GUILTFREE INDUSTRIES LIMITED

AUDITED STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH, 2021

RAY & RAY
Chartered Accountants
Kolkata Mumbai Delhi Bangalore Chennai Hyderabad

RAY & RAY
CHARTERED ACCOUNTANTS

Webel Bhavan, Ground Floor,
Block - EP & GP, Sector V,
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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, 2021, 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, 2021, its loss, 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.

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Information Other than the Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Directors' report including annexures to the Directors' Report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

- In connection with our audit of standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 including other 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 preventing and detecting 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 is responsible for overseeing the Company's financial reporting process.

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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 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.

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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 standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) 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 standalone 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.

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.

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

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

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g) With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197 (16) of the Act as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) 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 did 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
UDIN:21056060AABE7003

Place: Kolkata

Date: The 11th June, 2021

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'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)

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

(b) The Company has a programme of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the Programme, fixed assets pertaining to a plant of the Company were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

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

ii. As explained to us, inventories were physically verified by the Management during the year at reasonable intervals and no material discrepancies were noticed on such verification.

(iii) (a) On the basis of examination of books of account of the Company and according to the information and explanations given to us, the Company has granted unsecured loan of Rs 726.00 lakhs during the year to the Subsidiary company covered in the Register maintained under section 189 of the Act.

(b) In our opinion and according to the information and explanations given to us, the terms and conditions of grant of such loan are not prima-facie prejudicial to the interest of the Company.

(c) As per loan agreement, the principal amount is repayable on demand and interest is repayable on half yearly basis by the Borrower. There is no stipulation as to payment of principal The principal amount has not been repaid as repayment of the same has not been called for by the Company. Interest has been paid by the Subsidiary during the year amounting to Rs 4,570,925/-. Interest accrued at the end of year is Rs 2,409,116/- which relates to period Dec, 2020 to March ,2021.

iv. On the basis of the examination of books of account and records of the Company and in accordance with information and explanations given to us, we are of the opinion that the Company has complied with provisions of section 185 and 186 of the Act in respect of loan given to the following subsidiary company during the year as necessary resolution has been passed by the Company during the year.

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E-mail : raynray@raynray.net

Name of Company	Balance as at 01.04.2020 (Rs in Lakhs)	Loans given during the year (Rs in Lakhs)	Loans recovered during the year (Rs in Lakhs)	Balance as at 31.03.2021 (Rs in Lakhs)
Apricot Foods Private Limited	98.00	726.00	98.00	726.00

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

vii. (a) According to the records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees' State Insurance Fund, Income-tax, Sales tax, Service tax, Duty of custom, Duty of excise, Value added tax, Cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us and on the basis of examination of books of account, we are of the opinion that there are no outstanding statutory dues in arrear as at the last day of the financial year concerned for a period of more than six months from the date they became payable

(c) 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, 2021 on account of any dispute.

viii. The Company has taken loans from a bank and a private financial institution. On the basis of checking of records of the Company and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of the said loans. The Company has neither taken any loan from any other bank or financial institution and Government nor has 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) or term loans and hence reporting under clause (ix) of the Order is not applicable.

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 during the year.

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Name of Company	Balance as at 01.04.2020 (Rs in Lakhs)	Loans given during the year (Rs in Lakhs)	Loans recovered during the year (Rs in Lakhs)	Balance as at 31.03.2021 (Rs in Lakhs)
Apricot Foods Private Limited	98.00	726.00	98.00	726.00

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

vii. (a) According to the records of the Company examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, Employees' State Insurance Fund, Income-tax, Sales tax, Service tax, Duty of custom, Duty of excise, Value added tax, Cess and other statutory dues applicable to it.

(b) According to the information and explanations given to us and on the basis of examination of books of account, we are of the opinion that there are no outstanding statutory dues in arrear as at the last day of the financial year concerned for a period of more than six months from the date they became payable

(c) 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, 2021 on account of any dispute.

viii. The Company has taken loans from a bank and a private financial institution. On the basis of checking of records of the Company and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in the repayment of the said loans. The Company has neither taken any loan from any other bank or financial institution and Government nor has 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) or term loans and hence reporting under clause (ix) of the Order is not applicable.

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 during the year.

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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, clause (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 188 of the Act for all transactions with related parties and the details of related party transactions have been disclosed in the 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. The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under clause (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 clause (xv) of the Order is not applicable to the Company.

xvi. 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

Place : Kolkata
Date : The 11th June, 2021

Membership no. 056060
UDIN: 210560AABE7003

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Webel Bhavan
Kolkata-91
CHARTERED ACCOUNTANTS

"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, 2021 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.

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 generally, 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, 2021 based on ' the criteria for internal control over financial reporting' 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
UDIN: 21056060AABE7003

Place: Kolkata
Date: The 11th June, 2021

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Webel Bhavan
Kolkata-91
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Guiltfree Industries Limited
Balance Sheet as at 31st March, 2021

₹ in Lakhs

Particulars	Note No.	As at 31 March 2021	As at 31 March 2020
I. ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	3	7,488.46	8,213.96
(b) Capital work in progress	3(i)	312.08	577.42
(c) Intangible assets	4	183.36	238.19
(d) Right of Use Assets	5	2,603.79	3,232.13
(e) Financial Assets			
(i) Investments	6	31,351.99	31,210.51
(ii) Loans	7(i)	60.93	56.95
(ii) Other financial assets	8(i)	1.09	395.83
(f) Deferred Tax asset (net)	9	-	12,959.52
(g) Other Non-Current assets	10(i)	90.88	845.26
Total non-current assests		**42,092.58**	**57,729.77**
(2) Current Assets			
(a) Inventories	11	1,182.34	1,305.80
(b) Financial Assets			
(i) Trade receivables	12	308.75	390.61
(ii) Cash and cash equivalents	13	219.19	5,335.61
(iii) Bank Balances Other than (iii) above	14	46.38	256.16
(iv) Loans	7(ii)	749.14	99.19
(v) Other financial assets	8(ii)	447.09	2.55
(c) Current Tax Assets	15	6.82	167.77
(d) Other Current assets	10(ii)	6,285.94	5,297.35
Total current assets		**9,245.65**	**12,855.04**
TOTAL ASSETS		**51,338.23**	**70,584.81**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a)Equity share capital	16	71,149.87	60,566.53
(b)Other equity	17	(53,015.23)	(25,346.67)
Total equity		**18,134.64**	**35,219.86**
(2) Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	19,728.78	23,163.29
(ii) Lease Liabilities	19(i)	2,480.40	2,918.06
(iii) Other financial liability	20	-	-
(b) Provision	21(i)	297.51	263.18
Total non-current liabilities		**22,506.69**	**26,344.53**
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease Liabilities	19(ii)	426.47	471.64
(ii) Trade payables	22		
- total outstanding dues of micro enterprises and small enterprises		109.38	145.77
- total outstanding dues of creditors other than micro and small enterprises		6,201.57	5,696.06
(iii) Other financial liability	20	3,592.79	1,941.54
(b)Other Current Liabilities	23	363.84	764.10
(c)Provisions	21(ii)	2.85	1.31
Total Current liabilities		**10,696.90**	**9,020.42**
Total liabilities		**33,203.59**	**35,364.95**
TOTAL EQUITY AND LIABILITIES		**51,338.23**	**70,584.81**
Notes forming part of Financial Statements	1-46		

This is the standalone balance sheet referred to in 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

Place:Kolkata
Date: 11/6/2021

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Rohit Garg
Whole-time Director and CFO
DIN: 07782248

