BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of **Guiltfree Industries Limited**

Report on the Audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of **Guiltfree Industries Limited** ("the Company") and its subsidiary (the Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance sheet as at March 31 2023, the Consolidated statement of Profit and Loss, including the Consolidated statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statement)".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31st March 2023, and their consolidated loss, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Other Information

The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information compare with financial statement of subsidiary audited by other auditor to the extent it relates to the entity and, in doing so, place reliance on the work of the other auditor and consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary, is traced from their financial statement audited by other auditor. If, based on

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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.

Responsibility of Management for the consolidated 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including consolidated other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Indian Accounting Standards (Ind AS) and accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective board of directors of the Company included in the Group are responsible for assessing the ability of the respective entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective board of directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective board of directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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.

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- 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 Group'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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other Matters

(a) We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 4,365.40 Lakhs as at 31st March, 2023, total revenues of Rs. 16,135.32 Lakhs and net cash outflows amounting to Rs. 2.30 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors.

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Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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 of the aforesaid consolidated financial statement;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports;

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Consolidated Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statement;

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors of the Company as on 31st March, 2023 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Company and its subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies;

   (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, managerial remuneration paid or provided by the Company during the year is in accordance with the provision 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

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

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iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its subsidiary company.

iv. (a) The respective Managements of the Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or subsidiary to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the Company or subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective Managements of the Company and its subsidiary company incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiary respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any subsidiary from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or subsidiary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiary which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Batliboi, Purohit & Darbari**
Chartered Accountants
ICAI Firm Registration Number: 303086E

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 23063404BGTUXI7984

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

Place: Kolkata
Date: 13^{th} May, 2023

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF GUILTFREE INDUSTRIES LIMITED

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

We have audited the internal financial controls over financial reporting of **Guiltfree Industries Limited** ("the Company") and its subsidiary company incorporated in India as of that date in conjunction with our audit of the consolidated financial statements of the Group as at and for the year ended March 31, 2023.

Management's Responsibility for Internal Financial Controls

The Board of Director of the Group 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. 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements of the Company and its subsidiary company, which are incorporated in India, 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Company and its subsidiary company incorporated in India.

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For **Batliboi, Purohit & Darbari**
Chartered Accountants
ICAI Firm Registration Number: 303086E

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 23063404BGTUXI7984

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

Place: Kolkata
Date: 13th May, 2023

Guiltfree Industries Limited
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
CIN:-U15549WB2017PLC218864
Consolidated Balance Sheet as at 31st March, 2023

₹ in Lakhs

Particulars	Note No.	As at 31 March 2023	As at 31 March 2022
I. ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	2	12,817.18	13,116.34
(b) Right of Use Assets	4	1,843.13	2,777.29
(c) Capital work in progress	2	82.57	327.82
(d) Goodwill	3	15,013.55	15,013.55
(e) Intangible assets	3	24,676.17	24,958.19
(f) Financial Assets			
(i) Loan	5	-	-
(ii) Other financial assets	6	72.42	107.37
(g) Deferred Tax asset	7	-	-
(h) Non-current tax assets (net)	8	75.79	50.75
(i) Other Non-Current assets	9	22.99	183.12
Total non-current assests		**54,603.80**	**56,534.43**
(2) **Current Assets**			
(a) Inventories	10	3,935.04	3,684.00
(b) Financial Assets			
(i) Investments	11	-	1,903.16
(ii) Trade receivables	12	1,492.38	1,023.53
(iii) Cash and cash equivalents	13	12,061.33	7,128.41
(iv) Bank Balances Other than (iii) above	14	43.88	43.88
(v) Loans	5	3,780.00	-
(vi) Other financial assets	6	92.01	31.29
(c) Current Tax Assets (Net)	8	-	-
(d) Other Current assets	9	8,397.77	7,688.09
Total current assets		**29,802.41**	**21,502.36**
TOTAL ASSETS		**84,406.21**	**78,036.79**
II. EQUITY AND LIABILITIES			
(1) **Equity**			
(a)Equity share capital	15	92,483.20	84,149.88
(b)Other equity	16	(106,775.27)	(75,509.57)
Equity attributable to equity holders of the parent		**(14,292.07)**	**8,640.31**
Non-controlling interests		5,181.49	5,917.95
Total Equity		**(9,110.58)**	**14,558.26**
(2) **Liabilities**			
(1) **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	17	59,440.47	33,324.46
(ia) Lease Liabilities	18	1,809.27	2,620.05
(ii) Other financial liability	19	-	-
(b) Deferred Tax Liabilities	7	9,126.30	7,964.44
(c) Provision	20	405.81	363.73
Total non-current liabilities		**70,781.85**	**44,272.68**
(2) **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	17	10,069.03	8,906.75
(ia) Lease Liabilities	18	465.30	574.48
(ii) Trade payables	21		
- total outstanding dues of micro enterprises and small enterprises		921.88	398.46
- total outstanding dues of creditors other than micro and small enterprises		8,855.36	7,411.22
(iii) Other financial liability	19	1,497.56	1,290.96
(b)Other Current Liabilities	22	873.03	575.19
(c)Provisions	20	52.78	48.79
Total Current liabilities		**22,734.94**	**19,205.85**
Total liabilities		**93,516.79**	**63,478.53**
TOTAL EQUITY AND LIABILITIES		**84,406.21**	**78,036.79**
Notes forming part of Consolidated Financial Statements	1-47		

