GUILTFREE INDUSTRIES LIMITED

AUDITED STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 2019

RAY & RAY
Chartered Accountants
Kolkata Mumbai Delhi Bangalore Chennai

RAY & RAY
CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
Salt Lake, Kolkata - 700 091
Tel. : +91-33-4064 8107 / 8108 / 8109
E-mail : raynray@airtelmail.in

INDEPENDENT AUDITOR'S REPORT

To
The Members
Guiltfree Industries Limited

Report on the audit of standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Guiltfree Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

Management's Responsibility for the Standalone Financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for detecting and preventing frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the IND AS Financial Statements

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

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

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

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata 91 has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify are opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in planning the scope of our audit work and in evaluating the results of our work; and to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

RAY & RAY
Webel Bhavan
Kolkata-91
CHARTERED ACCOUNTANTS

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our report we report that:

   a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with Companies (Indian Accounting Standards) Rules, 2015 as specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014

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

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

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 read with the Companies (Audit & Auditors) Amendment Rules, 2017, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigations which would impact its financial position.

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

iii. There were no amounts that are required to be transferred to the Investor Education and Protection Fund by the Company.

For Ray & Ray
Chartered Accountants
Firm's Registration No. 301072E

Amitava Chowdhury

(Amitava Chowdhury)
Partner
Membership No. 056060

Place: Kolkata
Date: 29.04.2019

RAY & RAY
Webel Bhavan
Kolkata-91
CHARTERED ACCOUNTANTS

Annexure A to Auditors' report

(Referred to in paragraph 1 under the heading 'Report on other Legal and Regulatory Requirements' section of our report to the Members of Guiltfree Industries Limited of even date of our report at even date)

i.(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The Fixed Assets of the Company have been physically verified by the management in accordance with a regular programme of verification, which in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no discrepancy has been observed between book quantity and physically verified quantity.

(c) According to the information and explanation given to us the Company is presently not in possession of any immovable property. Hence the clause is not applicable to the Company.

ii. Inventories have been physically verified by the Management during the year at reasonable intervals. The discrepancies noticed on verification between the physical records and book records were not material and have been properly dealt with in the books of account.

iii. 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 Act. Therefore, clauses 3(iii) (a), (b) and (c) of the aforesaid Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not violated the provisions of Section 185 and 186 of the Act in respect of loans, investments, guarantees and security.

v. The Company has not accepted any deposits from the public. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not prescribed maintenance of cost records under Section 148(1) of the 2013 for the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

vii. (a) According to the records of the Company, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident Employees' State Insurance, income-tax, custom duty, excise duty, Goods and Service Tax, cess and other statutory dues applicable to it. except delay in case of payment of contribution to Provident fund which are as below-

RAY & RAY
CHARTERED ACCOUNTANTS
Webel Bhavan
Kolkata-91

Month	Employer's Share (Rs)	Employee Share (Rs)	Admin charges of PF (Rs)	Total (Rs)	Due date of deposit	Actual date of deposit
June, 2018	2066.00	2066.00	161.00	4293.00	15.07.2018	19.04.2019
July, 2018	2295.00	2295.00	171.00	4761.00	15.08.2018	19.04.2019
August, 2018	2295.00	2295.00	171.00	4761.00	15.09.2018	19.04.2019

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, sales tax, value added tax, custom duty, excise duty, income tax, service tax, Goods and Service Tax and Cess were outstanding, as at 31st March, 2019 for a period of more than six months from the date they became payable except undisputed amounts outstanding in respect of contribution to Provident find for the months of June, 2018, July, 2018 and August, 2018 as detailed in Point no vii (a) above.

(b) According to the information and explanations given to us, there are no dues of Income Tax, Sales Tax / Value Added Tax , Service Tax, Custom Duty, Excise Duty, Goods and Service Tax which have not been deposited as at 31st March, 2019 on account of any dispute.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of term loans to a bank. The Company has neither taken any loan from government and nor issued any debenture during the year.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The money raised by way of term loan from a bank has been applied for the purpose for which the loan was raised. In our opinion and according to the information and explanations given to us, there were no default/ delay in repayment of term loan by the Company and therefore, question of subsequent rectification does not arise.

x. During the course of our examination of the books of account carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.

xi. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of Section 197 of the Act read with Schedule V to the Act in respect of managerial remuneration.

xii. The company is not a Nidhi Company. Accordingly paragraph 3 (xii) of the Order is not applicable to the Company.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

xiii. In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Financial Statements as required by the applicable Indian Accounting Standards. The Company is not required to form an audit committee of the Board of Directors in accordance with the provisions of section 177 of the Act.

xiv. In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with directors and hence provisions of paragraph 3(xv) of the Order is not applicable.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For RAY & RAY

Chartered Accountants

Firm Registration no. 301072E

Amitava Chowdhury

(Amitava Chowdhury)
Partner
Membership no. 056060

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

Place : Kolkata
Date : 29.04.2019

"ANNEXURE B" TO AUDITOR'S REPORT OF GUILTFREE INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of **Guiltfree Industries Limited** ("the Company") as at 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 internal financial controls over financial reporting of the Company 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, both issued by The Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

RAY & RAY
Webel Bhavan
Kolkata-91
CHARTERED ACCOUNTANTS

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2019 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of internal financial controls over Financial Reporting issued by the ICAI.

For RAY & RAY
Chartered Accountants
Firm Registration no. 301072E

Amitava Chowdhury
(Amitava Chowdhury)

Partner
Membership no. 056060

Place : Kolkata
Date : 29.04.2019

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Balance Sheet as at 31st March 2019

₹ in Lakh

	Notes	As at 31 March 2019	As at 31 March 2018
I. Assets			
(1) **Non-current Assets**			
(a) Property, plant and equipment	3	3,838.29	508.31
(b) Capital work in progress	3	3,544.90	28.90
(c) Intangible assets	4	206.89	99.36
(d) Financial assets			
(i) Investments	5	31,362.51	31362.51
(ii) Other financial assets	6	54.02	0.00
(e) Deferred Tax asset (net)	15	7,269.81	2115.95
(f) Other Non-Current assets	7	1,568.31	178.87
Total non-current assests		**47,844.73**	**34,293.90**
(2) **Current Assets**			
(a) Inventories	8	2,110.68	1764.41
(b) Financial assets			
(i) Investments	5	13,595.56	3260.04
(ii) Trade receivables	9	510.37	114.18
(iii) Cash and cash equivalents	10	360.11	0.05
(iv) Bank Balance other cash and cash equivalents	11	667.62	13412.00
(v) Other financial assets	6	77.36	334.42
(c) Current Tax Assets	12	163.99	88.41
(d) Other Current assets	7	3,697.05	1088.50
Total current assets		**21,182.74**	**20,062.01**
Total assets		**69,027.47**	**54,355.91**
II. Equity and liabilities			
(1) **Equity**			
(a) Equity share capital	13	50,484.71	46,316.25
(b) Other equity	14	(5,147.77)	2,708.26
Total equity		**45,336.94**	**49,024.51**
(2) **Liabilities**			
(1) **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	18	15,000.00	-
(ii) Other financial liability	16	340.65	319.07
(b) Provision	17	213.47	80.79
Total non-current liabilities		**15,554.12**	**399.86**
(2) **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	18	584.59	307.46
(ii) Trade payables	19		
- total outstanding dues of micro enterprises and small enterprises		-	-
- total outstanding dues of creditors other than micro and small enterprises		3,083.66	1,766.00
(iii) Other financial liability	16	241.46	584.75
(b) Provision	17	3,681.50	1945.40
(c) Other Current liabilites	20	545.20	327.93
Total Current liabilities		**8,136.41**	**4,931.54**
Total liabilities		**23,690.53**	**5,331.40**
Total equity and liabilities		**69,027.47**	**54,355.91**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ray & Ray
Chartered Accountants
Firm Registration no: 301072E

Amitava Chowdhury

Amitava Chowdhury
Partner
Membership no: 056060

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Place:Kolkata
Date: 29th April 2019

For and on behalf of Board of Directors

Director

Whole-time Director and Chief Financial Officer

Company Sceretary

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Statement of Profit and Loss for year ended 31st March 2019