Akhilanand Joshi
Director
DIN: 07041418

Ghanshyam Pandiya
Company Scеretary

Guiltfree Industries Limited

Statement of Profit and Loss for year ended 31st March, 2021

₹ in Lakhs

	Particulars	No.	For the year ended 31 March 2021	For the year ended 31 March 2020
I.	**Revenue from operations**			
	Sale of goods/Income from operation	24	9,427.84	12,516.52
			9,427.84	**12,516.52**
II.	**Other income**	25	174.59	7.41
III.	**Total income (I+II)**		**9,602.43**	**12,523.93**
IV.	**Expenses**			
	Cost of materials consumed	26	5,313.49	7,661.64
	Purchases of Stock- in -trade	27	14.37	-
	Change in inventories of finished goods, work-in-progress and Stock in Trade	28	59.68	274.97
	Employee benefits expense	29	4,616.38	5,517.63
	Finance Cost	30	2,806.41	1,577.82
	Depreciation and amortization expense	31	1,482.05	1,138.11
	Other expenses	32	12,185.50	18,275.35
	Total expense		**26,477.88**	**34,445.52**
V.	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(16,875.45)**	**(21,921.59)**
	Exceptional items		-	-
VI.	**Profit/(Loss) before tax**		**(16,875.45)**	**(21,921.59)**
VII.	**Tax Expense**	36		
	(1) Current tax		-	-
	(2) Deferred tax (Credit)	9	12,973.14	(5,700.09)
	Income tax expense / (Credit)		**12,973.14**	**(5,700.09)**
VIII.	**Profit/(Loss) for the year (VI-VII)**		**(29,848.59)**	**(16,221.50)**
IX.	**Other comprehensive income**			
	(A)(i)Items that will not be reclassified to profit or loss			
	Re- measurements gain/ (loss) on defined benefit plans		49.74	39.97
	(ii)Income Tax relating to items that will not be reclassified to profit or loss			
	Re- measurements gain/ (loss) on defined benefit plans	36	13.62	(10.39)
	Other comprehensive income /(expense) for the year, net of tax		**63.36**	**29.58**
X.	**Total comprehensive income for the year, net of tax attributable to equity holders (VIII+IX)**		**(29,785.23)**	**(16,191.92)**
	Earnings per equity share (Face Value of Rs 10 each)	45		
	Basic, computed on the basis of profit attributable to equity holders		(4.73)	(2.89)
	Diluted,computed on the basis of profit attributable to equity holders		(4.73)	(2.89)
	Notes forming part of Financial Statements	1-46		

This is the standalone Statement of profil and loss referred to in 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: 11/6/2021

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS

For and on behalf of Board of Directors

Rohit Garg
Whole-time Director and CFO
DIN: 07782248

Akhilanand Joshi
Director
DIN: 07041418

Ghanshyam Pandiya
Company Sceretary

Guiltfree Industries Limited
Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No.	₹ in Lakhs
Balance as at 1st April, 2019	50,48,47,125	50,484.71
Shares issued during the year	10,08,18,197	10,081.82
Bought back during the year	-	-
Balance as at 31st March, 2020	60,56,65,322	60,566.53
Shares issued during the year	10,58,33,333	10,583.33
Bought back during the year.	-	
Balance as at 31st March, 2021	71,14,98,655	71,149.87

B. Other equity (Refer Note 17)

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April,2020	-	11,595.81	(36,981.25)	38.77	(25,346.67)
Profit/(Loss) for the year	-	-	(29,848.59)	-	(29,848.59)
Other comprehensive income / (Loss) for the year					
Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	63.36	63.36
Share Application Money Received	12,700.00	-	-	-	12,700.00
Transfer to Equity Share Capital	(10,583.33)	-	-	-	(10,583.33)
Transfer to Equity Securities premium	(2,116.67)	2,116.67	-	-	-
Share application money refunded during the period				-	-
Balance as at 31st March,2021	-	13,712.48	(66,829.84)	102.13	(53,015.23)

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April,2019	6,023.35	9,579.44	(20,759.75)	9.19	(5,147.77)
Profit/(Loss) for the year	-	-	(16,221.50)	-	(16,221.50)
Other comprehensive income / (Loss) for the year					
Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	29.58	29.58
Share Application Money Received	6,100.00	-	-	-	6,100.00
Transfer to Equity Share Capital	(10,081.82)	-	-	-	(10,081.82)
Transfer to Equity Securities premium	(2,016.37)	2,016.37	-	-	-
Share application money refunded during the period	(25.16)				(25.16)
Balance as at 31st March,2020	-	11,595.81	(36,981.25)	38.77	(25,346.67)

This is the Statement of Changes in Equity referred to in 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: 11/6/2021

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Rohit Garg
Whole-time Director and CFO
DIN: 07782248

Akhilanand Joshi
Director
DIN: 07041418

Ghanshyam Pandiya
Company Sceretary

Guiltfree Industries Limited

Statement of Cash Flow for year ended 31st March ,2021

₹ in Lakhs

Particulars	For the year ended 31 March 2021	For the year ended 31 March 2020
A.Cash Flow from Operating activities		
Profit/(Loss) before tax	(16,875.45)	(21,921.59)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation on Property, Plant & equipment	826.54	613.65
Depreciation on right-of-use assets	600.68	475.37
Amortisation of intangible assets	54.83	49.09
Gain / Loss on sale of current investment (Net)	(10.31)	25.91
Provision for Doubtful advances (Net)	(1.91)	(16.84)
Provision for Doubtful Debts	100.00	10.68
Provision for Slow moving Inventory	124.88	232.63
Finance Cost	2,511.06	1,350.46
CWIP Charged to statement of profit and loss	248.29	-
Loss on property, plant and equipments sold	1.70	-
Gain on lease modification	(2.83)	-
Interest expenes on Lease liabilities	295.35	227.36
Liability no longer required written back	(12.94)	(18.69)
Interest income on financial instruments measured at amortised cost	(3.99)	(3.19)
Interest income from Loan given	(67.25)	(2.83)
Interest income from Bank Deposits	(44.26)	(7.80)
Operating Profit/(Loss) before working capital changes	(12,255.61)	(18,985.79)
Working capital adjustments:		
(Increase)/ decrease in Inventories	(1.41)	572.25
(Increase)/ decrease in Trade receivables	(18.15)	109.08
(Increase)/ decrease in Non Current Financial assets and Current Financial assets	(36.16)	22.75
(Increase)/ decrease in Other Non-Current assets and Other Current assets	(982.50)	(1,579.29)
Increase/(decrease) in Trade payables	477.66	(921.83)
Increase / (decrease) in Provision	85.61	89.49
Increase / (decrease) in Other Current financial liabilities	(1.88)	4.07
Increase / (decrease) in other Current Liabilities	(395.87)	237.59
Cash Generated from Operations	(13,128.30)	(20,451.68)
Income tax paid (net of refunds)	160.95	(3.79)
Net cash flows from/(used) in operating activities (A)	(12,967.35)	(20,455.47)
B.Cash Flow from Investing activities		
Purchase of property, plant and equipment, capital work-in-progress	(204.17)	(1,814.12)
Proceeds from Sale of property, plant and equipment	61.21	-
Purchase of intangible assets	-	(80.39)
Refund against application for allotment of Land	798.14	-
Proceeds/ Payment - Non-current investments (refer note: 41)	(141.48)	152.00
Paid to erstwhile shareholders of subsidiary company	(210.35)	(82.29)
Proceeds from Sale of current investments	10,895.31	71,572.80
Purchase of current investments	(10,885.00)	(57,675.61)
Redemption/ Maturity of Bank Deposit	195.63	41.09
Interest received	90.09	21.71
Loan to Subsidiary (Net)	(628.00)	(98.00)
Net cash flows from/(used) in investing activities (B)	(28.62)	12,037.18
C.Cash Flow from Financing Activities		
Share Application money received	12,700.00	6,100.00
Share Application money refunded	-	(25.16)
Principal Payment of lease liabilities	(452.33)	(317.80)
Interest paid other than on lease liabilities	(2,514.19)	(1,275.36)
Interest paid on Lease liabilities	(295.35)	(227.36)
Repayment of short-term borrowings (net)	-	(584.59)
Repayment of long-term borrowings	(1,558.58)	(5,000.00)
Proceeds from long-term borrowings	-	14,724.05
Net cash flows from/(used) in financing activities (C)	7,879.55	13,393.79
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(5,116.42)	4,975.50
Cash and cash equivalents at the beginning of the year	5,335.61	360.11
Cash and cash equivalents at the end of the year	219.19	5,335.61

Components of Cash and cash equivalents (Refer Note:12)

Particluars	For the year ended 31 March 2021	For the year ended 31 March 2020
Balance with banks in current accounts	203.19	5,335.61
Bank Deposits with original maturity of less than three months	16.00	-
Total of Cash and Cash Equivalents	219.19	5,335.61

The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'

This is the Statement of Cash Flows referred to in 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: 11/6/2021

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

For and on behalf of Board of Directors

Rohit Garg
Whole-time Director and CFO
DIN: 07782248

Akhilanand Joshi
Director
DIN: 07041418

Ghanshyam Pandiya

Ghanshyam Pandiya
Company Secretary

Notes forming part of Financial Statements

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, 700001, West Bengal having corporate identity number U15549WB2017PLC218864. 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 Basis of preparation and other Significant accounting policies