This is the Consolidated balance sheet referred to in our report of even date.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration no: 303086E

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 13/05/2023

GUILTFREE INDUSTRIES LIMITED

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700069
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 Secretary
Membership no: 37228

Place:Kolkata
Date: 13/05/2023

Guiltfree Industries Limited

Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN

CIN:-U15549WB2017PLC218864

Consolidated Statement of Profit and Loss for Year ended 31st March, 2023

₹ in Lakhs

	Particulars	No.	For the Year ended 31 March 2023	For the Year ended 31 March 2022
I.	**Revenue from operations**	23	42,337.44	34,714.11
	Sale of goods/Income from operation			
			42,337.44	**34,714.11**
II.	**Other income**	24	309.25	271.04
III.	**Total income (I+II)**		**42,646.69**	**34,985.15**
IV.	**Expenses**			
	Cost of materials consumed	25	30,179.97	25,737.20
	Purchases of Stock- in -trade	26	399.95	536.60
	Change in inventories of finished goods, work-in-progress and Stock in Trade	27	(421.86)	(754.93)
	Employee benefits expense	28	7,065.24	6,540.77
	Finance Cost	29	5,287.95	3,445.74
	Depreciation and amortization expense	30	2,159.08	2,256.53
	Other expenses	31	30,496.39	21,322.71
	Total expense		**75,166.72**	**59,084.63**
V.	**Loss before exceptional items and tax (III-IV)**		**(32,520.03)**	**(24,099.48)**
	Exceptional items		-	-
VI.	**Loss before tax**		**(32,520.03)**	**(24,099.48)**
VII.	**Tax Expense**			
	(1) Current tax		-	-
	(2) Tax for earlier years		-	1.62
	(3) Deferred tax (Credit)	7	1,157.79	(450.07)
	Income tax expense / (Credit)		**1,157.79**	**(448.45)**
VIII.	**Loss for the year (VI-VII)**		**(33,677.82)**	**(23,651.03)**
IX.	**Other comprehensive loss**			
	(A)(i)Items that will not be reclassified to profit or loss			
	Re- measurements gain/ (loss) on defined benefit plans		13.04	40.83
	(ii)Income Tax relating to items that will not be reclassified to profit or loss			
	Re- measurements gain/ (loss) on defined benefit plans		(4.08)	2.63
	Other comprehensive income /(expense) for the year, net of tax		**8.96**	**43.46**
X.	**Total comprehensive loss for the year, net of tax attributable to equity holders (VIII+IX)**		**(33,668.86)**	**(23,607.57)**
XI.	**Loss attributable to:**			
	Owners of the equity		(32,937.85)	(23,340.87)
	Non-controlling interest		(739.95)	(310.16)
			(33,677.80)	**(23,651.03)**
XII.	**Other comprehensive loss attributable to:**			
	Owners of the equity		5.47	45.71
	Non-controlling interest		3.49	(2.25)
			8.96	**43.46**
XIII.	**Total comprehensive loss attributable to:**			
	Owners of the equity		(32,932.38)	(23,295.16)
	Non-controlling interest		(736.47)	(312.41)
			(33,668.85)	**(23,607.57)**
	Earnings per equity share (Face Value of Rs 10 each)	43		
	Basic, computed on the basis of profit attributable to equity holders		**(4.00)**	**(3.15)**
	Diluted,computed on the basis of profit attributable to equity holders		**(4.00)**	**(3.15)**
	Notes forming part of Consolidated Financial Statements	1-47		

