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

	Year ended 31 March 2017 ₹ Lakhs	Year ended 31 March 2016 ₹ Lakhs
a) Changes in defined benefit obligations		
Present value of obligation as at the beginning of the year	7.36	6.29
Interest cost	0.44	0.49
Current service cost	1.51	2.26
Remeasurements - Net actuarial (gains)/ losses	1.51	(1.68)
Benefits paid	(3.60)	-
	7.21	7.36
Add: Provision for separated employees	-	-
Present value of obligation as at the end of the year	7.21	7.36
b) Expenses recognised in the Statement of Profit and Loss		
Interest cost	0.44	0.49
Current service cost	1.51	2.26
Total	1.95	2.75
c) Remeasurement (gains)/ losses recognised in OCI		
Actuarial changes arising from changes in Gain / Loss	1.34	(1.58)
Experience adjustments	0.17	(0.10)
Total	1.51	(1.68)

d) Actuarial assumptions

	31 March 2017	31 March 2016	1 April 2015
Discount rate	7.70% p.a.	8.00% p.a.	7.80% p.a.
Salary escalation rate - over a long-term	7.50% p.a.	7.50% p.a.	7.50% p.a.
Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate
	11.49 years	12.02 years	14 years

Average future working lifetime

The attrition rate varies from 2% to 8% (31 March 2016: 2% to 8%) for various age groups

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

	31 March 2017 ₹ Lakhs	31 March 2016 ₹ Lakhs
e) Quantities sensitivity analysis for significant assumption is as below:		
		1% increase
i. Discount rate	6.67	7.83
ii. Salary escalation rate - over a long-term	7.76	6.72
iii. Attrition rate	7.22	7.21
		1% decrease
i. Discount rate	6.89	7.89
ii. Salary escalation rate - over a long-term	7.84	6.93
iii. Attrition rate	7.37	7.34

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant.

f) Maturity analysis of defined benefit obligation

	31 March 2017 ₹ Lakhs	31 March 2016 ₹ Lakhs
Within the next 12 months	1.17	2.55
Between 2 and 5 years	1.59	1.41
Between 6 and 10 years	7.48	5.78
Total expected payments	10.24	9.74

B Defined contribution plans

a) The Company has recognised the following amounts in the Statement of Profit and Loss for the year:

	31 March 2017 ₹ Lakhs	31 March 2016 ₹ Lakhs
(i) Contribution to provident fund	4.15	5.41
(ii) Contribution to super annuation fund	-	-
	4.15	5.41

b) The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 9.41 Lakhs (31 March 2016: ₹ 7.84 Lakhs; 1 April 2015: ₹ Lakhs) has been made as at 31 March 2017.

	31 March 2017 ₹ Lakhs	31 March 2016 ₹ Lakhs	1 April 2015 ₹ Lakhs
C Current/ non-current classification			
Gratuity			
Current	1.16	2.55	2.04
Non-current	6.05	4.81	4.25
	7.21	7.36	6.29
Leave entitlement (including sick leave)			
Current	4.64	4.50	7.05
Non-current	4.77	3.34	2.26
	9.41	7.84	9.31

Notes to the financial statements for the year ended March 31, 2017

(All amounts are in lakhs, unless stated otherwise)

2.31 Fair value measurements

(a) Significance of financial instruments :

Classification of financial instruments

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
At Amortised Cost			
Investment in Fellow Subsidiary	173.80	173.80	173.80
Security Deposits - Unsecured considered good	12.78	12.78	12.78
Margin Money Deposit	3.07	1.32	470.76
Financial Guarantee Asset	270.35	318.73	366.87
Trade Receivables	158.15	271.99	327.33
Interest receivable on ICDs	41.83	41.83	32.57
Cash and Cash equivalent	-	-	-
Other bank balances	98.94	11.11	17.35
At Fair Value through Profit & Loss			
	-	-	-
Total of Financial Assets	758.93	831.57	1,401.46
Financial Liabilities			
At Amortised Cost			
Inter corporate deposit	5,216.55	1,080.70	788.30
Borrowings from Bank	6,268.93	8,696.97	8,812.20
Other Financial Liabilities	1,651.82	1,485.74	1,472.59
Trade Payable to Others	277.58	260.25	144.30
Trade Payable to Related Party	17.70	16.85	4.48
Total of Financial Liabilities	13,432.57	11,540.50	11,221.86