2.1 Basis of preparation

a. Statement of Compliance

The Financial statements of the Company are prepared on Going Concern basis 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 and 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 certain assets and liabilities which has been measured at Fair Value basis as mentioned below:

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. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

e. 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 2021 is included in the following notes:

Note 8 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 33 - measurement of defined benefit obligations: key actuarial assumptions;

Note 35- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (if any);

Note 3 & 4 - Useful Life and Residual Value of Property Plant and equipment and Intangible Asset
Note 3 & 4- Impairment of Property Plant and Equipment and Intangible asset (if any)
Note 5 & 19 - Measurement of Lease liabilities and Right of Use Asset (ROU)

f. Current versus non-current classification

All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. Based on the nature of products and the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as upto 12 months for the purpose of current/non-current classification of assets and liabilities.

g. Recent Accounting Developments

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013.
The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to Companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

RAY & RAY * CHARTERED ACCOUNTANTS * Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

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. The cost of an item of property, plant and equipment comprises its purchase price after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located. 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. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. 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, Estimated useful life and residual value

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

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using 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 (in years)
Plant and machinery	'10-15
Tool & Equipment	5
Dies & Moulds	1
Furniture & fixtures	10
Computer & peripherals	3
Electrical Installation	10
Lab equipments	10
Office equipments	5
Leasehold Improvement	Over Contract period

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

The carrying amount of assets is reviewed at each balance sheet date, to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of assets exceeds its recoverable amount which is the greater of net selling price and value in use of the respective assets. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risk specific to the asset. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Capital work-in-progress and Capital advances

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

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

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

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

c. Leases :

The Company as a lessee:

The Company's lease asset classes primarily consist of leases for land, buildings and plant and machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The Company as a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

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 class 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.

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.

RAY & RAY
CHARTERED ACCOUNTANTS
Webel Bhavan
Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

f. **Financial asset and liabilities**

Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition.

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 profit & loss account
3) 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.

Financial assets measured at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments measured at fair value through profit or loss account (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or 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.

Investment in subsidiaries

Investment in equity shares in subsidiaries, joint venture and associates is carried at cost in the financial statements. Any indemnification asset/ liablity are recognise by adjusting the cost of the investment.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognised in the Statement of Profit and Loss.

g **Foreign currencies Transactions**

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction. Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

h. **Segment Reporting**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Company is identified to be "Foods" as the CODM reviews business performance at an overall Company level as one segment.

i. **Revenue recognition**

Revenue from sale of products is recognised when control of products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers. Revenue is measured at fair value of the consideration received or receivable and are accounted for net of returns, rebates and trade discount and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates.

Customers have the contractual right to return goods only when authorised by the Company. An estimate is made of goods that will be returned and a liability is recognised for this amount using a best estimate based on accumulated experience.

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 to a customer, excluding amounts collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. The transaction price is allocated by the Company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods 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. When either party to a contract has performed its obligation, 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.

Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.

Interest income is recognized using effective interest method.

Dividend income is recognized at the time when the right to receive is established by the reporting date.

Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection.

GUILTFREE INDUSTRIES LIMITED

RAY & RAY Webel Bhavan Kolkata-91 CHARTERED ACCOUNTANTS

j. **Borrowing costs**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same. Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

k. **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cheques in hand, 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 tax is determined as the tax payable in respect of taxable income forthe year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

(ii) Deferred tax and Liabilities

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.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

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 in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

In an event when the time value of money is material, the provision is carried at the present value of the cash flows estimated to settle the obligation

Contingent liabilities

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote.

o. **Employee benefits**

(i) **Short-term employee benefits:** Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as and when the related services are provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

(ii) **Defined contribution plans:** A defined contribution plan is a post-employment benefit plan under which an entity pays a fixed contribution and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to provident and superannuation fund are recognised as an employee benefit expense in Statement of Profit and Loss when the contributions to the respective funds are due.

(iii) **Defined benefit plans:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses due to experience adjustments, changes in actuarial assumptions and the return on plan assets (excluding interest) are recognised in Other comprehensive income (OCI). Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

(iv) **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and nonaccumulating in nature. The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Non-accumulating compensated absences are recognised in the period in

p. **Expenses**

All expenses are accounted for on accrual basis.

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 ★ Webel Bhavan Kolkata-91 CHARTERED ACCOUNTANTS

GUILTFREE INDUSTRIES LIMITED ★

Notes forming part of Financial Statements

₹ in Lakhs

3 Property, plant and equipment

	Leasehold Improvement	Plant and Equipments	Furniture and fixtures	Office equipments	Computers	Total Tangible Assets
Gross Carrying Amount						
As At 1st April, 2019	-	3,867.70	12.39	18.20	92.83	3,991.12
Additions	592.18	4,200.66	99.35	68.06	29.10	4,989.34
Deduction	-	-	-	-	-	-
Balance as at 31st March, 2020	592.18	8,068.36	111.74	86.26	121.93	8,980.46
As At 1st April, 2020	592.18	8,068.36	111.74	86.26	121.93	8,980.46
Additions	2.00	160.62	-	0.17	1.15	163.95
Deduction	-	73.39	-	-	-	73.39
Balance as at 31st March, 2021	594.18	8,155.59	111.74	86.43	123.08	9,071.02
Accumulated depreciation						
As At 1st April, 2019	-	121.61	1.34	1.47	28.43	152.85
Depreciation charge for the year	79.21	477.69	9.60	11.00	36.15	613.65
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31st March, 2020	79.21	599.30	10.94	12.47	64.58	766.50
As At 1st April, 2020	79.21	599.30	10.94	12.47	64.58	766.50
Depreciation charge for the year	182.86	585.70	10.62	16.39	30.97	826.54
Reversal on disposal of assets	-	10.48	-	-	-	10.48
Balance as at 31st March, 2021	262.07	1,174.52	21.56	28.86	95.55	1,582.56
Net block						
Balance as at 31st March, 2021	332.11	6,981.07	90.18	57.57	27.53	7,488.46
Balance as at 31st March, 2020	512.97	7,469.06	100.80	73.79	57.35	8,213.96

3. (a) Borrowing cost capitalized during the year is Nil (March 31, 2020 ₹ 267.74 Lakhs)
3. (b) Disposal of Plant and Equipments represent sale to Subsidiary, Apricot Foods Private Limited. (Refer note 34)
3. (c) For contractual obligations, refer Note 35(ii) for disclosure of capital commitments for acquisition of property, plant and equipment.

RAY & RAY * CHARTERED ACCOUNTANTS * Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

3.(i)

Capital Work in Progress	₹ in Lakhs
	Capital Work in Progress
Gross Carrying Amount	
As At 1st April, 2019	**3,544.90**
Additions	2,021.86
Less: Transfer to Property, Plant and Equipment	(4,989.34)
Balance as at 31st March, 2020	**577.42**
As At 1st April, 2020	577.42
Additions	146.90
Less: Transfer to Property, Plant and Equipment	(163.95)
Less: Transfer to Statement of Profit and Loss	(248.29)
Balance as at 31st March, 2021	**312.08**

3.(i).(a) : CWIP includes borrowing cost of ₹ 19.52 Lakhs (March 31, 2020 ₹ 23.19 Lakhs)

3.(ii) During the year the Company has capitalised the following expenses to cost of property, plant and equipment/capital work-in-progres:

Particulars	31-03-2021	31-03-2020
Balance brought forward from previous year	44.97	**163.88**
Add:Other expenses		
Job work charges	-	204.51
Repair & Maintenance	-	3.45
Professional fees	-	0.24
Travelling, Boarding & Lodging	-	2.98
R&D Expense	-	16.64
Less: Transfer to property, plant and equipment /capital work-in-progres	(44.97)	(346.73)
Balance lying in capital work-in-progress	-	**44.97**

Notes forming part of Financial Statements

4 Intangible Assets		₹ in Lakhs
	Computer Software, Server and Network	Total Intangible Assets
Gross Carrying Amount		
As At 1st April, 2019	**248.67**	248.67
Additions	80.39	80.39
Deduction	-	-
Balance as at 31st March, 2020	**329.06**	**329.06**
As At 1st April, 2020	**329.06**	**329.06**
Additions	-	-
Deduction	-	-
Balance as at 31st March, 2021	**329.06**	**329.06**
Accumulated Amortisation		
As At 1st April, 2019	**41.78**	**41.78**
Amortisation	49.09	49.09
Reversal on disposal of assets	-	-
Balance as at 31st March, 2020	**90.87**	**90.87**
As At 1st April, 2020	**90.87**	**90.87**
Amortisation	54.83	54.83
Reversal on disposal of assets	-	-
Balance as at 31st March, 2021	**145.70**	**145.70**
Net block		
Balance as at 31st March, 2021	**183.36**	**183.36**
Balance as at 31st March, 2020	**238.19**	**238.19**