₹ in Lakh

		Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
I.	**Revenue from operations**			
	Sale of goods/income from operation	21	16,084.91	3,297.32
			16,084.91	**3,297.32**
II.	**Other income**	22	646.52	901.78
III.	**Total income (I+II)**		**16,731.43**	**4,199.10**
IV.	**Expenses**			
	Cost of materials consumed	23	9,827.64	1,946.97
	Purchases of Stock- in -trade	24	-	504.01
	Change in inventories of finished goods, work-in-progress and Stock in Trade	25	(394.35)	(602.74)
	Employee benefits expense	26	4,595.00	2,044.35
	Depreciation and amortization expense	27	167.59	27.00
	Finance costs	28	22.45	0.98
	Other expenses	29	22,366.95	8,362.06
	Total expense		**36,585.28**	**12,282.63**
V.	**Profit before exceptional items and tax**		**(19,853.85)**	**(8,083.53)**
	Exceptional items		-	-
VI.	**Profit before tax**		**(19,853.85)**	**(8,083.53)**
	(1) Current tax		-	-
	(2) Deferred tax (Credit)	33	(5,157.09)	(2,116.35)
	Income tax expense / (Credit)		**(5,157.09)**	**(2,116.35)**
VII.	**Profit for the year (V-VI)**		**(14,696.76)**	**(5,967.18)**
VIII.	**Other comprehensive income**			
	Other comprehensive income not to be reclassified to profit or loss in subsequent periods		12.42	36.52
	Income tax relating other comprehensive income not to be reclassified to profit or loss in subsequent periods	15	3.23	-
	Other comprehensive income /(expense) for the year, net of tax		**9.19**	**36.52**
IX.	**Total comprehensive income for the year, net of tax attributable to equity holders**		**(14,687.57)**	**(5,930.66)**
	Earnings per share	39		
	Basic, computed on the basis of profit attributable to equity holders		**(3.17)**	**(24.44)**
	Diluted,computed on the basis of profit attributable to equity holders		**(3.17)**	**(24.44)**
	Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ray & Ray
Chartered Accountants
Firm Registration no: 301072E

Amitava Chowdhury

Amitava Chowdhury
Partner
Membership no: 056060

Place:Kolkata
Date: 29th April 2019

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

For and on behalf of Board of Directors

Director

Whole-time Director and Chief Financial Officer

Company Sceretary

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Statement of Changes in Equity for year ended 31st March , 2019

a. Equity share capital:

₹ in Lakh

Equity shares of INR 10 each issued, subscribed and fully paid	No.	₹ in Lakh
At 1 April 2017	50,000	5.00
Shares issued during the year	46,31,12,500	46,311.25
Bought back during the year	-	-
At 31 March 2018	**46,31,62,500**	**46,316.25**
Shares issued during the year	4,16,84,625	4,168.46
Bought back during the year	-	-
At 31st March 2019	**50,48,47,125**	**50,484.71**

b. Other equity
For the year ended 31st March 2019

Particulars	**Reserves and surplus Refer Note: 14**			**Items of other Comprehensive Incomes**		**Total equity**
	Share Application Money Pending Allotment	**Share premium**	**Retained earnings**	**Equity Instrument through other comprehensive income**	**Re-measurment gain on defined benefit plans**	
As at 1 April 2018	**25.50**	**8,745.75**	**(6,062.99)**	-	-	**2,708.26**
(Loss) / Gain for the year	-	-	(14,696.76)	-	-	(14,696.76)
Other comprehensive income / Loss	-	-	-	-	9.19	9.19
Reversal of Other comprehensive income / Loss	-	-		-	-	-
Share Application Money Received	11,000.00	-	-	-	-	11,000.00
Transfer to Equity Share Capital	(4,168.46)	-	-	-	-	(4,168.46)
Transfer to Equity Securities premium	(833.69)	833.69	-	-	-	-
At 31 March 2019	**6,023.35**	**9,579.44**	**(20,759.75)**	-	**9.19**	**(5,147.77)**

Particulars	**Reserves and surplus Refer Note: 14**			**Items of other Comprehensive Incomes**		**Total equity**
	Share Application Money Pending Allotment	**Share premium**	**Retained earnings**	**Equity Instrument through other comprehensive income**	**Re-measurment gain on defined benefit plans**	
As at 1 April 2017	**53.00**	-	**(132.33)**	-	-	**(79.33)**
Loss for the year	-	-	(5,967.18)	-	-	(5,967.18)
Other comprehensive income			36.52	-	-	36.52
Share Application Money Received	55,029.50			-	-	55,029.50
Transfer to Equity Share Capital	(46,311.25)			-	-	(46,311.25)
Transfer to Equity Securities premium	(8,745.75)	8,745.75		-	-	-
At 31 March 2018	**25.50**	**8,745.75**	**(6,062.99)**	-	-	**2,708.26**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ray & Ray
Chartered Accountants
Firm Registration no: 301072E

Amitava Chowdhury

Amitava Chowdhury
Partner
Membership no: 056060

Place:Kolkata
Date: 29th April 2019

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Director

Whole-time Director and Chief Financial Officer

Company Sceretary

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Statement of Cash Flows for year ended 31st March 2019

₹ in Lakh

	Notes	For the year ended 31 March 2019	For the year ended 31 March 2018
Operating activities			
Profit before tax		(19,853.85)	(8,083.53)
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and impairment of propert, plant and equipment		135.06	17.75
Amortisation and impairment of intangible assets		32.53	9.25
Gain on sale of investments (net)		(161.47)	(36.74)
Investment measured at FVTPL		(46.36)	-
Provision for Doubtful advances		33.33	7.90
Provision for Doubtful Debts		8.32	-
Provision for Slow moving of Materials		508.03	46.71
Provision for Expiry Return		220.50	122.88
Interest expense		8.53	0.26
Interest income on Fixed depoist		(402.20)	(865.04)
Operating Loss before working capital changes		**(19,517.58)**	**(8,780.56)**
Working capital adjustments:			
(Increase)/ decrease in trade receivables		(404.51)	(105.44)
(Increase)/ decrease in inventories		(854.30)	(1,811.12)
Increase/(decrease) in trade and other payables		1,317.66	1,701.82
Increase / (decrease) in other current financial liabilities		217.27	342.25
Increase / (decrease) in other financial liabilities (current)		142.22	47.22
(Increase)/ decrease in other financial assets		(88.39)	(0.64)
(Increase) / decrease in Provision		1,660.69	1,899.64
(Increase) / decrease in other current assets		(2,641.88)	(1,087.84)
		(20,168.81)	(7,794.67)
Income tax paid		(75.57)	(88.41)
Net cash flows used in operating activities		**(20,244.38)**	**(7,883.08)**
Investing activities			
Proceeds from sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(6,502.55)	(550.42)
Advance for Capital Asset		(1,389.44)	(178.87)
Purchase of intangible assets		(140.06)	(108.61)
Sales of current investments		23,419.59	7,010.88
Purchase of current investments		(33,540.00)	(10,197.01)
Payment to shareholder of Subsidiary company		(463.93)	(30,557.91)
Investments in bank deposits and margin money deposit		12,744.37	(13,410.00)
Interest received		693.64	534.53
Net cash flows used in investing activities		**(5,178.38)**	**(47,457.41)**
Financing Activities			
Share Application money Received during the period		11,000.00	55,029.50
Interest and Processing charges paid		(494.29)	(0.26)
Proceeds from borrowings		15,277.12	307.46
Net cash flows from/(used in) financing activities		**25,782.83**	**55,336.70**
Net decrease in cash and cash equivalents		360.06	(3.79)
Cash and cash equivalents at the beginning of the period		0.05	3.84
Cash and cash equivalents at period end		**360.11**	**0.05**

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For Ray & Ray
Chartered Accountants
Firm Registration no: 301072E

Amitava Chowdhury

Amitava Chowdhury
Partner
Membership no: 056060

Place:Kolkata
Date: 29th April 2019

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

For and on behalf of Board of Directors

Director

Whole-time Director and Chief Financial Officer

Company Sceretary

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements for year ended 31st March , 2019

1 Corporate information

Guiltfree Industries Limited is a company domiciled in India with its registered office at 31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001. The Company has been incorporated on 6th January 2017. The Company is engaged in a business of Fast Moving Consumer Goods dealing with food products, under the brand 'name of "**Too Yumm**" The Company has appointed contract manufacturers and Job Workers for manufacturing the products alongwith own production lines.