2.32 Fair Value Hierarchy :

(a) Fair value hierarchy - Recurring fair value measurements

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
At Fair Value through Profit & Loss			
Level - 1	-	-	-
Total of Financial Assets	-	-	-

(b) Fair value hierarchy - Assets and liabilities which are measured at amortised cost for which fair values are disclosed

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Financial Assets			
Level - 2			
Level - 3			
Investment in Fellow Subsidiary	173.80	173.80	173.80
Security Deposits - Unsecured considered good	12.78	12.78	12.78
Margin Money Deposit	3.07	1.32	470.76
Financial Guarantee Asset	270.35	318.73	366.87
Trade Receivables	158.15	271.99	327.33
Interest receivable on ICDs	41.83	41.83	32.57
Cash and Cash equivalent	-	-	-
Other bank balances	98.94	11.11	17.35
Total of Financial Assets	758.93	831.57	1,401.46
Financial Liabilities			
Level - 3			
Inter corporate deposit	5,216.55	1,080.70	788.30
Borrowings from Bank	6,268.93	8,696.97	8,812.20
Other Financial Liabilities - Interest on ICD	1,651.82	1,485.74	1,472.59
Trade Payable to Others	277.58	260.25	144.30
Trade Payable to Related Party	17.70	16.85	4.48
Total of Financial Liabilities	13,432.57	11,540.50	11,221.86

Recognised fair value measurements

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds that have quoted price. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

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Notes to the financial statements for the year ended March 31, 2017

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2.33 Financial risk management objectives and policies

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Major Financial instruments affected by market risk includes loans and borrowings.

Quantities sensitivity analysis for significant assumption is as below:

		31 March 2017 In Lakhs	31 March 2016 In Lakhs
i)	Finance Cost will increase by	0.25% increase	
ii)	PBT (decrease in profit)	1,129.87	1,189.33
		23.74	24.99
i)	Finance Cost will decrease by	0.25% decrease	
ii)	PBT (increase in profit)	1,082.39	1,139.36
		23.74	24.99

(ii) Foreign currency risk

The Company has several balances in foreign currency and consequently the Company is exposed to foreign exchange risk. The exchange

Disclosure of unhedged foreign currency exposure as at 31 March 2017

Particulars	Currency	31 March 2017		31 March 2016		1 April 2015	
		Foreign currency	₹ Lakhs	Foreign currency	₹ Lakhs	Foreign currency	₹ Lakhs
Assets							
Trade receivables	USD	4,620.00	3.00	-	-	-	-
Liabilities							
Trade payables	USD						
	EUR	37,300.00	25.82	37,300.00	27.99	37,300.00	25.31
	GBP						
Net assets / (liabilities)		(32,680.00)	(22.82)	(37,300.00)	(27.99)	(37,300.00)	(25.31)

(iii) Credit Risk

The Gross carrying amount of financial assets, net of any impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2017 and 2016 was as follows:

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Investment	173.80	173.80	173.80
Trade Receivables (Net of Allowance of doubtful debt)	158.15	271.99	327.33
Cash and Cash Equivalents and other bank balances	98.94	11.11	17.35
Other Financial Assets	328.03	374.66	882.96
Loans	-	-	1,030.00
Total	585.13	657.76	2,257.66

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Notes to the financial statements for the year ended March 31, 2017

(All amounts are in lakhs, unless stated otherwise)

(iv) Liquidity risk

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

As At March-2017

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	-	-	12,083.22	-	12,083.22
Other Financials liabilities	-	893.43	160.64	-	1,054.08
Trade and other payables	-	295.28	-	-	295.28
Total non-derivatives	-	1,188.71	12,243.86	-	13,432.57
Derivatives (N.A)					
	-	-	-	-	-
	-	1,188.71	12,243.86	-	13,432.57