5 Right-of-use assets		₹ in Lakhs
	Right-of-use assets	Total Right-of-use assets
Gross Carrying Amount		
As At 1st April, 2019 ((Effect of Transaition to IND AS 116))	**1,095.38**	**1,095.38**
Additions	2,612.12	2,612.12
Deduction	-	-
Balance as at 31st March, 2020	**3,707.50**	**3,707.50**
As At 1st April, 2020	**3,707.50**	**3,707.50**
Additions	14.54	14.54
Deduction	72.24	72.24
Balance as at 31st March, 2021	**3,649.80**	**3,649.80**
Accumulated depreciation		
As At 1st April, 2019	**475.37**	**475.37**
Depreciation	-	-
Reversal on disposal of assets	-	-
Balance as at 31st March, 2020	**475.37**	**475.37**
As At 1st April, 2020	**475.37**	**475.37**
Depreciation	600.68	600.68
Reversal on disposal of assets	30.04	30.04
Balance as at 31st March, 2021	**1,046.01**	**1,046.01**
Net block		
Balance as at 31st March, 2021	**2,603.79**	**2,603.79**
Balance as at 31st March, 2020	**3,232.13**	**3,232.13**

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Kolkata-91
CHARTERED ACCOUNTANTS

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

₹ in Lakhs

		As at 31 March 2021	As at 31 March 2020
6	**Investments**		
	Non-current Investments		
	Measured at Cost		
	In Equity Shares of Subsidiary company (70% Holding)		
	Unquoted , fully paid*		
	Apricot foods Private limited : 2,80,000 equity shares of ₹ 10 each as at 31st March 2021 (March 31, 2020 2,80,000)	31,351.99	31,210.51
	*Refer note: 41	31,351.99	31,210.51
	Aggregate amount of Quoted Investments - FVTPL	-	-
	Market value amount of Quoted Investments - FVTPL	-	-
	Aggregate amount of Unquoted Investments - Cost	31,351.99	31,210.51

		As at 31 March 2021	As at 31 March 2020
7	**Loans**		
	(i) Non-Current		
	(unsecured, considered good)		
	Security deposits (measured at amortised cost)	60.93	56.95
		60.93	56.95
	(ii) Current		
	(unsecured, considered good)		
	Loan to Subsidiary* (Refer Note 34)	726.00	98.00
	Security deposits	23.14	1.19
		749.14	99.19

* The Loan to Apricot Foods Private Limited , a subsidiary company (70% Holding), was given after complying applicable provisions of the Companies Act, 2013. The loan was given in accordance with the terms and conditions agreed between the parties and is to be used by the recipient in the normal course of business. The loan is repayable within one year from the date of disbursement . The Rate of Interest on the loan is 10.25% p.a.

		As at 31 March 2021	As at 31 March 2020
8	**Other financial assets**		
	(i) Non Current		
	Bank Deposits with original maturity of more than twelve months*	1.09	395.83
		1.09	395.83
	(ii) Current		
	Bank Deposits**	423.12	-
	Interest Accured but not due against Loan to Subsidiary (Refer Note 34)	23.97	2.55
		447.09	2.55

* Bank Deposits include ₹ 1.09 Lakhs (March 31, 2020 ₹ 1.02 Lakhs) held against Bank guarantees.

** Bank Deposits include ₹ 423.12 Lakhs (March 31, 2020 ₹ 394.81 Lakhs shown under Non-current Other financial assets) kept in Debt service retention accounts of RBL Bank limited to maintain a minimum of 3month interest on term loan.

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

₹ in Lakh

Note 9 Deferred tax assets (net)	As at 31 March 2021	As at 31 March 2020
Deferred tax asset arising on account of:		
Business loss and unabsorbed depreciation	-	13,082.35
Provision for employee benefits	78.09	65.55
Provision for Expenses (net)	434.08	353.99
	512.17	13,501.88
Deferred tax liability arising on account of:		
Excess of tax depreciation over book depreciation	508.81	537.50
Net gain arising on financial assets measured at FVTPL	-	-
Others	3.36	4.86
	512.17	542.36
	-	12,959.52

Movement in deferred tax assets (net)

Particulars	1st April, 2020	Recognized in other comprehensive income	Recognized in profit or loss	31st March. 2021
Assets				
Business loss and unabsorbed depreciation	13,082.35	-	(13082.35)	-
Provision for employee benefits	65.55	13.62	(1.08)	78.09
Provision for Expenses & Others	353.98	-	80.11	434.08
Sub-total	**13,501.88**	13.62	(13,003.32)	512.17
Liabilities				
Excess of tax depreciation over book depreciation	537.50	-	(28.68)	508.81
Others	4.86		(1.50)	3.36
Sub-total	542.36	-	(30.18)	512.17
Total	12,959.52	13.62	(12,973.14)	-

Movement in deferred tax assets (net)				
Particulars	1 April 2019	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2020
Assets				
Business loss and unabsorbed depreciation	7,043.53	-	6,038.82	13,082.35
Provision for employee benefits	52.67	(10.39)	23.27	65.55
Provision for Expenses & Others	389.51	-	(35.54)	353.98
Sub-total	**7,485.71**	(10.39)	6,026.56	13,501.88
Liabilities				
Excess of tax depreciation over book depreciation	194.35	-	343.16	537.50
Financial assets at fair value through profit or loss - Mutual Funds	21.55	-	(21.55) -	0.00
Others	-		4.86	4.86
Sub-total	**215.90**	-	326.47	542.36
Total	7,269.81	(10.39)	5,700.09	12,959.52

***Note 9.a:** In accordance with accounting policy, the Company reviewed its projections of future taxable income in light of the continuing impact of Covid-19 pandemic along-with other risk factors. As per current estimate, the Deferred Tax Asset (DTA) relating to brought forward business losses and unabsorbed depreciation may not be realisable within a reasonable period of time and the applicable time limits as per the Income Tax Act. Accordingly the Deferred tax asset recognised in earlier periods amounting to ₹12,973.14 lakhs have been reversed and charged to Statement of Profit and Loss during the current year. Moreover,
₹13.62 lakhs recognised in Other Comprehensive Income in earlier period have also been reversed.

RAY & RAY
Webel Bhavan
Kolkata-91
CHARTERED ACCOUNTANTS

Notes forming part of Financial Statements

₹ in Lakhs

Notes forming part of Financial Statements

₹ in Lakhs

No.	Particulars	As at 31 March 2021	As at 31 March 2020
10	**(i) Other Non-Current assets**		
	(Unsecured, considered good unless stated otherwise)		
	Capital advances	84.64	834.84
	Prepaid expenses	6.24	10.42
		90.88	845.26
	(ii) Other Current Asset		
	(Unsecured, considered good unless stated otherwise)		
	Advances other than capital advances:		
	Advances for Supply of Goods	19.24	18.24
	Advance for Supply of Services & Others	126.99	35.21
	Advance to employees	27.03	51.98
		173.26	105.43
	Unsecured considered Good	156.67	83.38
	Unsecured considered doubtful	16.59	22.05
		173.26	105.43
	Less: Allowance for Doubtful advance	(16.59)	(22.05)
	Sub-total Net Advances other than capital advance	156.67	83.38
	Balances with statutory / government authorities	5,902.60	4,600.88
	Other Receivables	60.59	547.23
	Prepaid Expenses	166.08	65.86
		6,285.94	5,297.35
	(i) Advance to employees includes advance given to related parties amounting to Nil (March 31, 2020 ₹ 5 Lakhs)		
	(ii) Advance for Supply of Services & Others includes advance given to related parties amounting ₹ 0.04 Lakhs (March 31, 2020 Nil)		
11	**Inventories**		
	(At the lower of cost or net realisable value)		
	Raw materials (Includes Packing materials)	537.80	652.75
	Finished goods	548.54	614.65
	Stock In Trade	6.43	-
	Stores , Spares & Promotional Materials	89.57	38.40
		1,182.34	1,305.80
	The write down of inventories to net realisable value amounted to ₹ 124.88 Lakhs (31 March 2020 ₹ 232.63 Lakhs) towards slow moving, non-moving and obsolete inventories. The write down are included in cost of materials consumed or changes in inventories of finished goods,work-in-progress and stock- in-trade.		
12	**Trade receivables**		
	Unsecured		
	Considered good	308.75	390.61
	Considered doubtful	119.00	19.00
		427.75	409.61
	Less: Allowance for doubtful debts	(119.00)	(19.00)
	Total Trade receivables	308.75	390.61
	Of the above, trade receivable from		
	- Related Parties	33.79	19.58
	- Others	274.96	371.03
		308.75	390.61
	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 .		