2 Significant accounting policies

2.1 Basis of preparation

a. Statement of Compliance

The Financial statements of the Company are prepared in accordance with the Indian Accounting Standard (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) relevant amendment rules issued thereafter.

b. Functional & Presentation Currency

These standalone financial statements are presented in Indian Rupees, which is also the Company's functional currency. All amounts have been rounded-off upto two decimal places to the nearest Lakhs, unless otherwise indicated.

c. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurment Basis
Certain financial assets and liabilities	Fair Value
Net defined benefit (asset)/ liability	Fair value of plan assets less present value of defined benefit obligations

d. Key accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 is included in the following notes:

Note 15 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 30 - measurement of defined benefit obligations: key actuarial assumptions;

Note 32 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (if any);

Note 3 - useful life of Property Plant and equipment
Note 3 - Impairment of Property Plant and Equipment (if any)
Note 4 - useful life of intangible asset

e. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is treated as current when :
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.
A liability is current when it is:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities as the case may be.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

f. Recent accounting pronouncements

Ind AS 116, Leases:

On 30 March 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. The new standard proposes an overhaul in the accounting for lessees by completely letting go off the previous "dual" finance vs. operating lease model. The guidance in the new standard requires lessees to adopt a single model approach which brings leases on the balance sheet on day 1, in the form of a right-of-use asset and a lease liability.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively as If Ind AS 116 always applied, to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

• Prospective Approach – Under this approach, measurement of asset is done as if Ind AS 116 had been applied from lease commencement (using incremental borrowing rate at initial application date i.e. April 01, 2019) or measure the assets at an amount equal to the liability. Lease liability will be calculated by doing the present value of remaining lease payments for existing operating lease using incremental borrowing rate at the date of transition.

Further, standard has also given the relief as Grandfathering provision as follows:-

As on initial application date, Company may:

• Apply this standard only to leases identified as per erstwhile Ind AS 17 and

• Not apply Ind AS 116 to contracts which were not identified as leases as per Ind AS 17

The effective date for adoption of Ind AS 116 is financial periods beginning on or after 01 April, 2019. The Company will adopt the standard on 01 April, 2019 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2019 will not be retrospectively adjusted.

2.2 Summary of significant accounting policies

a. Property, plant and equipment

Recognition and Measurement

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the asset to its working condition for its intended use and estimated cost of dismantling. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Borrowing costs relating to acquisition of assets which takes substantial period of time to get ready for its intended use is capitalised up to the date the assets are ready for commercial use.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Subsequent Expenditure

Subsequent expenditure relating to an item of the asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other related expenses, including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Depreciation

Depreciation on fixed assets is provided, on their having been put into use, in the following manner:

Depreciation on fixed assets is provided on Straight Line Method at the rate derived with reference to the useful life as specified under Part 'C' of Schedule II of the Companies Act' 2013 , residual value of tangible assets, where considered, has been taken as five percentage of the original cost of such assets.

The range of estimated useful lives of items of property, plant and equipment are as follows:

Block of Asset	Useful life
Plant and machinery	15
Tool & Equipment	5
Dies & Moulds	1
Furniture & fixtures	10
Computer & peripherals	3
Electrical Installation	10
Lab equipments	10
Office equipments	5

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial years end and adjusted propectively, if appropriate.

Capital work-in-progress and Capital advances

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated (if any) from production during the trial period is credited to capital work in progress.

Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

b. Intangible assets

Recognition and Measurement

Acquired Computer softwares and knowhow & licenses are capitalised on the basis of the costs incurred to acquire and bring the specific asset to its intended use and subsequently at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised over the useful economic life on a straight line basis and assessed for impairment whenever there is an impairment indicator.The amortisation expense is recognised in the statement of profit and loss.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Class of Assets	Estimated useful lives
Computer Softwares	6 years

c. Lease accounting

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arranagement is, or contain, a lease if fulfillment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specifed in an arrangement.

A lease is classified at the inception date as a finance lease or an operating lease.

(i) Finance lease

A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs .

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

(ii) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of profit and loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

d. Inventories

Raw materials, work-in-progress, finished goods and packing materials are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by item basis.

In determining the cost of raw materials and packing materials, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Cost of finished goods and work-in-progress includes the cost of raw materials, packing materials, an appropriate share of fixed and variable production overheads, and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

e. Impairment of assets

(i) Non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Companys of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is provided for to arrive at its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(ii) Financial assets

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. The Company tests for impairment using the ECL model for financial assets such as trade receivables, loans and advances to be settled in cash and deposits.

Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. Life time ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the statement of profit and loss (P&L). This amount is reflected in a separate line in the P&L as an impairment gain or loss. For financial assets measured at amortised cost, ECL is presented as an allowance which reduces the net carrying amount of the financial asset.

f. Financial asset and liabilities

Recognition and initial measurement

Classification and subsequent Measurement

The financial assets are classified in the following categories :

1) financial assets measured at amortised cost.

2) financial assets measured at fair value through other comprehensive income

The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

At initial recognition, the financial assets (measured at amortized costs) are measured at its fair value plus transaction costs that are directly atributable to the acquisition of the financial asset. Transaction costs of financial assets (carried at fair value through other comprehensive income) are expensed in the statement of Profit and Loss.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instruments measured at fair value through other comprehensive income (FVTPL)

Financial instruments included within fair value through statement of profit and loss category are measured initally as well as at each reporting period at fair value. Fair value movements are recorded in statement of Profit and loss .

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

g Foreign currencies Transactions

Initial recognition

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of profit and loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in Other comprehensive income .

h. Segment Reporting

The Company comprise of only one reportable segment – "Healthy Snacks food "

The Company is predominately in manufacturing and selling of FMCG product in india and Company does not have any other reportable segment.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements for year ended 31st March , 2019

i. **Revenue recognition**

The company has adopted Ind AS 115 Revenue from Contracts with Customers, with effect from 1st April 2018, using modified retrospective approach.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition.

Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation .

Sales of Goods:

Revenue will be recognised when a customer obtains control of the goods.
For certain contracts that permit the customer to return an item, revenue is currently recognised when a reasonable estimate of the returns can be made, provided that all other criteria for revenue recognition are met. If a reasonable estimate cannot be made, then revenue recognition is deferred until the return period lapses or a reasonable estimate of returns can be made.
A customer of the Company is a party that has contracted with the Company to obtain goods or services that are an output of the Company's ordinary activities in exchange for consideration. The core principle of recognizing revenue from contracts with customers is that the Company recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

At contract inception, the Company assesses the goods or services promised in a contract with a customer to identify as a performance obligation each promise to transfer to the customer either a good or service (or a bundle of goods or services) that is distinct; or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

If there is variable consideration, the Company includes in the transaction price some or all of that amount of estimated variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

In determining the transaction price, the Company adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed to by the parties to the contract (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer.

To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, the Company measures the non-cash consideration (or promise of non-cash consideration) at fair value. Goods & Services tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
The transaction price is allocated by the Company to each performance obligation (or distinct good or service) in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods or services to the customer.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

The Company recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset.
For each performance obligation satisfied over time, the Company recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction is measured using appropriate methods which include input and output methods.

Once the recognition criteria is met, revenue is measured at the amount of the transaction price (which excludes estimates of variable consideration that are constrained) that is allocated to that performance obligation.

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. However, as a practical expedient, the incremental costs of obtaining a contract are recognized as an expense when incurred if the amortisation period of the asset otherwise would have been one year or less.

The costs to fulfil a contract are recognized as an asset if the costs relate directly to a contract or to an anticipated contract that the Company can specifically identify; the costs generate or enhance resources of the Company that will be used in satisfying performance obligations in the future; and the costs are expected to be recovered.

The asset recognized for costs to obtain a contract and costs to fulfil a contract is amortised on a systematic basis that is consistent with transfer to the customer of the goods or services to which the asset relates.
When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment. An entity shall present any unconditional rights to consideration separately as a receivable.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

j. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the costs of asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consists of interest and other costs that an entity incurs in connection with the borrowing of funds.Borrowing costs relating to cash credit facilities has been charged to Statement of Profit and Loss . Interest earn from tempoary investment of borrowed fund during project period pending its utilization has been credited topre-operative expenses in the account.

k. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cheques in hand and cash at bank and cash in hand and short-term deposits with an original maturity of three months or less. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits, as defined above.

l. Taxes

(i) Current Income tax

Current income tax is measured at the amount expected to be paid, if any to the tax authorities in accordance with Indian Income Tax Act. Management periodically evaluates positions taken in the tax returns vis-a-vis positions taken in books of account, which are subject to interpretation, and creates provisions where appropriate.