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

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration no: 303086E

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 13/05/2023

GUILTFREE INDUSTRIES LIMITED

BATLIBOI PUROHIT & DARBARI Chartered Accountants 7, Waterloo Street, Kolkata 700069

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 Secretary
Membership no: 37228

Place:Kolkata
Date: 13/05/2023

Guiltfree Industries Limited
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
CIN:-U15549WB2017PLC218864
Consolidated Statement of Cash Flow
For the year ended 31st March 2023

₹ in Lakhs

Particulars	For the Period ended 31 March 2023	For the year ended 31 March 2022
A. Cash Flow from Operating activities		
Loss before tax	(32,520.03)	(24,099.48)
Adjustments for:		
Depreciation on Property, Plant & equipment	1,133.20	1,139.31
Depreciation on right-of-use assets	742.11	737.49
Amortisation of intangible assets	283.77	379.73
Exchange Difference	1.61	
Net gain on current investment measured at fair value	-	(1.48)
Interest income from Income tax refund	(0.26)	-
(Gain)/ Loss on sale of property, plant and equipment	0.00	-
(Gain) / Loss on sale of current investment (Net)	(139.76)	(44.14)
Provision for Doubtful advances (Net)	10.63	39.69
Other Non Operating Income	(0.47)	-
Provision for Slow moving Inventory	228.71	159.57
Provision for Doubtful Debts	186.00	
Loss on Inventory Valuation	0.14	-
Finance Cost	5,173.97	3,137.63
Gain on lease modification	(41.02)	(23.98)
Interest expenes on Lease liabilities	113.98	308.11
Liability no longer required written back	(1.05)	(6.07)
Provision no longer required written back	-	(100.00)
Interest income on financial instruments measured at amortised cost	(6.00)	(3.24)
Interest income from Loan given	(92.12)	-
Interest income from Bank Deposits	(29.20)	(24.78)
Loss before working capital changes	**(24,955.79)**	**(18,401.64)**
Working capital adjustments:		
(Increase)/ decrease in inventories	(479.88)	(1,772.83)
(Increase)/ decrease in trade receivables	(654.86)	(236.94)
(Increase)/ decrease in Non Current Financial assets and Current Financial assets	(20.61)	581.74
(Increase)/ decrease in Other Non-Current assets and Other Current assets	(716.53)	(1,404.93)
Increase/(decrease) in Trade payables	1,967.57	980.56
Increase / (decrease) in Provision	59.11	82.78
Increase / (decrease) in Other Current financial liabilities	205.78	198.74
Increase / (decrease) in other Current Liabilities	298.89	115.52
Cash Generated from Operations	**(24,296.32)**	**(19,857.00)**
Income tax paid (net of refunds)	(24.78)	(18.80)
Cash used in operating activities (A)	**(24,321.10)**	**(19,875.80)**
B. Cash Flow from Investing activities		
Purchase of property, plant and equipment, capital work-in-progress	(470.21)	(840.43)
Proceeds from Sale of property, plant and equipment	0.04	-
Purchase of intangible assets	-	(11.09)
Proceeds from Sale of current investments	52,597.91	23,957.46
Purchase of current investments	(50,555.00)	(25,815.00)
Creation/Maturity of Bank Deposit	3.09	419.52
Interest received	119.07	24.78
Loan to Jointly controlled entity	(3,780.00)	
Net cash flows from/(used) in investing activities (B)	**(2,085.10)**	**(2,264.76)**
C. Cash Flow from Financing Activities		
Issue of share capital	10,000.00	15,600.00
Principal Payment of lease liabilities	(686.87)	(606.22)
Interest paid other than on lease liabilities	(5,138.34)	(3,150.19)
Interest paid on Lease liabilities	(113.98)	(308.11)
Repayment from current borrowings (net)	(2,869.36)	(860.00)
Proceeds from non-current borrowings	34,510.30	17,945.10
Proceeds from current borrowings	-	3,908.57
Repayment of non-current borrowings	(4,362.63)	(3,508.75)
Net cash flows from financing activities (C)	**31,339.12**	**29,020.40**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**4,932.92**	**6,879.84**
Cash and cash equivalents at the beginning of the year	7,128.41	248.57
Cash and cash equivalents at the end of the year	**12,061.33**	**7,128.41**