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

₹ in Lakhs

Notes forming part of Financial Statements

₹ in Lakhs

		As at 31 March 2021	As at 31 March 2020
13	**Cash and cash equivalent**		
	Balances with banks:		
	- In curent accounts	203.19	5,335.61
	- Bank Deposits with original maturity of less than three months	16.00	-
		219.19	**5,335.61**
14	**Bank Balances other than Cash and cash equivalent**		
	Balances with banks:		
	- In Escrow accounts	43.88	29.64
	- Bank Deposits*	2.50	226.52
		46.38	**256.16**
	* Bank Deposits include Nil (March 31, 2020 ₹ 224.14 Lakhs) held against Escrow account.		
	* Bank Deposits include ₹ 2.50 Lakhs (March 31, 2020 ₹ 2.38 Lakhs) lien against Haryana VAT Registration.		
15	**Current Tax Assets**		
	Income tax refundable	6.82	167.77
		6.82	**167.77**

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

		As at 31 March 2021		As at 31 March 2020	
		Number	₹ in Lakhs	Number	₹ in Lakhs
16	**Equity Share capital**				
	Authorised share capital				
	Equity shares [1,00,00,00,000 equity shares of ₹ 10/- each (March 31, 2020 , 1,00,00,00,000 equity share ₹ 10/- each)]	1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
		1,00,00,00,000	1,00,000.00	1,00,00,00,000	1,00,000.00
	Issued, subscribed and fully paid up				
	Equity shares fully paid up [71,14,98,655 equity shares of ₹ 10/- each] [March 31, 2020 : 60,56,65,322 equity shares of ₹ 10/- each]	71,14,98,655	71,149.86	60,56,65,322	60,566.53
	Total issued, subscribed and fully paid share capital	71,14,98,655	71,149.86	60,56,65,322	60,566.53

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

	As at 31 March 2021		As at 31 March 2020	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity shares				
At the beginning of the year	60,56,65,322	60,566.53	50,48,47,125	50,484.71
Add: Shares issued	10,58,33,333	10,583.33	10,08,18,197	10,081.82
Less: Shares bought back	-	-	-	-
Balance at the end of the year	71,14,98,655	71,149.86	60,56,65,322	60,566.53

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**

Name of shareholder	As at 31 March 2021		As at 31 March 2020	
	Number	% of holding	Number	% of holding
Equity shares				
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	71,14,98,655	100.0%	60,56,65,322	100.0%
	71,14,98,655	100.0%	60,56,65,322	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

Notes forming part of Financial Statements

₹ in Lakhs

17	Other Equity	As at 31 March 2021	As at 31 March 2020
	Reserves & Surplus:		
	Securities premium Reserve	13,712.48	11,595.81
	Retained Earnings	(66,829.84)	(36,981.25)
	Other comprehensive Income	102.13	38.77
		(53,015.23)	(25,346.67)

Nature and purpose of other Equity

(i) Securities premium reserve :

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Indian Companies Act, 2013 (the "Companies Act").

(ii) Retained earnings:

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

(iii) Other comprehensive Income :

This Reserve represents the cumulative gains (net of losses) arising on Re- measurements gain/ (loss) on defined benefit plans through Other Comprehensive Income, net of amounts reclassified, if any, to Retained Earnings.

18	Borrowings	As at 31 March 2021	As at 31 March 2020
	Non Current		
	Secured (measured at amortised cost)		
	Term Loan		
	Rupee term loans - from banks	8,790.47	9,724.05
	Long Term Working Capital Loan		
	Rupee LTWC loans - from financial institutions	14,375.00	15,000.00
	Total	23,165.47	24,724.05
	Less: Current maturities of long term borrowings transferred to Other Current Financial Liabilities (Refer note: 20)	(3,436.69)	(1,560.76)
		19,728.78	23,163.29

(i) Repayment terms and nature of securities given for Indian rupee term loans from banks and financial institutions are as follows:

Bank / Financial institutions	Nature of Security	Repayment terms	As at 31 March 2021	As at 31 March 2020
(a) Bank:				
RBL Bank limited	(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	(i) Repayment in 24 unequal quarterly instalments starting from 22nd May, 2020 in the following manner: (a) first 8 Instalments of 2.5% each (b) next 4 instalments of 3.75% each (c) next 8 instalments of 5% each (d) next 4 instalments of 6.25% each. (ii) Interest payable monthly 3 month MCLR which is in range of 8.20% to 9.05% .	8,790.47	9,724.05
(b) Financial institutions:				
Tata capital Financial Services Limited	(i) First pari passu charge by way of Hypothecation on 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	(i) Repayment in 24 equal quarterly instalments starting from 15th March, 2021. (ii) Interest payable monthly 10.75% p.a. i.e. ROI equal to LTLR less 8.50%.	14,375.00	15,000.00

(ii) Net Debt Reconciliation: Refer Note 42

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata 91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements
Notes forming part of Financial Statements

₹ in Lakhs
₹ in Lakhs

		As at 31 March 2021	As at 31 March 2020
19	**Lease Liabilities**		
	(i) Non Current		
	Lease Liabilities (Refer note 40)	2,480.40	2,918.06
		2,480.40	2,918.06
	(ii) Current		
	Lease Liabilities (Refer note 40)	426.47	471.64
		426.47	471.64
20	**Other Financial Liabilities**		
	Current		
	Current maturities of long-term debt (Refer Note 18)	3,436.69	1,560.76
	Interest Accrued	71.97	75.10
	Payable to erstwhile shareholders of subsidiary company (Refer Note 37)	48.01	258.35
	Payable to employees	21.47	23.35
	Creditors for Capital goods	14.65	23.98
		3,592.79	1,941.54
21	**Provisions**		
	(i) Non Current		
	Provision for employess benefits (Refer Note 33)	297.51	263.18
		297.51	263.18
	(ii) Current		
	Provision for employess benefits (Refer Note 33)	2.85	1.31
		2.85	1.31
22	**Trade payables**		
	- Micro and small enterprises #	109.38	145.77
	- Others*	6,201.57	5,696.06
		6,310.95	5,841.83
	*includes due to Related parties (Refer Note 34)		
	# Information relating to trade payables to Micro and Small Enterprises		
	(i) The principal amount and interest due there on remaining unpaid to suppliers under Micro, Small and Medium Enterprises Development Act, 2006		
	Principal	-	7.86
	Interest	-	-
	(ii) The amount of interest paid by the buyer in terms of section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to suppliers beyond the appointed day during the year		
	Principal	-	-
	Interest	-	-
	(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006		
	Principal	-	-
	Interest	-	-
	(iv) The amount of interest accrued and remaining unpaid at the end of the year being interest outstanding as at the beginning of the accounting year	-	-
	(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when interest dues above are actually paid to the small enterprise, for the purpose of disallowance as deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act,2006	-	-
	The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small Enterprises" enterprises on the basis of information available with the Company.		
23	**Other current liabilities**		
	Advance from customers	191.06	528.53
	Statutory dues (dues Includes TDS, PF, ESI, GST etc)	172.78	235.57
		363.84	764.10