(ii) Deferred tax and Liabilities

Recognition and Initial measurement

Deferred tax is provided on temporary differences between the tax bases and accounting bases of assets and liabilities at the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Subsequent Measurements

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Presentation and disclosures

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes related to the same taxable entity and the same taxation authority.

m. Fair value

The Company measures financial instruments at fair value in accordance with the accounting policies mentioned above. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).
Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 — inputs that are unobservable for the asset or liability
For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

n. Provisions and Contingent Liabilities

A provision is recognised when the enterprise has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation. Provisions are generally not discounted to their present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

If the effect of 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.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

o. Retirement and other employee benefits

Retirement benefits in the form of Provident & Superannuation Funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and contribution, by way of premium is paid to Life Insurance Corporation of India (L.I.C.), under the Group Gratuity Scheme. Gratuity liability is provided based on actuarial valuation on projected unit credit method done at the end of each financial year.

Long term compensated absences are provided for on the basis of actuarial valuation carried out at the year end as per projected unit credit method.

The current and non current bifurcation has been done as per the Actuarial report.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in Other Comprehensive Income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income.

p. Impairment of financial assets

In accordance with Ind AS 109: Financial Instruments, the Company recognises impairment loss allowance on deposits based on historically observed default rates. Impairment loss allowance recognised /reversed during the year are charged/written back to Statement of Profit and Loss. .

q. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss before Other Comprehensive Income for the year by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share ,the net profit or loss before Other Comprehensive Income for the year and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

3 **Property, plant and equipment**

₹ in Lakh

Gross block	Computer Hardwares	Plant & Machinery	Furniture and fixtures	Office equipment	Total Tangible Assets	Capital Work in Progress
Cost or valuation						
At 1 April 2017	**4.58**	-	-	-	4.58	-
Additions during the year	33.22	479.28	7.29	1.73	521.52	28.90
Deduction during the year	-	-	-	-	-	-
Balance as at 31 March 2018	**37.80**	**479.28**	**7.29**	**1.73**	**526.10**	**28.90**
At 1 April 2018	**37.80**	**479.28**	**7.29**	**1.73**	526.10	28.90
Additions during the year	55.03	3,388.44	5.10	16.47	3,465.04	3,516.00
Deduction during the year					-	
Balance as at 31 March 2019	**92.83**	**3,867.72**	**12.39**	**18.20**	**3,991.14**	**3,544.90**
Accumulated depreciation						
At 1 April 2017	**0.04**	-	-	-	**0.04**	-
Depreciation charge for the year	7.82	9.28	0.50	0.15	17.75	-
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2018	**7.86**	**9.28**	**0.50**	**0.15**	**17.79**	-
At 1 April 2018	**7.86**	**9.28**	**0.50**	**0.15**	**17.79**	-
Depreciation charge for the year	20.57	112.33	0.84	1.32	135.06	
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31 March 2019	**28.43**	**121.61**	**1.34**	**1.47**	**152.85**	-
Net block						
Balance as at 31 March 2019	**64.40**	**3,746.11**	**11.05**	**16.73**	**3,838.29**	**3,544.90**
Balance as at 31 March 2018	**29.94**	**470.00**	**6.79**	**1.58**	**508.31**	**28.90**

* Durig the year the Company has capitalized borrowing cost of ₹ 148.25 lakhs (March 31, 2018 Nil) using capitalization rate 9.75% (March 31, 2018 Nil) and loan processing charges amounting to ₹ 337.50 lakhs (March 31, 2018 Nil)

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

4 Intangible assets ₹ in Lakh

	Computer Software	Technical know-how	Intangible under development	Total
Cost				
At 1 April 2017	-	-	-	-
Additions	108.61	-	-	108.61
At 31 March 2018	**108.61**	-	-	**108.61**
At 1 April 2018	108.61	-	-	108.61
Additions	140.06	-	-	140.06
At 31 March 2019	**248.67**	-	-	**248.67**
Amortisation and impairment				
At 1 April 2017	-	-	-	-
Amortisation	9.25	-	-	9.25
At 31 March 2018	**9.25**	-	-	**9.25**
At 1 April 2018	9.25	-	-	9.25
Amortisation	32.53	-	-	32.53
At 31 March 2019	**41.78**	-	-	**41.78**

Net book value	31 March 2019	31 March 2018
Other intangible assets	206.89	99.36

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

₹ in Lakh

5 Investments	As at 31 March 2019	As at 31 March 2018
(i) Non-current Investments		
Measure at cost		
In Equity Shares of Subsidiary company (70% Holding)		
Unquoted , fully paid - Level 2		
Apricot foods Private limited : 2,80,000 equity shares of ₹ 10 each as at 31st March 2019 (March 31, 2018 2,80,000)	31,362.51	31,362.51
	31,362.51	**31,362.51**
(ii) Current Investments		
Investment measure at fair value through profit or loss		
In Mutual Funds (Quoted) - Level 1		
Reliance Liquid Fund-Direct Growth Plan -Nil (31st March 2018 -14067.168 units @ NAV 4239.94 /-)	-	596.44
ICICI Prudential Mutual Fund-Liquid Plan-Direct Growth- 4918506.631 units @ NAV 256.42/- (31st March 2018 - units 10,35,870.82 @ NAV 257.14/)	13,595.56	2,663.60
	13,595.56	**3,260.04**
* Aggregate amount of Qouted Investments	13,595.56	3,260.04
* Market value amount of Qouted Investments	13,595.56	3,260.04
* Aggregate amount of Unqouted Investments	44,958.08	31,362.51

6 Other financial assets	As at 31 March 2019	As at 31 March 2018
(i) Non Current (measured at amortised cost)		
Bank deposit with remaining maturity more than twelve months*	-	
Accured Interest on Bank Deposits	-	-
Secuirty deposits	54.02	-
	54.02	**-**
(ii) Current		
Accured Interest on Bank Deposits	39.08	330.52
Secuirty deposits	38.28	3.90
	77.36	**334.42**

7 (i) Other Non-Current assets (Unsecured, considered good unless stated otherwise)	As at 31 March 2019	As at 31 March 2018
Capital advances	1,568.31	178.87
	1,568.31	**178.87**
(ii) Other Current Asset		
(Unsecured, considered good unless stated otherwise)		
Advances other than capital advances:		
Advances for Supply of Goods	29.05	59.90
Advance for Suply of Services & Others	31.62	126.75
Advance to employees	57.93	14.70
	118.60	201.35
Unsecured considered Good	77.36	193.45
Unsecured considered doubtful	41.24	7.90
	118.60	201.35
Less: Provision for Doubtful advance	(41.24)	(7.90)
Sub-total Net Advances other than capital advance	**77.36**	**193.45**
Balances with statutory / government authorities	3,538.22	877.36
Prepaid Expenses	51.47	17.69
Other advances	30.00	-
	3,697.05	**1,088.50**

GUILTFREE INDUSTRIES LIMITED

CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

₹ in Lakh

8 Inventories

(At the lower of cost or net realisable value)		As at 31 March 2019	As at 31 March 2018
Raw materials (Includes Packing materials)	1,658.16		
Less: Provision for Slow Moving Materials (Includes Raw and Packing materials)	(464.03)	1,194.13	1,189.57
Inventory Promotional Materials		26.93	18.81
Finished goods	997.09		
Less: Provision for Slow Moving Finished Goods	(107.47)	889.62	556.03
		2,110.68	1,764.41

9 Trade receivables

	As at 31 March 2019	As at 31 March 2018
Unsecured		
Considered good	510.37	114.18
Considered doubtful	8.32	-
	518.69	114.18
Less: Allowance for doubtful debts	(8.32)	-
Total Trade receivables	510.37	114.18
Of the above, trade receivable from		
- Related Parties (Refer Note 31)	39.27	1.00
- Others	471.10	113.18
	510.37	114.18

a) No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person.
b) Trade receivables are non-interest bearing and are generally on credit terms of 0 to 45 days.