Components of Cash and cash equivalents (Refer Note : 13)

	For the quarter ended 31 March 2023	For the year ended 31 March 2022
Balance with banks in current accounts	11,569.83	6,666.96
Cheque in hand	486.42	460.26
Cash on hand	5.08	1.19
Total of Cash and Cash Equivalents	**12,061.33**	**7,128.41**

The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'
Refer note no. 39(ii) and note 41 for reconciliation of lease liability and net debt reconciliation
This is the Consolidated Statement of Cash Flows referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration no: 303086E

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 13/05/2023

BATLIBOI PUROHIT & DARBARI 7,Waterloo Street, Kolkata 700069 Chartered Accountants

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Rohit Garg	**Akhilanand Joshi**
Whole-time Director and	**Director**
DIN: 07782248	DIN: 07041418

Ghanshyam Pandiya
Ghanshyam Pandiya
Company Secretary
Membership no: 37228

Place:Kolkata
Date: 13/05/2023

Guiltfree Industries Limited
CIN:-U15549WB2017PLC218864
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
Consolidated Statement of Changes in Equity

A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No.	₹ in Lakhs
Balance as at 1st April, 2021	**711,498,655**	**71,149.87**
Shares issued during the year	130,000,000	1,300.00
Bought back during the year	-	-
Balance as at 31st March, 2022	**841,498,655**	**84,149.88**
Shares issued during the year	83,333,333	8,333.33
Bought back during the year	-	-
Balance as at 31st March, 2023	**924,831,988**	**92,483.20**

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
84,149.88	-	-	8,333.33	92,483.20

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
71,149.87	-	-	1,300.00	84,149.88

B. Other equity (Refer Note 16)

₹ in Lakhs

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,2022	-	**16,312.48**	**(91,996.39)**	**174.34**	**(75,509.57)**
Profit/(Loss) for the year	-	-	(32,937.85)	-	(32,937.85)
Other comprehensive income / (Loss) for the year					
- Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	5.47	5.47
Share Application Money Received	10,000.00		-	-	10,000.00
Transfer to Equity Share Capital	(8,333.33)		-	-	(8,333.33)
Transfer to Equity Securities premium	(1,666.67)	1,666.67	-	-	-
Share application money refunded during the period	-		-	-	-
Balance as at 31st March, 2023	-	**17,979.15**	**(124,934.24)**	**179.81**	**(106,775.28)**

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,2021	-	**13,712.48**	**(68,655.53)**	**128.63**	**(54,814.42)**
Profit/(Loss) for the year	-	-	(23,340.87)	-	(23,340.87)
Other comprehensive income / (Loss) for the year					
- Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	45.71	45.71
Share Application Money Received	15,600.00		-	-	15,600.00
Transfer to Equity Share Capital	(13,000.00)		-	-	(13,000.00)
Transfer to Equity Securities premium	(2,600.00)	2,600.00	-	-	-
Share application money refunded during the period	-		-	-	-
Balance as at 31st March,2022	-	**16,312.48**	**(91,996.39)**	**174.34**	**(75,509.58)**

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration no: 303086E

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 13/05/2023

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants

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 Secretary
Membership no: 37228

Place:Kolkata
Date: 13/05/2023

Notes forming part of Consolidated Financial Statements

1 **Group Information**

These Consolidated Ind AS financial statements ("Financial Statements") comprise Standalone Ind AS financial statements of Guiltfree Industries Limited ("the Company" or "Parent Company" or "Holding Company") and its subsidiaries (collectively, "the Group") as at and for the year ended 31st March 2023. 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 Group is primarily engaged in the business of processing, manufacturing and sales of food products.