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

₹ in Lakhs

		For the year ended 31 March 2021	For the year ended 31 March 2020
24	**Revenue from operations**		
	Sale of Product	9,375.79	12,380.12
	Sale of Services	-	29.74
	Other Operating revenues		
	Scrap sales	52.05	106.66
		9,427.84	12,516.52
25	**Other income**		
	Gain / (loss) on sale of current investment (Net)	10.31	(25.91)
	Interest income:		
	- On Bank Deposits	44.26	7.80
	- On Loan to Subsidiary	67.25	2.83
	- On Income tax refund	11.86	-
	- On financial instruments measured at amortised cost	3.99	3.19
	Gain on lease modification	2.83	-
	Exchange differences	0.24	0.81
	Liability no longer required written back	12.94	18.69
	Other non operating income	20.91	-
		174.59	7.41
26	**Cost of Materials consumed**		
	Inventory of materials at the beginning of the year	652.76	1,194.13
	Add : Purchases (Net)	5,198.53	7,120.27
	Less : Inventory of materials at the end of the year	(537.80)	(652.76)
	Cost of Material Consumed	5,313.49	7,661.64
27	**Purchases of Stock- in -trade**		
	Finished Goods	14.37	-
		14.37	-
28	**Changes in inventories of finished goods, work in progress and stock in trade:**		
	Opening Inventory		
	Finished goods	614.65	889.62
	Stock in Trade	-	-
	Closing Inventory		
	Finished goods	548.54	614.65
	Stock in Trade	6.43	-
	(Increase) / decrease in Inventory	59.68	274.97
29	**Employee benefits expense**		
	Salaries, wages and Bonus	4,373.45	5,214.09
	Contribution to provident and other fund (Refer Note 33(1))	169.68	201.52
	Staff welfare expenses	73.25	102.02
		4,616.38	5,517.63
30	**Finance Costs**		
	Interest expense		
	On Term loan	896.69	882.63
	On Long Term Working Capital	1,609.37	424.11
	On Cash Credit facilities	-	43.72
	Other borrowing costs		
	Interest expenes on Lease liabilities	295.35	227.36
	Processing Charges	5.00	-
		2,806.41	1,577.82
31	**Depreciation and Amortisation expense**		
	Depreciation on Property, Plant & equipment (refer note 3)	826.54	613.65
	Depreciation on right-of-use assets (refer note 5)	600.68	475.37
	Amortisation of intangible assets (refer note 4)	54.83	49.09
		1,482.05	1,138.11
			-

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

₹ in Lakhs

		For the year ended 31 March 2021	For the year ended 31 March 2020
32	Other expenses		
	Job work charges	1,402.88	2,020.60
	Carriage,Freight and Forwarding Charges	1,655.88	2,439.81
	Repair & Maintenance		
	- Plant & Machinery (Includes stores and spares consumed)	113.46	85.15
	- AMC and Other IT related Maintenances Expenses	184.77	196.43
	Marketing and Advertising Expenses	2,824.83	6,031.25
	Sales Promotion and other selling Expenses	3,151.99	5,188.00
	Consultancy and Legal Expenses	1,491.09	725.02
	Rent	14.22	47.93
	Common Area Maintenance	50.37	26.71
	Payment to auditors		
	- For Audit Fees	5.00	5.00
	- For taxation matters	1.00	1.00
	- For other services	4.00	4.40
	Recruitment Expenses	210.00	101.60
	Travelling, Boarding & Lodging	302.79	780.02
	Rates and taxes	20.14	16.60
	R&D Expense	469.65	253.16
	Loss on property, plant and equipments sold	1.70	-
	Write off of doubtful Advances	3.55	2.59
	Write back of doubtful Advances	(5.46)	(20.09)
	Provision for Doubtful receivables and advances	100.00	11.34
	Misc Expenses	183.64	358.83
	Total	12,185.50	18,275.35

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

Note 33 Employee Benefit

1) Post Retirement Benefits - Defined Contribution Plan

₹ in Lakhs

Benefit (Employer contribution to)	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Provident fund	166.71	200.71
National pension scheme	2.85	-
Other Fund	0.12	0.81
Total included in "Employees Benefit Expenses"	169.68	201.52

2) Post Retirement Benefits - Defined Benefits Plan

a) Gratuity

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 or investment in plan assets.

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 has been done in line with requirements of Ind AS 19 (2015). Below notes sets out in details the assumption used for gratuity valuation.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation are as follows:

	For the year ended 31-Mar-21	For the year ended 31-Mar-20
(i) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	121.38	88.55
Current service cost	53.71	66.89
Interest cost	8.41	5.91
Benefit Paid	(1.43)	-
Actuarial (gain)/loss arising due to Change in Financial Assumption	(6.56)	(62.72)
Actuarial (gain)/loss arising from Unexpected Experience	(43.18)	22.75
Balance at the end of the year	132.32	121.38
(ii) Reconciliation of fair value of plan assets		
Balance at the beginning of the year	-	-
Balance at the end of the year	-	-
(iii) Net defined benefit liabilities / (assets)		
Present value obligation as at the end of the year	132.32	121.38
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	132.32	121.38
(iv) Expense recognised in Statement of Profit or Loss		
Employee benefit expenses:		
Service cost	53.71	66.89
Finance costs		
- Interest costs	8.41	5.91
- Interest income	-	-
Net impact on profit before tax	62.12	72.80
(v) Remeasurement losses / (gains) recognised in Other Comprehensive Income		
Actuarial (gain)/loss arising due to Change in Financial Assumption	(6.56)	(62.72)
Actuarial (gain)/loss arising from Unexpected Experience	(43.18)	22.75
Remeasurement losses / (gains) in other comprehensive income	(49.74)	(39.97)

(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 2021	Year ended 31 March 2020
Discount rate (per annum)	6.97%	6.67%
Expected rate of return on plan assets	N/A	N/A
Salary escalation rate (per annum)	7.00%	7.00%
Withdrawl rate (per annum)	20.00%	20.00%
Expected average remaining working lives of employees (years)	19	20
Mortality	IALM 2006 - 2008 Ultimate	IALM 2006 - 2008 Ultimate

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

(ix) Sensitivity Analysis: Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

	Year ended		Year ended	
	Increase	Decrease	Increase	Decrease
(i) Discount Rate (0.5% Movement)	(122.21)	143.47	(111.65)	132.15
(ii) Future Salary (0.5% Movement)	142.55	(122.60)	132.02	(111.67)
(iii) Atrition Rate (0.5% Movement)	(131.02)	133.63	(120.96)	121.80

(x). Assets and Liabilities relating to employee defined benefits - Estimated future payments of undiscounted gratuity is as follows:

	Year ended 31 March 2021	Year ended 31 March 2020
Within 12 months	0.85	0.63
Between 2 and 5 years	4.04	3.32
Between 6 and 10 years	47.69	48.83
Beyond 10 years	414.22	376.58

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements
Note 33 Employee Benefit

b) Leave Enchashment

Actuarial Valuation for leave Enchashment has been done in line with requirements of Ind AS 19 (2015). Below notes sets out in details the assumption used for leave Enchashment valuation.

	For the year ended 31-Mar-21	For the year ended 31-Mar-20
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	143.10	126.43
Current service cost	66.76	49.25
Interest cost	8.01	6.37
Benefit paid	(56.51)	(61.93)
Actuarial (gain)/loss arising due to Change in Financial Assumption	(8.02)	(74.12)
Actuarial (gain)/loss arising from Unexpected Experience	14.68	97.10
Obligations at the end of the year	168.04	143.10
(ii) Change in fair value of plan assets:		
Obligations at the beginning of the year	-	-
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 of obligation as at the end of the year	168.04	143.10
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	168.04	143.10
(iv) Components of net cost charged to the Statement of Profit and Loss		
Employee benefit expenses:		
Service cost	66.76	49.25
Actuarial Gain loss Applicable only for last year	6.66	23.39
Finance costs		
- Interest costs	8.01	6.37
- Interest income	-	-
Net impact on profit before tax	81.43	79.01
(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 2021	Year ended 31 March 2020
Discount rate (per annum)	6.97%	6.67%
Expected rate of return on plan assets	NA	NA
Future compensation Growth (per annum)	7.00%	7.00%
Employee Turnover (per annum)	20.00%	20.00%
Average Expected Future Service (years)	19	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.