10 Cash and cash equivalent

	As at 31 March 2019	As at 31 March 2018
Balances with banks:		
In curent accounts	1.59	0.05
Bank deposit with remaining maturity period of 3months or less	-	-
Cheque in hand	358.52	-
	360.11	0.05

11 Bank Balance Other than cash and cash equivalents

Bank Deposits with original maturity of less than twelve months*	-	8,000.00
Bank Deposits with original maturity of more than twelve months but having remaining matuity for less than twelve months **	667.62	5,412.00
	667.62	13,412.00

* Bank Deposit include Nil (March 31, 2018 ₹ 500 Lakh) against which an overdraft facility has been availed from ICICI Bank.
** Bank Deposits include ₹ 300 Lakh (March 31, 2018 ₹ 300 Lakh) held against Escrow account.
** Bank Deposits include ₹ 2 Lakh (March 31, 2018 ₹ 2 Lakh) lein against Haryana VAT Registration.
** Bank Deposits include Nil (March 31, 2018 ₹ 2,500 Lakh) held against Bank guarantees.
** Bank Deposits include ₹ 365.62 Lakh kept in Debt service retention accounts of Ratnakar Bank limited to maintain a minimum of 3month interest on term loan taken from Ratnakar Bank limited as special condition for sanction of term loan.

12 Current Tax Assets

	As at 31 March 2019	As at 31 March 2018
Income tax refundable	163.99	88.41
	163.99	88.41

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

₹ in Lakh

	As at 31 March 2019		As at 31 March 2018	
	Number	Amount	Number	Amount
13 Equity Share capital				
Authorised share capital				
Equity shares [75,00,00,000 equity shares of ₹ 10/- each (March 31, 2018 , 50,00,00,000 equity share ₹ 10/- each)]	75,00,00,000	75,000.00	50,00,00,000	50,000.00
	75,00,00,000	75,000.00	50,00,00,000	50,000.00
Issued, subscribed				
Equity shares fully paid up [50,48,47,125 equity shares of ₹ 10/- each] [March 31, 2018 : 46,31,62,500 equity shares of ₹ 10/- each]	50,48,47,125	50,484.71	46,31,62,500	46,316.25
Total issued, subscribed and fully paid share capital	50,48,47,125	50,484.71	46,31,62,500	46,316.25

a) **Reconciliation of the equity shares outstanding at the beginning and at the end of reporting period**

	As at 31 March 2019		As at 31 March 2018	
Equity shares	Number	Amount	Number	Amount
At the beginning of the year	46,31,62,500	46,316.25	50,000	5.00
Add: Shares issued during the period	4,16,84,625	4,168.46	46,31,12,500	46,311.25
Less: Shares bought back during the year	-	-	-	-
Balance at the end of the year	50,48,47,125	50,484.71	46,31,62,500	46,316.25

b) **Rights, preferences and restrictions attached to shares**
Equity shares
The Company has only one class of equity share having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.
In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of shareholders holding more than 5% equity shares in the Company and equity shares held by the holding Company**

Name of shareholder	As at 31 March 2019		As at 31 March 2018	
	Number	% of holding	Number	% of holding
Equity shares				
CESC Ventures Limited (formerly known as RP SG Business Process Services Limited)	50,48,47,125	100.0%	46,31,62,500	100.0%
	50,48,47,125	100.0%	46,31,62,500	100.0%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

d) No bonus shares or shares issued for consideration other than cash or shares bought back since incorporation of the Company till the reporting date.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

14 Other equity

₹ in Lakh

Share Application Money Pending Allotment

At 1 April 2017	**53.00**
Share application money received during the year	55,029.50
Adjusted against shares issued during the year	(55,057.00)
At 31 March 2018	**25.50**
Share application money received during the year	11,000.00
Adjusted against shares issued during the year	(5,002.15)
At 31 March 2019	**6,023.35**

Share premium

At 1 April 2017	-
Addition during the year*	8,745.75
At 31 March 2018	**8,745.75**
Addition during the year*	833.69
At 31 March 2019	**9,579.44**

*Securities Premium Reserve represents the amount received in excess of par value of securities and is available for utilisation as specified under Section 52 of Companies Act, 2013.

Other Comprehensive Income Reserve

At 1 April 2017	-
Addition during the year	-
At 31 March 2018	-
Addition during the year	9.19
Reversal during the year	-
At 31 March 2019	**9.19**

Retained Earning

At 1 April 2017	**(132.33)**
Loss for the year	(5,930.66)
At 31 March 2018	**(6,062.99)**
Loss for the year	(14,696.76)
At 31 March 2019	**(20,759.75)**

Other Equity	**As at 31 March 2019**	**As at 31 March 2018**
Share application money pendnig allotment	6,023.35	25.50
Security Premium	9,579.44	8,745.75
Other Comprehensive Income Reserve	9.19	-
Retained earning	(20,759.75)	(6,062.99)
Total	**(5,147.77)**	**2,708.26**

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

Note 15 Deferred tax assets (net)

	As at 31 March 2019	As at 31 March 2018
Deferred tax asset arising on account of:		
Business loss and unabsorbed depreciation	7,043.53	2,055.43
Share Isue Expense	38.95	51.43
Provision for employee benefits	52.67	23.61
Provision for Expenses (net)	148.25	-
Provisions for doubtful advances and Debts	12.89	2.04
Provisions for slow moving materials	189.42	12.03
	7,485.71	**2,144.54**
Deferred tax liability arising on account of:		
Excess of tax depreciation over book depreciation	194.35	28.59
Net gain arising on financial assets measured at FVTPL	21.55	-
	215.90	**28.59**
	7,269.81	**2,115.95**

Movement in deferred tax assets (net)

Particulars	1 April 2018	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2019
Assets				
Business loss and unabsorbed depreciation	2,055.43	-	4,988.09	7,043.53
Share Isue Expense	51.43	-	(12.48)	38.95
Provision for employee benefits	23.61	(3.23)	32.29	52.67
Provision for Expenses	-	-	148.25	148.25
Provisions for doubtful advances	2.04	-	10.85	12.89
Provisions for slow moving materials	12.03	-	177.39	189.42
Liabilities				
Property, plant and equipment , Intangible asset - Depreciation and amortization expense	28.59	-	165.76	194.35
Financial assets at fair value - Mutual Funds	-	-	21.55	21.55
Total	**2,115.95**	**(3.23)**	**5,157.09**	**7,269.81**

Movement in deferred tax assets (net)

Particulars	1 April 2017	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2018
Assets				
Business loss and unabsorbed depreciation	-	-	2,055.43	2,055.43
Share Isue Expense	-	-	51.43	51.43
Provision for employee benefits	-	-	23.61	23.61
Provisions for doubtful advances	-	-	2.04	2.04
Provisions for slow moving materials	-	-	12.03	12.03
Liabilities				
Property, plant and equipment , Intangible asset - Depreciation and amortization expense	0.40	-	28.19	28.59
Financial assets at fair value through profit or loss - Mutual Funds	-	-	-	-
Total	**(0.40)**	**-**	**2,116.35**	**2,115.95**

RAY & RAY Webel Bhavan Kolkata-91 CHARTERED ACCOUNTANTS

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

₹ in Lakh

16 Other financial liability

	As at 31 March 2019	As at 31 March 2018
(i) Non Current		
Payable for acquisition of shares in subsidiary company*	340.65	319.07
	340.65	**319.07**
(ii) Current		
Payable for acquisition of shares in subsidiary company*	-	485.51
Employee related liabilities	19.28	22.62
Creditors for Capital goods	222.18	76.62
	241.46	**584.75**

* Refer Note 34

17 Provisions

	As at 31 March 2019	As at 31 March 2018
(i) Non Current		
Provision for employess benefits*	213.47	80.79
	213.47	**80.79**

*** Refer Note : 30**

	As at 31 March 2019	As at 31 March 2018
(ii) Current		
Provision for Expenses	3,680.00	1,936.44
Provision for employess benefits*	1.50	8.96
	3,681.50	**1,945.40**

*** Refer Note : 30**

18 Borrowings

	As at 31 March 2019	As at 31 March 2018
(i) Non Current		
Secured		
From Bank		
Rupee term loan from banks *	15,000.00	-
	15,000.00	**-**

a) Rupee term loan from Ratnakar Bank limited amounting to ₹ 15,000 Lakh (March 31, 2018 , Nil) were secured by an exclusive:

(i) First pari passu charge by way of Hypothecation on the immovable and movable fixed asstes (both present as well as future) of the Company.
(ii) second pari paru charge by way of Hypothecation over current assets (both present as well as future) of the Company.
b) The aforementioned loans carry a rate of interest as: 3 month MCLR which is 9.70% as on 31st March 2019 .

c) Rupee Term Loan of ₹ .15,000 Lakh is repayable in 24 quarterly installments starting from 22.05.2020

d) Reconciliation of liabilities arising from financing activities
The changes in the Company's liabilities arising from the financing activities can be classified as follows:

Particulars	Long-term borrowings
Balance as at 1 April 2018	-
Cash flows:	
Proceeds during the year	15,000.00
Balance as at 31 March 2019	**15,000.00**

	As at 31 March 2019	As at 31 March 2018
(ii) Current		
Secured		
Cash credit facilities from banks*	584.59	307.46
	584.59	**307.46**

a) Cash Credit Facility from Ratnakar Bank limited amounting to ₹ . 584.59 Lakh (March 31, 2018 , Nil) outstanding at the year end were secured by way of :

(i) first pari passu charge way of Hypothecation on all current assets of the company (both present and future).
(ii) second pari passu charge way of Hypothecation on the movable and immovable fixed assets (both present and future) of the company.