Detail of Subsidiary:

Name of the Company	Country of incorporation	Principal activities	Proportion (%) of equity interest As at 31st March 2023	As at 31st March 2022
Apricot Foods Private Limited	India	FMCG business	70	70

1.1 **Significant accounting policies**

a). Basis of preparation and consolidation

These consolidated financial statements ('financial statements') of the Group have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

The Consolidated financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the Consolidated financial statements. All assets and liabilities have been classified as current or non-current as per the Group normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Subsidiary are entity where the group exercise control or hold more than one-half of its total share capital. The net assets and results of acquired businesses are included in the consolidated financial statements from their respective dates of acquisition, being the date on which the Group obtains control.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year. The consolidated financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating intragroup balances, intra-group transactions and the unrealised profits/losses, unless cost/revenue cannot be recovered.

The excess of cost to the Group of its investment in subsidiary, on the acquisition dates over and above the Group's share of equity in the subsidiary, is recognised as 'Goodwill on Consolidation' in the consolidated financial statements. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for.

Non-controlling interests in the net assets of consolidated subsidiary is identified and presented in the consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiary consists of:

(a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

(b) The non-controlling interests share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiary are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

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

b). Basis of measurement

These consolidated 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

c). Key accounting estimates and judgements

The preparation of these consolidated 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.

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 7 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;

Note 32 - measurement of defined benefit obligations: key actuarial assumptions;

Note 34- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (if any);

Note 2 & 3 - Useful Life and Residual Value of Property Plant and equipment and Intangible Asset

Note 2 & 3- Impairment of Property Plant and Equipment and Intangible asset (if any)

Note 4 & 18 - Measurement of Lease liabilities and Right of Use Asset (ROU)

d). 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.

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069 Chartered Accountants

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Consolidated Financial Statements

1.2 Summary of significant accounting policies

a. Property, plant and equipment

Recognition and Measurement

Property, plant and equipment is stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any.Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, borrowing costs,any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. Property, plant and equipment acquired in a business combination are recognised at fair value at the acquisition date. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance cost are charged to the Statement of Profit and Loss during the period in which they are incurred.

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 property,plant and equipment 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 .Useful life and residual value of some assets are determined by the management based on a technical evaluation considering nature of asset, past experience, estimated usage of the asset, vendor's advice etc. 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.

Goodwill and Other intangible assets (except Computer softwares) arising on account of business combination are recognised at fair value at the acquisition date. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Class of Assets	Estimated useful lives
Computer Softwares	6 years
Distributor Relationship	10 years
Non -Compete Fee	5 years

The amortisation period and the amortisation method for finite-life intangible assets is reviewed at each financial year end and adjusted prospectively, if appropriate.

For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed on prospective basis based on revised estimates. Goodwill is initially recognised based on the accounting policy for business combinations and is tested for impairment annually.

GUILTFREE INDUSTRIES LIMITED

BATLIBOI PUROHIT & DARBARI Chartered Accountants 7, Waterloo Street, Kolkata 700069

c. Leases :

The Group as a lessee:

The Group lease asset classes primarily consist of leases for land, buildings , plant and machinery and operational facilities . The Group 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 Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group 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 Group 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 Group 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 Consolidated Balance Sheet and lease payments have been classified as financing cash flows.

The Group as a lessor:

Leases for which the Group 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, packing materials and store,spares & promotional material, 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 Group assesses at each reporting date whether there is any indication based on internal / external factors, that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash generating unit (CGU) is estimated. If such recoverable amount of the asset or CGU to which the asset belongs is less than its carrying amount. The carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognized in the Consolidated Statement of Profit and Loss. If, at the reporting date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the Consolidated Statement of Profit and Loss.

The Group 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.

Goodwill is tested for impairment on annual basis. If on testing, any impairment exists, the carrying amount of goodwill is reduced to the extent of any impairment loss and such loss is recognized in the Consolidated Statement of Profi t and Loss.

(ii) Financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets.

ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

ECL allowance recognised (or reversed) during the period is recognised as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

GUILTFREE INDUSTRIES LIMITED

BATLIBOI PURCHIT & DARBARI
7, Waterloo Street, Kolkata 700069
Chartered Accountants

Notes forming part of Consolidated Financial Statements

f. **Financial asset and liabilities**

Recognition and initial measurement

The Group 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 Group 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.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

g **Foreign currencies Transactions**

Transactions in foreign currencies are translated into the functional currency of the Group 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 Group performance and allocates resources based on an analysis of various performance indicators by industry classes.