RAY & RAY * CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

Note: 34 : Related Party Disclosures

(A) Related parties (where transactions have taken place during the year or previous year / balances outstanding):

Names of related parties and related party relationship

Holding company	RPSG Ventures Limited (formerly known as CESC Ventures Limited)
Subsidiary company	Apricot Foods Private Limited **(70% holding)**
Jointly controlled entities of promoters - Promoter Group	Spencer's Retail Limited CESC Limited Natures Basket Limited Bowlopedia Restaurants India Limited Saregama India Limited Phillips Carbon Black Limited Quest Properties India Limited Herbolab India Private Limited
Key Management Personnel	Rohit Garg , Whole Time Director and Chief Financial Officer Himanshu Khanna, Whole Time Director (till 31-03-2021) Prashant Agarwal , Company Scecretary (till 17-09-2020) , Ghanshyam Pandiya ,Company Scecretary (w.e.f 05-10-2020)
Relatives of KMP	Mrs Smriti Garg (Wife of Rohit Garg)
Directors	Arun kumar Mukherjee Akhilanand Joshi Ankita Banerjee (till 01-12-2020) Saumyapriya Bose (w.e.f 09-02-2021)

(B) Details of transactions entered into with the related parties :

₹ in Lakhs

Nature of Transactions	Holding Company		Subsidiary/Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Sales of Goods										
Spencer's Retail Limited			154.54	31.63					154.54	31.63
			(108.98)	(17.00)					(108.98)	(17.00)
CESC Limited			1.37	0.14					1.37	0.14
			(0.87)	-					(0.87)	-
Natures Basket Limited			12.49	2.00					12.49	2.00
			(8.73)	(2.57)					(8.73)	(2.57)
Sales of property, plant and equipments										
Apricot Foods Private Limited			61.21	-					61.21	-
			-	-					-	-
Interest income on Loan										
Apricot Foods Private Limited			67.25	23.97					67.25	23.97
			(2.83)	(2.55)					(2.83)	(2.55)
Purchase of stock in trade /Consumables / Office Equipment										
Spencer's Retail Limited			14.58	-					14.58	-
			(0.23)	-					(0.23)	-

GUILTFREE INDUSTRIES LIMITED

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

Nature of Transactions	Holding Company		Subsidiary/Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Nature of Transactions	Holding Company		Subsidiary/Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Expense Incurred (includes Reimbursement of expenses)										
Bowlopedia Restaurants India Limited			-	-					-	-
			(1.11)	-					(1.11)	-
Spencer's Retail Limited			34.83	-					34.83	-
			(58.74)	-					(58.74)	-
Saregama India Limited			-	-					-	-
			(0.68)	-					(0.68)	-
Quest Properties Limited			0.22	0.05					0.22	0.05
			(1.02)	(0.25)					(1.02)	(0.25)
CESC Limited			5.47	-					5.47	-
			(4.57)	(5.51)					(4.57)	(5.51)
Phillips Carbon Black Limited			7.57	-					7.57	-
			(5.07)	(0.14)					(5.07)	(0.14)
Herbolab India Private Limited			1.38	0.04					1.38	0.04
			-	-					-	-
Apricot Foods Private Limited			0.03	0.03					0.03	0.03
			-	-					-	-
Mrs Smriti Garg							8.09	-	8.09	-
							(7.12)	-	(7.12)	-
Remuneration to Key Managerial Personnel (Employee Benefit Expneses)										
Rohit Grag										
Short Term Employee Benefits							96.72	-	96.72	-
							(99.55)	-	(99.55)	-
Retirement Benefits							3.75	-	3.75	-
							(3.65)	-	(3.65)	-
Reimbursement							-	-	-	-
							-	-	-	-
Prashant Agarwal										
Short Term Employee Benefits							4.18	-	4.18	-
							(7.66)	-	(7.66)	-
Retirement Benefits							0.13	-	0.13	-
							(0.29)	-	(0.29)	-
Reimbursement							-	-	-	-
							-	-	-	-
Himanshu Khanna										
Short Term Employee Benefits							216.79	-	216.79	-
							(62.53)	-	(62.53)	-
Retirement Benefits							7.36	-	7.36	-
							(1.98)	-	(1.98)	-
Reimbursement							-	-	-	-
Ghanshyam Pandiya										
Short Term Employee Benefits							3.14	-	3.14	-
							-	-	-	-
Retirement Benefits							0.13	-	0.13	-
							-	-	-	-
Reimbursement							-	-	-	-
							-	-	-	-
							-	-	-	-

GUILTFREE INDUSTRIES LIMITED

RAY & RAY Webel Bhavan Kolkata-91 CHARTERED ACCOUNTANTS

Nature of Transactions	Holding Company		Subsidiary/Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Nature of Transactions	Holding Company		Subsidiary/Jointly controlled entities of promoters - Promoter Group		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Advance to Employee										
Himanshu Khanna							- -	- (5.00)	- -	- (5.00)
Loan given (net)										
Apricot Foods Private Limited			628.00 (98.00)	726.00 (98.00)					628.00 (98.00)	726.00 (98.00)
Payable against Reimbursement										
Haldia Energy Limited			- -	- (2.80)					- -	- (2.80)
Share application money Recevied / Pending for Allotment										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	12,700.00 (6,100.00)	- -							12,700.00 (6,100.00)	- -
Share Issued (Includes premium)										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	12,700.00 (12,098.19)	- -							12,700.00 (12,098.19)	- -
Share application money refunded										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	- (25.16)	- -							- (25.16)	- -

Note 34 (B). (i) Figure disclosed above are net value (excluding GST amount) where ever Input GST considered.
Note 34 (B). (ii) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation of a Company as a whole, thus the same is not included above.
Note 34 (B). (iii) Figure disclosed above in bracket are related to Previous year .

RAY & RAY * CHARTERED ACCOUNTANTS * Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

			₹ In Lakhs
35	**Contingent liabilities and Capital commitments**	As at 31 March 2021	As at 31 March 2020
	(i) Contingent liabilities:		
	Bank guarantees	3.60	1.00
	(ii) Capital commitments		
	Estimated value of contracts in capital account remaining to be executed [(net of capital advances ₹ 84.64 Lakhs (March 31, 2020 ₹ 834.84 Lakhs)]	125.97	203.90
		129.57	204.90

			₹ in Lakhs
36	**Tax expenses**	For the year ended 31-Mar-21	For the year ended 31-Mar-20
	A. Amount recognised in Statement of Profit & Loss		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	12,973.14	(5,700.09)
	Tax Expense/ (credit)	12,973.14	(5,700.09)
	B. Amount recognised in Other Comprehensive Income		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	13.62	(10.39)
	Tax Expense/ (credit) relating to OCI items	13.62	(10.39)
36(a)	**Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:**		
	Accounting Loss before tax	(16,875.45)	(21,921.59)
	Enacted tax rates in India (%)	26%	26%
	Computed expected tax expense	(4,387.62)	(5,699.60)
	Tax impact on Expenses Disallowed	56.11	(0.49)
	Deferred Tax assets reversed	12,973.14	-
	Unrecognised deferred tax Assets	4,331.51	-
	Income tax expense reported in Statement of Profit and Loss	12,973.14	(5,700.09)
36(b)	**Details of income tax assets / (liabilities)**		
	Current:		
	Income Tax Refundable	6.82	167.77
	Net income tax assets / (liabilities)	6.82	167.77

37 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: 20).**

38 **Segmental information**

The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by industry classes. The operating segment of the Company is identified to be "Foods" as the CODM reviews business performance at an overall Company level as one segment.

39 **1. Capital management - policies and procedures**

For the purposes of the Company capital management, capital includes issued capital, all other equity reserves and borrowing less reported cash and cash equivalents.

The primary objective of the Company capital management is to maintain an efficient capital structure in order to meet its liquidity requirements , to reduce the cost of capital, to support the corporate strategy , to maximise shareholder's value and to repay loans as they fall due.

The Company has not defaulted on any loans payable, and there has been no breach of any loan covenants.

The following table summaries the capital of the Company:

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Long Term Borrowing (including current maturities of long term debt)	23,165.47	24,724.05
Short Term Borrowing	-	-
Less: Cash and cash equivalents	(219.19)	(5,335.61)
Total Borrowing (Net)	22,946.28	19,388.45
Total equity	18,134.64	35,219.86
Total Capital (Equity+Net Debt)	41,080.93	54,608.32

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

39 **2. Financial risk management**

The Company financial risk management is an integral part of how to plan and execute its business strategies. The Company Financial risk management policy is approved by the Board of Directors. In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.. The Company 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 receivables and advances.

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 Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Trade receivables		
- Domestic	308.75	390.61
- Export	-	-
	308.75	390.61

The company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

Particulars	As at 31 March 2021	As at 31 March 2020
Opening balance	19.00	8.32
Amount provided for	100.00	10.68
Net remeasurement of loss allowance		
	119.00	19.00

Trade receivables are usually due within 30-90 days. Generally and by practice most customers enjoy a credit period of approximately 30-90 days and are not interest bearing, which is the normal industry practice.

(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 2021 and 31 March 2020.