The cash credit is re-payable on demand and carries an interest rate ranging between 10.25% and 10.35%.
b) Cash Credit Facility from ICICI bank amounting to Nil (March 31, 2018 , ₹ . 307.46 Lakh) outstanding at the year end were secured against bank deposits of ₹ 500 Lakh and carries an interest rate ranging between 8.15% and 8.65% .

GUILTFREE INDUSTRIES LIMITED

RAY & RAY
Webel Bhavan
Kolkata-91
CHARTERED ACCOUNTANTS

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

₹ in Lakh

c) Reconciliation of liabilities arising from financing activities
The changes in the Company's liabilities arising from the financing activities can be classified as follows:

Particulars	Short-term borrowings
Balance as at 1 April 2018	307.46
Cash flows:	
Net Proceeds during the year	277.13
Balance as at 31 March 2019	584.59

19 Trade payables

	As at 31 March 2019	As at 31 March 2018
- Micro and small enterprises *	-	-
- Others	3,083.66	1,766.00
	3,083.66	**1,766.00**

*Based on the information available with Company as at period end there are no dues outstanding to the suppliers who are registered as micro and small enterprises registered under "The Micro, Small and Medium Enterprises Development Act, 2006".

Trade payables are non interest bearing and are normally settled in 0 to 30 days terms. There are no other amounts paid / payable towards interest / principal under the MSMED.

20 Other current liabilities

	As at 31 March 2019	As at 31 March 2018
Advance from customers	350.03	175.48
Payable to statutory/government authorities	195.17	152.45
	545.20	**327.93**

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

₹ in Lakh

	For the year ended 31 March 2019	For the year ended 31 March 2018
21 Revenue from operations		
Sale of Product (Refer Note 38)	15,708.89	3,297.32
Sale of Services	331.97	-
Other Operating revenues		
Scrap sales	44.05	-
	16,084.91	**3,297.32**
22 Other income		
Gain on sale of current investment (Net)	161.47	36.74
Investment measured at FVTPL	46.36	-
Interest income from Bank Deposits	402.20	865.04
Exchange differences	34.12	-
Miscellaneous income	2.37	-
	646.52	**901.78**
23 Cost of Material consumed		
Opening stock	1,189.57	-
Add : Purchases (Net)	10,601.33	3,237.39
Less : Sales of Raw/ Packing Materials	(43.44)	-
Less : Used for Research and Devlopment Purpose	(19.75)	-
Less : Used for sampling and other purpose	(241.91)	(100.85)
Less : Closing stock	(1,658.16)	(1,189.57)
Cost of Material Consumed	**9,827.64**	**1,946.97**
24 Purchases of Stock- in -trade		
Raw and Packing Material	-	197.53
Fisnished Goods	-	306.48
	-	**504.01**
25 Changes in inventories of finished goods, work in progress and stock in trade:		
Opening Inventory		
Finished goods	602.74	-
Stock in trade	-	-
Closing Inventory		
Finished goods	997.09	602.74
Stock in trade	-	-
(Increase) / decrease in Inventory	**(394.35)**	**(602.74)**
26 Employee benefits expense		
Salaries, wages and Bonus	4,283.64	1,915.16
Contribution to provident and other fund	228.30	113.46
Staff welfare expenses	83.06	15.73
	4,595.00	**2,044.35**
27 Depreciation and amortisation expense		
Depreciation on Property, Plant & equipment	135.06	17.75
Amortisation of intangible assets	32.53	9.25
	167.59	**27.00**
28 Finance costs		
Interest expense		
On cash credit facilities	8.53	0.26
Other borrowing costs		
Bank Guarantee Charges	13.92	0.72
	22.45	**0.98**

₹ in Lakh

	For the year ended 31 March 2019	For the year ended 31 March 2018
29 Other expenses		
Job work charges	2,166.66	546.51
Carriage,Freight and distribution expenses	3,083.68	766.17
Repair & Maintenance		
- Plant & Machinery	20.71	0.92
- Others	110.67	18.31
Advertising expenses	8,878.79	3,516.11
Sales Promotion expenses & selling and other expenses	5,029.11	1,985.43
Legal & Professional fees	124.89	183.51
Rent For Office & Warehouse Expenses (refer note 37)	495.99	155.25
Payment to auditors		
- For Audit Fees	5.00	5.00
- For taxation matters	1.00	1.00
- For other services	5.00	4.00
- For Re-imbursement of expenses	0.17	-
Recruitment Expenses	222.17	393.83
Travelling, Boarding & Lodging	723.03	292.23
Rates and taxes	15.66	258.34
R&D Expense	280.09	129.66
Provision for Doubtful receivables and advances	41.65	7.90
Provision/Expenses for Slow Moving Finished Goods and Raw & Packing materials	745.85	46.71
Misc Expenses	416.83	51.18
Total	**22,366.95**	**8,362.06**

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

Note 30 Employee Benefit

1) Post Retirement Benefits - Defined Contribution Plan

Eligible employees of the Company receive benefits under the Provident Fund which is a defined contribution plan wherein both the employee and the Company make monthly contributions equal to a specific percentage of covered employees' salary. These contributions are made to the Fund administered and managed by the Government of India and the Company has no further obligation beyond making its contribution. The Company's monthly contributions are charged to Statement of profit and loss in the period in which they are incurred;

₹ in Lakh

Benefit (contribution to)	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident fund	159.53	75.32
ESIC employer	0.88	0.10
Total included in "Employees Benefit Expenses"	**160.41**	**75.42**

2) Post Retirement Benefits - Defined Benefits Plan

The Gratuity Scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months.

The company has not yet started contributing to defined benefits funds for Gratuity or investment in plan assets for Leave encashment.

The present value of defined benefit obligation and related current service cost has been done as per Projected unit credit method. Actuarial Valuation for Gratuity and leave encashment has been done in line with requirements of Ind AS 19 (2015). Below notes sets out in details the assumption used for gratuity and The following table summarises the components of defined benefit expense recognized in the Statement of profit and loss/Other Comprehensive Income ('OCI') and the funded status and amounts recognised in the Balance Sheet for the respective plans:

a) Gratuity

	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	33.09	-
Current service cost	65.33	33.09
Interest cost	2.55	-
Actuarial (gain)/loss arising from assumption changes		-
Actuarial (gain)/loss arising from experience adjustments	- 12.42	-
Obligations at the end of the year	**88.55**	**33.09**
(ii) Change in fair value of plan assets:		
Obligations at the beginning of the year	-	-
Interest Income on Plan Assets	-	-
Contribution by employer	-	-
Expected return on plan assets	-	-
Actuarial (gains) / loss	-	-
Obligations at the end of the year	-	-
(iii) Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
Present value obligation as at the end of the year	88.55	33.09
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**88.55**	**33.09**
(iv) Components of net cost charged to the Statement of Profit and Loss		
Employee benefit expenses:		
Service cost	65.33	33.09
Finance costs		
- Interest costs	2.55	-
- Interest income	-	-
Net impact on profit before tax	**67.88**	**33.09**
(v) Components Remeasurement losses / (gains) in other comprehensive income		
Actuarial (gain)/loss arising from assumption changes		
Actuarial (gain)/loss arising from experience adjustments	- 12.42	-
Remeasurement losses / (gains) in other comprehensive income	**- 12.42**	-

(vi) With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at Balance Sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