The operating segment of the Group is identified to be " Snacks food " as the CODM reviews business performance at an overall Group 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 Group. 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 Group 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 Group 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 Group 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 Group 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 and is included in other income in the Statement of Profit and Loss.

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 consolidated financial statements, except when there is uncertainty of collection.

j. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the 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.

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Notes forming part of Consolidated Financial Statements

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 consolidated 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 the expected tax payable/ receivable on the taxable income/ loss for the year using applicable tax rates for the relevant period, and any adjustment to taxes in respect of previous years. Interest expenses and penalties, if any, related to income tax are included in finance cost and other expenses respectively. Interest Income, if any, related to Income tax is included in Other Income.

(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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

m. Fair value

The Group 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 consolidated financial statements unless the possibility of an outflow of economic resources is remote.

o. Employee benefits

(i) **Short-term employee benefits:** All short term employee benefits such as salaries, incentives, special awards, medical benefits which are expected to be settled wholly within 12 months after the end of the period in which the employee renders the related services and which entitles him to avail such benefits are recognised on an undiscounted basis and charged to the Statement of profit and loss .

(ii) **Defined contribution plans:** Retirement benefits in the form of provident fund is a defined contribution scheme. The Group recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. The Group has no obligation, other than the contribution payable to the provident fund.

(iii) **Defined benefit plans:** A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group gratuity benefit scheme is a defined benefit plan. The Group 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 Group, 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 which the absences occur.

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.

r. Note on Recent Accounting Pronouncements

On March 31,2023, the Minitry of Company Affairs notified the Companies (Indian Accunting Standards) Amendment Rules,2023 effective for annual periods beginning on or after April 1,2023 which include amendments / clarifications in the following accounting standard as below:

Ind AS 1- Presentation of Financial Statements

Ind AS 8- Accounting policies, Changes in Accounting Estimates and Errors

Ind As 12 - Income Taxes

The company is in the process of assessing the applicability and possible impact of the above amendments, wherever applicables.

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2 Property, plant and equipment

	Land	Buildings	Leasehold Improvement	Plant & Machinery	Furniture and fixtures	Office equipment	Vehicles	Computer Hardwares	Total Tangible Assets
Gross Carrying Amount									
As At 1st April, 2022	2,364.49	1,815.99	612.74	12,718.10	129.98	162.15	554.96	169.01	18,527.42
Additions	-	1.74	9.85	741.46	1.43	16.34	-	63.89	834.71
Disposals / adjustments for the year	-	-	-	-	0.62	-	-	-	0.62
Balance as at 31st March, 2023	2,364.49	1,817.73	622.59	13,459.56	130.79	178.49	554.96	232.90	19,361.51
As At 1st April, 2021	2,364.49	1,815.99	594.17	12,113.67	118.36	161.29	445.02	140.59	17,753.60
Additions	-	-	18.57	604.43	11.62	0.86	109.94	28.42	773.84
Disposals / adjustments for the year	-	-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	2,364.49	1,815.99	612.74	12,718.10	129.98	162.15	554.96	169.01	18,527.44
Accumulated depreciation									
As At 1st April, 2022	-	383.37	407.36	4,052.72	35.50	114.61	285.24	132.33	5,411.13
Depreciation charge for the year	-	51.74	102.36	850.75	14.51	18.65	72.32	23.45	1,133.78
Disposals / adjustments for the year		-	-	-	0.58	-	-	-	0.58
Balance as at 31st March, 2023	-	435.11	509.72	4,903.47	49.43	133.26	357.56	155.78	6,544.33
As At 1st April, 2021	-	331.37	262.08	3,251.62	22.28	95.91	200.55	108.00	4,271.79
Depreciation charge for the year	-	52.00	145.28	801.10	13.22	18.70	84.69	24.33	1,139.31
Disposals / adjustments for the year *		-	-	-	-	-	-	-	-
Balance as at 31st March, 2022	-	383.37	407.36	4,052.72	35.50	114.61	285.24	132.33	5,411.10
Net block									
Balance as at 31st March, 2023	2,364.49	1,382.62	112.87	8,556.09	81.36	45.23	197.40	77.12	12,817.18
Balance as at 31st March, 2022	2,364.49	1,432.62	205.38	8,665.38	94.48	47.54	269.72	36.69	13,116.34

2. (a) For contractual obligations, refer Note 34(ii) for disclosure of capital commitments for acquisition of property, plant and equipment.