₹ in Lakhs

Particulars	Carrying amount	Contractual cash flows		
		Less than 1 year	1-5 years	More than 5years
As at 31 March 2021				
Current Financial liabilities				
Trade payables	6,310.95	6,310.95	-	-
Financial liabilities	3,592.79	3,592.79	-	-
Borrowings	-	-	-	-
Lease Liabilities	426.47	426.47	-	-
Non- Current Financial liabilities				
Borrowings	19,728.78	-	17,853.78	1,875.00
Lease Liabilities	2,480.40	-	1,276.62	1,203.78
	32,539.41	**10,330.21**	**19,130.42**	**3,078.78**
As at 31 March 2020				
Current Financial liabilities				
Trade payables	5,841.83	5,841.83	-	-
Financial liabilities	1,941.54	1,941.54	-	-
Borrowings	-	-	-	-
Lease Liabilities	471.64	471.64		
Non- Current Financial liabilities				
Borrowings	23,163.29	-	16,304.63	6,858.66
Lease Liabilities	2,918.06	-	1,475.49	1,442.57
	34,336.36	**8,255.01**	**17,780.12**	**8,301.23**

(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 optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
The Company's exposure to risk of change in market interest rates relates primarily to its debt interest obligations. It's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

(i.a) Interest Rate Risk Exposure: On Financial Liabilities:

The exposure of the Company financial liabilities to interest rate risk is as follows:

₹ in Lakhs

Particluars	As at 31 March 2021	As at 31 March 2020
Total borrowings (including current maturities)	23,165.47	24,724.05
	23,165.47	24,724.05

(i.b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates

Particulars	Impact on profit before tax 31 March 2021	31 March 2020
Interest Rates - Increase by 50 basis points (50 bps)	(124.21)	(89.14)
Interest Rates - Decrease by 50 basis points (50 bps)	124.21	89.14

RAY & RAY Webel Bhavan Kolkata-91 CHARTERED ACCOUNTANTS

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

(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 Trade receivables and Trade payables due to transactions entered in foreign currencies. However as on reporting date no such trade receivables and trade payables are due to be paid/ received , hence the Company is not expose to any foreign currency risk.

39 **3 . a) Financial Instruments - fair values management and risk management**

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

₹ in Lakhs

Financial assets and liabilities	Amortised cost	Cost	FVTPL
As at 31st March, 2021			
(i). Financial assets			
Investments			
- Equity shares	-	31,351.99	-
Trade receivables	308.75	-	-
Cash and cash equivalents	219.19	-	-
Bank Balances other than Cash and cash equivalent	46.38	-	-
Loans	810.07	-	-
Other financial assets	448.19	-	
Total financial assets (Non-current and Current)	1,832.59	31,351.99	-
(ii). Financial liabilities			
Borrowings	19,728.78	-	-
Lease Liabilities	2,906.87	-	-
Trade payables	6,310.95	-	-
Other financial liability	3,592.79	-	-
Total financial liabilities (Non-current and Current)	32,539.41	-	-
As at 31st March, 2020			
(i). Financial assets			
Investments			
- Equity shares	-	31,210.51	-
Trade receivables	390.61	-	-
Cash and cash equivalents	5,335.61	-	-
Bank Balances other than Cash and cash equivalent	256.16	-	-
Loans	156.13	-	-
Other financial assets	398.39	-	-
Total financial assets (Non-current and Current)	6,536.88	31,210.51	-
(ii). Financial liabilities			
Borrowings	23,163.29		
Lease Liabilities	3,389.70		
Trade payables	5,841.83		
Other financial liability	1,941.54		
Total financial liabilities (Non-current and Current)	34,336.36	-	-

3. b) The following methods and assumptions were used to estimate the fair values:-

(i) The fair values of the mutual fund instruments and units of alternative investment fund are based on net asset value of units declared at the close of the reporting date.

(ii) The carrying amount of cash and cash equivalents is considered to be the same as their fair values, due to their short term nature.

(iii) Miscellaneous receivables/payables where carrying amount is reasonable approximation of fair value as settlement period cannot be reliably measured.

(iv) Considering the nature , risk profile and other qualitative factors of the financial instruments of the Company ,the carrying amounts will be the reasonable approximation of the fair value.

3. c) Disclosure of sanction facilities:

₹ in Lakhs

Particluars	Used facilities	Unused facilities	Total sanction facilities
As at 31st March, 2021			
(i) Facilities from - RBL Bank limited			
- Term Loan	10,000.00	-	10,000.00
- Cash credit	-	500.00	500.00
(ii) Facilities from - Tata capital Financial Services Limited			
- Long Term Working Capital Loan	15,000.00	-	15,000.00
As at 31st March, 2020			
(i) Facilities from - RBL Bank limited			
- Term Loan	10,000.00	-	10,000.00
- Cash credit	-	300.00	300.00
(ii) Facilities from - Tata capital Financial Services Limited			
- Long Term Working Capital Loan	15,000.00	-	15,000.00

RAY & RAY CHARTERED ACCOUNTANTS Webel Bhavan Kolkata-91

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

40 Lease Disclosure

(i) The following is the break-up of current and non-current lease liabilities

₹ in Lakhs

Particulars	As at 31 March 2021	As at 31 March 2020
Current Lease Liability	426.47	471.64
Non Current Lease Liability	2,480.40	2,918.06
Total	2,906.87	3,389.70

(ii) The following is the movement in lease liabilities during the year ended

Particulars	As at 31 March 2021	As at 31 March 2020
Balance as on transition to IND AS 116 (01.04.2019)	-	1,095.38
Opening Balance	3,389.70	-
Add: Addition during the year	14.54	2,612.12
Add: Finance cost accrued during the year	295.35	227.36
Less: Deletions	45.03	-
Less: Payment of lease liabilities	747.69	545.16
Closing balance	2,906.87	3,389.70

(iii) Contractual maturities of lease liabilities as at 31st March, 2021 on an undiscounted basis:

Particulars	Less than 1 year	1 -5 years	More than 5years
Lease payable	678.06	1,938.04	1,422.70

(iv) The Company incurred ₹ 14.22 Lakhs (March 31, 2020 ₹ 47.93 Lakhs) towards expenses relating to short-term/Low value leases.

41 During the 2017-18, the Company had acquired 70% stake in M/s Apricot Foods Pvt Ltd for Rs. 31,362.51 Lakhs by which M/s Apricot Foods Pvt Ltd becomes subsidiary of the Company. During curent year the Company had paid ₹ 95.88 lakhs to an erstwhile shareholders of M/s Apricot Foods Pvt Ltd and a further sum of ₹ 45.60 lacs was paid to an existing share holder of M/s Apricot Foods Pvt Ltd. The total amount of ₹ 141.48 Lakhs refunded on account of Income tax refund receipt relating to earlier year (year prior to investment made by Company) has been adjusted against investment in the book of the Company toward cost of investment as per term of share purchase agreement.

42 Net Debt Reconciliation:

The changes in the Company liabilities arising from Non- current and current borrowing is classified as follows:

₹ in Lakh

Particluars	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April, 2020	24,724.05	-	24,724.05
Repayment of non-current borrowings	(1,558.58)	-	(1,558.58)
Proceed from current borrowings (net)	-	-	-
Net debt as at 31 March, 2021	23,165.47	-	23,165.47
Net debt as at 1 April, 2019	15,000.00	584.59	15,584.59
Proceeds from non-current borrowings	14,724.05	-	14,724.05
Repayment of non-current borrowings	(5,000.00)	-	(5,000.00)
Repayment of current borrowings (net)	-	(584.59)	(584.59)
			-
Net debt as at 31 March, 2020	24,724.05	-	24,724.05

43 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19) :

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current estimate, expects to recover the carrying amount in future. The Company is taking all the necessary steps and precautionary measure to ensure smooth functioning of its operations. Given the criticallies associated with nature, condition and duration of COVID-19, the impact assessment on the Company's financial statements will be continuously made and provided for as required.

44 The Code on social security,2020 ('Code') relating to employee benefit during employment and post-employment benefits received presidential assent in September 2020. The code has been published in the Gazette of India. However the date on which code will come into effect has not been notified and final rule/interpretation have not yet been issued. The Company will assess the impact of the code when it come into effect and will record any related impact in the period the code become effective.

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GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements

45 **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 31 March 2021	As At 31 March 2020
Net profit/loss attributable to equity shareholders (₹)	(29,848.59)	(16,221.50)
Weighted average number of equity shares in calculating basic and diluted EPS	6,316.63	5,602.70
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	(4.73)	(2.89)

46 **Prior period comparatives**

Previous year figures have been regrouped/reclassified wherever necessary to correspond with current year classification/disclosure.

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 * Webel Bhavan Kolkata-91 CHARTERED ACCOUNTANTS

Place:Kolkata
Date: 11/6/2021

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Rohit Garg
Whole-time Director and CFO
DIN: 07782248

Akhilanand Joshi
Director
DIN: 07782248

Ghanshyam Pandiya

Ghanshyam Pandiya
Company Sceretary