Partciculars	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate (per annum)	7.70%	7.70%
Expected rate of return on plan assets	N/A	N/A
Salary escalation rate (per annum)	10.00%	10.00%
Withdrawl rate (per annum)	15.00%	15.00%
Expected average remaining working lives of employees (years)	21	20
Mortality	IALM 2006 - 2008 Ultimate	IALM 2006 - 2008 Ultimate

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

Note 30 Employee Benefit

b) Leave Enchashment

	For the year ended March 31, 2019	For the year ended March 31, 2018
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	56.66	0.28
Current service cost	60.98	56.60
Interest cost	3.66	- 0.07
Benefit paid	- 18.26	- 2.29
Actuarial (gain)/loss arising from change in financial	-	21.45
Actuarial (gain)/loss arising due to change in Demographic	-	3.07
Actuarial (gain)/loss arising from experience adjustments	23.39	- 22.39
Obligations at the end of the year	**126.43**	**56.66**
(ii) Change in fair value of plan assets:		
Obligations at the beginning of the year	-	-
Interest Income on Plan Assets	-	-
Contribution by employer	-	-
Expected return on plan assets	-	-
Actuarial (gains) / loss	-	-
Obligations at the end of the year	-	-
(iii) Reconciliation of present value of defined benefit obligation and the fair value of plan assets		
Present value obligation as at the end of the year	126.43	56.66
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**126.43**	**56.66**
(iv) Components of net cost charged to the Statement of Profit and Loss		
<u>Employee benefit expenses:</u>		
Service cost	60.98	56.60
Actuarial Gain loss Applicable only for last year	23.39	2.13
<u>Finance costs</u>	-	-
- Interest costs	3.66	- 0.07
- Interest income	-	-
Net impact on profit before tax	**88.03**	**58.66**
(v) Components Remeasurement losses / (gains) in other comprehensive income		
Actuarial (gain)/loss arising from assumption changes	-	-
Actuarial (gain)/loss arising from experience adjustments	-	-
Remeasurement losses / (gains) in other comprehensive income	-	-

(vi) With the objective of presenting plan assets and obligations of the defined benefit plans at their fair value at Balance Sheet date, assumptions used under Ind AS 19 are set by reference to market conditions at the valuation date.

	Year ended 31 March 2019	Year ended 31 March 2018
Discount rate (per annum)	7.70%	7.70%
Expected rate of return on plan assets	7.70%	7.70%
Salary escalation rate (per annum)	10.00%	10.00%
Withdrawl rate (per annum)	15.00%	15.00%
Expected average remaining working lives of employees (years)	21	20
Mortality	IALM 2006 - 2008 Ultimate	IALM 2006 - 2008 Ultimate

3). Aforesaid defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's investments.
Longevity risk	The present value of the defined benefit liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit liability is calculated by reference to the future salaries of plan participants. As such, an increase in salary of the plan participants will increase the plan's liability.

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED
Notes to the financial statements
Note: 31

RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Ultimate Holding	CESC Limited till 11-10-2018
Holding company	RP SG Business Process Services Limited from 23-09-2017 to 12-12-2018 thereafter Name of the company changed to CESC Venture Limited w.e.f 13-12-2018
Subsidiary company	Spencer's Retail Limited till 22-09-2017 CESC Ventures Limited from 13-12-2018 (formerly known as RP SG Business Process Services Limited) Apricot Foods Private Limited w.e.f 24.04.2017 **(70% holding)**
Fellow Subsidiary / Company Under Common Control	Quest Properties India Ltd (formerly CESC properties Limited) Haldia Energy Limited Au Bon Pain Cafe India Limited RP SG Ventures Advistory LLP RP SG Business Process Services Limited till 22-09-2017 Spencer's Retail Limited from 23-09-2017 Firstsource Solutions Limited Bowlopedia Restaurants India Limited CESC Limited from 12-10-2018
Key Management Personnel	Devarjan Iyer , Whole Time Director , till 01-07-2018 Satya Kumar Srivastava , Chief Financial Officer till 31-10-2018 Rohit Garg , Whole Time Director (w.e.f 27-09-2018) and Chief Financial Officer (w.e.f 01-11-.2018) Prashant Agarwal , Company Sceretary (w.e.f. 09-07-2018)
Relatives of KMP	Tanvi Srivastava daughter of Satya Kumar Srivastava Mrs Smriti Garg Wife of Rohit Garg
Directors	Arun kumar Mukherjee Akhilanand Joshi Ankita Banerjee

Details of transactions entered into with the related parties :

Particulars	Ultimate Holding Company/Holding Company		Subsidiary/Fellow Subsidiary/Company Under Common Control		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019
Sales of Goods & Services										
RP SG Ventures Advistory LLP			331.97	-					331.97	-
Firstsource Solutions Limited			3.44	3.86					3.44	3.86
Spencer's Retail Limited	- (46.69)	- -	175.81 (54.04)	35.41 (22.21)					175.81 (100.73)	35.41 (22.21)
Au Bon Pain Cafe India Limited			- (0.93)	- -					- (0.93)	- -
Apricot Foods Private Limited			- (4.51)	- -					- (4.51)	- -
Purchase of Finished Goods & Consumables										
Spencer's Retail Limited	- (0.39)	- -	0.12 (0.12)	- -					0.12 (0.51)	- -
Apricot Foods Private Limited			- (17.99)	- -					- (17.99)	- -
Expense Incurred										
Bowlopedia Restaurants India Limited			21.66	21.24					21.66	21.24
Spencer's Retail Limited	- (58.90)	- -	99.95 (64.73)	- -					99.95 (123.63)	- -
CESC Limited	- (1.10)	- -	0.82 -	0.95 -					0.82 (1.10)	0.95 -
Quest Properties Limited			- (11.50)	- -					- (11.50)	- -
Tanvi Srivastava							6.51	-	6.51	-

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

Particulars	Ultimate Holding Company/Holding Company		Subsidiary/Fellow Subsidiary/Company Under Common Control		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019	Transaction Value	Balance Outstanding as on 31/3/2019
Mrs Smriti Garg							(8.20) 2.12 -	- - -	(8.20) 2.12 -	- - -
Expense / liability (Reimbursement) Spencer's Retail Limited	- (172.51)	- -							- (172.51)	- -
Expense Reimbursement Spencer's Retail Limited	- (5.17)	- -							- (5.17)	- -
CESC Limited	- (1.53)	- -							- (1.53)	- -
Remuneration to Key Managerial Personnel										
Devarjan Iyer Short Term Employee Benefits					33.10 (99.41)	- -			33.10 (99.41)	- -
Retirement Benefits					1.74 (10.88)	- -			1.74 (10.88)	- -
Reimbursement					3.51 (0.59)	- -			3.51 (0.59)	- -
Satya Kumar Srivastava Short Term Employee Benefits					61.93 (87.80)	- -			61.93 (87.80)	- -
Retirement Benefits					5.63 (8.24)	- -			5.63 (8.24)	- -
Reimbursement					- (0.30)	- -			- (0.30)	- -
Rohit Grag Short Term Employee Benefits					38.53 -	- -			38.53 -	- -
Retirement Benefits					2.27 -	- -			2.27 -	- -
Reimbursement					1.18 -	- -			1.18 -	- -
Prashant Agarwal Short Term Employee Benefits					4.38 -	- -			4.38 -	- -
Retirement Benefits					0.28 -	- -			0.28 -	- -
Reimbursement					0.13 -	- -			0.13 -	- -
Advnce to Employee Rohit Grag					18.90	18.90			18.90	18.90
Advance Received Haldia Energy Limited			- (310.00)	- -					- (310.00)	- -
Advance Refund Haldia Energy Limited			- (310.00)	- -					- (310.00)	- -
Share application money received / Pending for Allotment CESC Ventures Limited (formerly known as RP SG Business Process Services Limited)	11,000.00 (52,500.00)	6,023.35 (25.50)	-	-					11,000.00 (52,500.00)	6,023.35 (25.50)
Spencer's Retail Limited	- (2,529.50)	- -		-					- (2,529.50)	- -
Share issued (includes premium) CESC Ventures Limited (formerly known as RP SG Business Process Services Limited)	5,002.15 (52,474.50)	- -		-					5,002.15 (52,474.50)	- -
Spencer's Retail Limited	- (2,582.50)	- -	- -	- -					- (2,582.50)	- -