As At March-2016

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	-	-	10,375.41	-	10,375.41
Other Financials liabilities	-	808.68	79.32	-	888.00
Trade and other payables	-	277.09	-	-	277.09
Total non-derivatives	-	1,085.77	10,454.73	-	11,540.50
Derivatives (N.A)					
	-	-	-	-	-
	-	1,085.77	10,454.73	-	11,540.50

As At April-2015

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
Non-derivatives					
Borrowings	-	-	10,198.24	-	10,198.24
Other Financials liabilities	-	701.04	173.80	-	874.85
Trade and other payables	-	148.78	-	-	148.78
Total non-derivatives	-	849.82	10,372.04	-	11,221.86
Derivatives (N.A)					
	-	-	-	-	-
	-	849.82	10,372.04	-	11,221.86

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Notes forming part of financial statements as on 31st March, 2017

2.34 Contingent Liabilities not provided for

Sr. No	Particulars	₹ in Lakhs		
		As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1	Contingent Liabilities w.r.t. Tax Deducted at Source*	14.66	-	-
2	Corporate Bank Gaurantees	-	7,500	16,500

* The Contingent liabilities pertaining to Tax Deducted at Source is disclosed from the Traces Websites.

** The Company has created first exclusive change on all movable and immovable fixed and current assets of the Company and Corporate Gaurantees of Rs NIL, (March 2016 Rs. 7500 Lakhs & March 2015 Rs. 16500 Lakhs)

2.35 Earning Per Share

Sr. No	Particulars	₹ in Lakh except EPS	
		As at 31.03.2017	As at 31.03.2016
1	Net Profit / (Loss) available for Equity Shareholders	(3,018)	(1,934)
2	Weighted Average Number of Equity Shares	70,00,000	70,00,000
3	Earnings Per Share (Basic & Diluted)	(43.12)	(27.63)

2.36 Technical Sureys/estimates are involved in respect of Physical verification procedures / Determination of Project Work In Progress / related costs. These estimates made by the Company and certified to auditors, have been relied upon by them, as these are of a technical nature.

2.37 Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

S.No	Particulars	₹ in Lakhs		
		31st Mar, 2017	31st Mar, 2016	01st April, 2015
1	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil	Nil
2	Interest due on (i) above remaining unpaid	Nil	Nil	Nil
3	Amounts paid beyond the appointed day during the accounting year	Nil	Nil	Nil
4	Interest paid on (iii) above	Nil	Nil	Nil
5	Interest due and payable on (iii) above	Nil	Nil	Nil
6	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil	Nil
7	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors

OPERATING LEASE (AS - 19)

(Rs. in Lakhs)

The future minimum lease payments in respect of commercial premises is as	31.03.2017	31.03.2016	31.03.2015
Payable not later than One Year	23.81	31.40	8.28
Payable more than One year but not later than five years	80.94	104.75	7.59
Payable later than five years	-	-	-
Lease payment recognised during the year/ year	34.27	24.15	24.93

General description of the leasing arrangement

- Leased Assets: lease of retail space for carrying out the business of Wine Boutique (Dasve Ltd)
- Future lease rental payments are determined on the basis of lease payable as per the agreement.

2.38 Ajustments to Statement of Cash Flows

There were no material differences between the Statement of Cash Flow, presented under Ind AS and the previous GAAP.

I. Summary of Equity :

Sr. No	Particulars	₹ in Lakhs	
		As at 31.03.2016	As at 01.04.2015
1	Equity Share Capital		
2	(+) Securities Premium	700.00	700.00
3	(+) Retained Earning	600.00	600.00
4	Share Application Money	(7,608.93)	(5,810.08)
5	Capital Subsidy	50.00	25.00
6	Total Equity under local GAAP (1+2+3+4)	(6,258.93)	(4,485.08)
	Retained Earnings		
	Capital Contribution	685.08	685.08
	Capital Subsidy from Govt	1,063.38	1,063.38
		(50.00)	(25.00)

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Notes forming part of financial statements as on 31st March, 2017

	Gurantee Income Recognised		
	Interest on Term Loan / Finance Cost	99.13	-
	Depreciation and amortization expense	(239.22)	-
		4.52	-
9	Total Ind AS Adjustments (6+7)	1,562.89	1,723.46
10	Total Equity under Ind AS (5+8)	(4,696.04)	(2,761.62)
11	Total Equity under Ind AS (As Per Financials)	(4,696.04)	(2,761.62)
12	Difference (9-10)	(0.00)	-

II. Profit Before Tax :

Sr. No	Particulars	As at 31.03.2016
1	PBT as per I-GAAP	(1,798.85)
2	Gurantee Income Recognised	99.13
	Interest on Term Loan / Finance Cost	(239.22)
	Depreciation and amortization expense	4.52
3	PBT under Ind AS	(1,934.42)
4	PBT under Ind AS (As Per Financials)	(1,936.10)
5	Difference (3-4)	1.68

2.39 Disclosure on Specified Bank Notes (SBN) :

W.r.t. to the notification issued by the Ministry of Corporate Affairs, dated 30th March, 2017, The company hereby discloses the holding & dealing in Specified Bank Notes during the period from November 08, 2016 to December 30, 2016.

Particulars	SBNs	Others Denomination	Total
Closing cash in hand as on 08.11.2016	-	21,470.00	21,470.00
Advances with employees 08.11.2016	-	-	-
(+) Permitted receipts	-	1,02,107.00	1,02,107.00
(-) Permitted Payments	-	-	-
(-) Amount deposited in Banks	-	1,09,230.00	1,09,230.00
Closing cash in hand as on 30.12.2016	-	14,347.00	14,347.00

2.40 Additional information pursuant to the provisions of paragraph 5 of Schedule III to the Companies Act, 2013 to the extent applicable.

Details of raw materials consumed

Particulars	31.03.2017	31.03.2016
	Value	Value
Grapes	40.44	22.38
Chemical Fertilizers	13.34	23.08
Consumables - Winery & Vineyard	2.49	34.53
Consumables - Packing Material	73.14	82.58
Others (none of which individually accounts for more than 10% of total)	-	-
Total	129.41	162.57

2.41 The estimated amount of balance commitment remaining to be executed on project for is NIL (Previous year NIL).

2.42 **Taxes on Income**
No provision for current tax is made, as the profit for the year can be adjusted in full against the losses of previous years as per Income Tax Provisions.

2.43 The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Charosa Wineries Limited

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Notes forming part of financial statements as on 31st March, 2017

- 2.44 Other additional information pursuant to the provisions of paragraph 5 of Schedule III to the Companies Act, 2013 is either nil or not applicable.
- 2.45 Considering positive outlook on long term business prospects of the company and capacity of it's holding company, HCC Real-Estate Limited to offer financial support, the financials have been prepared on "Going Concern" basis in spite of net worth of the company being negative.
- 2.46 In the opinion of the Board, any of the assets other than fixed assets and non-current investments do not have a value on realization in ordinary course of business lower than at least equal to the amount at which they are stated.
- 2.47 Previous year figures have been regrouped / re-classified wherever necessary.

As per our report of even date

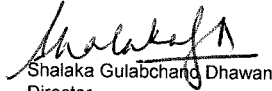
This is the Balance Sheet referred to in our audit report of even date

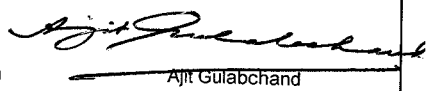
For and on behalf of the Board of Directors

For G. D. Apte & Co.
Chartered Accountants
Registration No. 100 515W

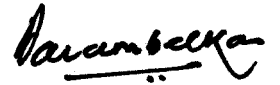


Chetan R. Sapre
Partner
Membership No.: 116952


Shalaka Gulabchand Dhawan
Director
DIN: 00011094


Ajit Gulabchand
Chairman
DIN: 00010827

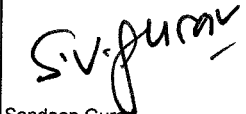
Pralhad Parvatikar
Director
DIN: 07049076


Arun Karambelkar
Director
DIN: 02151606


Parag Kamat
Chief Operating Officer

Amruta Bam
Director
DIN: 07136342

Hamshire Rodriguez
Director
DIN: 06538992


Sandeep Gurav
Company Secretary

Place: Mumbai
Date: 24/04/2017