Figure disclosed above in backet are related to Previous year

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

32 Contingent liabilities and commitments

₹ in Lakh

	As at 31 March 2019	As at 31 March 2018
(i) Contingent liabilities:		
Bank guarantees	-	1,450.00
(ii) Commitments		
(a) **Capital commitments** : Capital commitments for property, plant and equipments (net of	620.43	646.26
(b) **Other commitments** : Endorsement expenses	300.00	900.00
(c) **Operating lease commitments** : Future minimum rentals payable		
-not later than one year	701.18	344.28
-later than one year but not later than five year	972.42	551.95
-later than five year	27.24	-
	2,621.27	**3,892.49**

33 Tax expenses

₹ in Lakh

	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax	-	-
Deferred tax:		
- Deferred tax (credit)/ charge	(5,157.09)	(2,116.35)
- MAT Credit entitlement	-	-
Tax for prior years	-	-
	(5,157.09)	**(2,116.35)**

33(a Reconciliation of income tax provision to the amount computed by applying the statutory tax rate:

Loss before Tax as per Books	(19,853.85)	(8,083.53)
Enacted tax rates in India (%)	**26.00%**	**25.75%**
Computed expected tax expense	(5,162.00)	(2,081.51)
Impact of Others adjustment	4.92	(34.84)
Income tax expense	**(5,157.09)**	**(2,116.35)**

33(b Details of income tax assets / (liabilities)

Non-current:		
Advance tax paid	-	-
Income Tax Refundable	-	-
Current:		
Income Tax Refundable	163.99	88.41
Current income tax liabilities	-	-
Net income tax assets / (liabilities)	**163.99**	**88.41**

34 Company had acquired 70% stake in Gujarat based Apricot Foods Private Limited for ₹ 31,362.51 lakhs (including all transfer and registration fees). Acquired company- Apricot Foods Private Limited is in the business of snacks and has its own famous brand E-vita. The purchase consideration was arrived at on the basis of business valuation carried out by professional valuer taking into account the business potential and synergies expected in future. Consequently Apricot Foods Private Limited has become subsidiary company with effect from 24th April,2017. A part of the purchase consideration is yet to be payable to the erstwhile shareholders of the Apricot Foods Private Limited **(Refer note: 16).**

35 Segment Information

The Company comprise of only one reportable segment – "Healthy Snacks food "

The Company is predominately in manufacturing and selling of FMCG product in india and Company does not have any other reportable segment.

36 **1. Capital Management**

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximizing the return to shareholders through the optimization of debt and equity balance. Barring overdraft facilities and term loan being used, company has no outstanding debt.
The company's Board reviews the capital structure of the company on need basis. As part of this review board evaluates the leverage in company and assesses of cost of capital.

2. Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's management risk policy is set by the Managing Board. The Company's activities may expose it to a variety of risks such as credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

(a) Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. Adequate provisions are kept in books for any doubtful

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months for customer. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are wholesale, retail or institutional customers, their geographic location, industry, trading history with the Company and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Company's exposure to credit risk for trade receivables by geographic region is as follows

₹ in Lakh

Particulars	As at 31 March 2019	As at 31 March 2018
Trade receivables		
- Domestic	491.63	114.18
- Export	18.75	-
	510.38	**114.18**

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

Movement in the allowance for impairment in trade receivables

Particulars	As at 31 March 2019	As at 31 March 2018
Opening balance		
Amount provided for	-	-
Net remeasurement of loss allowance	8.32	-
	8.32	-

Trade receivables are usually due within 30-60 days. Generally and by practice most customers enjoy a credit period of approximately 30-60 days and are not interest bearing, which is the normal industry practice. All trade receivables are subject to credit risk exposure. However, the Company does not identify specific concentrations of credit risk with regard to trade and other receivables, as the amounts recognised represent a large number of receivables from various customers.

(b) Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by the senior management.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2019 a

₹ in Lakh

Particulars	Less than 1 year	1 -5 years	More than 5years
As at 31 March 2019			
Current liabilities			
Trade payables	3,083.66	-	-
Financial liabilities	241.46	-	-
Borrowings	584.59	-	-
Non- Current liabilities			
Borrowings	-	8,250.00	6,750.00
	3,909.70	8,250.00	6,750.00
As at 31 March 2018			
Current liabilities			
Trade payables	1,766.00	-	-
Financial liabilities	584.75	-	-
Borrowings	307.46	-	-
Non- Current liabilities			
Borrowings	-	-	-
	2,658.21	-	-

(c) 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. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while opimising the return.

(i) Interest rate risk

The bank deposits are placed on a fixed rate of interest of approximately 6.75%. As the interest rate does not vary unless such deposits are withdrawn and renewed, sensitivity analysis if not performed.

(ii) Price risk

The Company does not have any significant investments in equity instruments which create an exposure to price risk.

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Company's current borrowings, receivables and payables due to transactions entered in foreign currencies. The company uses forward exchange contracts to hedge the currency exposure and therefore, not exposed to significant currency risk at the respective reporting date.

Foreign exchange outstanding at the year end

Particulars	Currency	As at 31 March 2019	As at 31 March 2018
Other current financial liability - Payable for Capital goods	USD	64699.6	-
Trade receivables - Export receivables	USD	27100.8	-
		91800.4	-

Sensitivity analysis

The impact of strengthening/weakening of currency on the Group is not material as Company hedges 100% of the foreign currency exposure

3. Financial instruments - fair values and risk management

Category-wise classification of financial instruments including their levels in the fair value hierarchy.

₹ in Lakh

Particulars	Refer Note	As at 31 March 2019	As at 31 March 2018
(a) Financial assets measured at fair value			
Current - Financial assets			
(i) Investments			
- Investment in mutual (FVTOCI) - Level-1	5	13,595.56	3,260.04
(b) Financial assets measured at amortised cost			
Non- Current Financial assets			
(i) Investments	5	31,362.51	31,362.51
(ii) Other financial assets	6	54.02	-
Current - Financial assets			
(i) Trade receivables	9	510.37	114.18
(ii) Cash and cash equivalents	10	360.11	0.05
(iii) Bank Balance other cash and cash equivalents	11	667.62	13,412.00
(iv) Other financial assets	6	77.36	334.42
(c) Financial liabilities measured at amortised cost			
Non- Current Financial liabilities			
(i) Borrowings	18	15,000.00	-
(ii) Other financial liability	16	340.65	319.07
Current - Financial liabilities			
(i) Borrowings	18	584.59	307.46
(ii) Trade payables	19	3,083.66	1,766.00
(iii) Other financial liability	16	241.46	584.75

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

COMPANY NAME:- GUILTFREE INDUSTRIES LIMITED
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Notes to the financial statements

Financial Instrument measured at Amortised Cost
The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

37 Operating leases

The Company has certain operating leases for office facilities and warehouse premises (cancellable leases). Such leases are generally with the option of renewal against increased rent and premature termination of agreement. Rental expenses of ₹ 495.99 lakhs (31 March 2018: ₹ 155.25 lakhs) in respect of obligation under operating leases have been recognised in the Statement of Profit and Loss.

38 IND AS 115 -"Revenue from Contracts with Customers"

The company has adopted Ind AS 115 Revenue from Contracts with Customers, with effect from 1st April 2018, using modified retrospective approach. The company did not have any open contract as at 31st march 2018 . Certain payout made to customers, earlier classified as sales promotional expenses under the head Other expenses are to be treated as variable component of consideration and are therefore in accordance with Ind AS 115, have now been netted off from Sales (Revenue from operations). These changes in presentation in the statement of profit and loss, has resulted in decrease in both revenues and expenses by ₹ 2,276.17 lakh , thus impact on net profit on adoption of Ind AS 115 for the period ended 31st march 2019 was Nil .

39 Earning per share (EPS)
Basic EPS amounts are calculated by dividing the profit / (loss) for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the profit/loss and share data used in the basic and diluted EPS computations:

	As At March 31, 2019	As At March 31, 2018
Net profit/loss attributable to equity shareholders (₹)	(14,696.76)	(5,967.18)
Weighted average number of equity shares in calculating basic and diluted EPS	4,635.05	244.17
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	**(3.17)**	**(24.44)**

40 Prior period comparatives
Comparative figures have been regrouped/ reclassified wherever necessary to conform to current year presentation.

As per our report of even date

For Ray & Ray
Chartered Accountants
Firm Registration no: 301072E

Amitava Chowdhury

Amitava Chowdhury
Partner
Membership no: 056060

Place:Kolkata
Date: 29th April 2019

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Director

Whole-time Director and Chief Financial Officer

Company Secretary