2. (b) The title deeds of all immovable properties are held in the name of the Company.

2.(i) Capital Work in Progress

Capital Work in Progress	₹ in Lakhs Capital Work in Progress
Gross Carrying Amount	
As At 1st April, 2022	327.82
Additions	563.86
Less: Transfer to Property, Plant and Equipment	(809.11)
Balance as at 31st March, 2023	82.57
As At 1st April, 2021	312.08
Additions	684.97
Less: Transfer to Property, Plant and Equipment	(669.23)
Balance as at 31st March, 2022	327.82

CWIP ageing schedule

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Balance as at 31st March, 2023					
Projects in progress	52.92	-	29.65	-	82.57
Projects temporarily suspended	-	-	-	-	-
Balance as at 31st March, 2022					
Projects in progress	243.75	-	40.28	43.80	327.82
Projects temporarily suspended	-	-	-	-	-

The management is contemplating to use the assets under CWIP for production of Premium & Innovation products. The same is expected to be capitalised in FY 23-24

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GUILTFREE INDUSTRIES LIMITED

₹ in Lakhs

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Intangible Assets	Goodwill	Other Intangible Assets				
		Computer Software	Non -Compete Fee	Distributor Relationship	Brand	Total Other Intangible Assets
Gross Carrying Amount						
As At 1st April, 2022	15,013.55	366.07	543.06	2,125.00	23,714.58	26,748.71
Additions	-	1.75	-	-	-	1.75
Deduction	-	-	-	-	-	-
Balance as at 31st March, 2023	15,013.55	367.82	543.06	2,125.00	23,714.58	26,750.46
As At 1st April, 2021	15,013.55	329.06	543.06	2,125.00	23,714.58	26,711.71
Additions	-	47.18	-	-	-	47.18
Deduction	-	(10.17)	-	-	-	(10.17)
Balance as at 31st March, 2022	15,013.55	366.07	543.06	2,125.00	23,714.58	26,748.72

Accumulated Amortisation						
As At 1st April, 2022	-	204.32	536.51	1,049.69	-	1,790.52
Amortisation	-	64.72	6.55	212.50	-	283.77
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31st March, 2023	-	269.04	543.06	1,262.19	-	2,074.29
As At 1st April, 2021	-	145.70	427.90	837.19	-	1,410.79
Amortisation	-	58.62	108.61	212.50	-	379.73
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31st March, 2022	-	204.32	536.51	1,049.69	-	1,790.52

Net block

Balance as at 31st March, 2023	15,013.55	98.78	0.00	862.81	23,714.58	24,676.17
Balance as at 31st March, 2022	15,013.55	161.76	6.55	1,075.31	23,714.58	24,958.19

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Right-of-Use assets	
	Right-of-Use assets
Gross Carrying Amount	
As At 1st April, 2022	4,428.44
Additions	237.84
Deduction	775.25
Balance as at 31st March, 2023	**3,891.03**
As At 1st April, 2021	**3,995.15**
Additions	993.99
Deduction	560.70
Balance as at 31st March, 2022	4,428.44

Accumulated Amortization	
As At 1st April, 2022	1,651.15
Depreciation	742.11
Reversal on disposal of assets	345.36
Balance as at 31st March, 2023	**2,047.90**
As At 1st April, 2021	1,329.13
Depreciation	737.49
Reversal on disposal of assets	415.47
Balance as at 31st March, 2022	**1,651.15**

Net block

Balance as at 31st March, 2023	1,843.13
Balance as at 31st March, 2022	2,777.29

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otes forming part of Consolidated Financial Statements

₹ in Lakhs

Note	Particulars	As at 31 March 2023	As at 31 March 2022
5	**Loans**		
	(i) Current		
	(unsecured, considered good)		
	Loan to sister concern*	3,780.00	-
	*The Loan to Herbolab India Private Limited, sister concern, 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 on demand. The Rate of Interest on the loan is 10.00% p.a	**3,780.00**	-

b. Loans granted to Promoters,Directors,KMPs and Related Parties

Type of Borrower	Amount of loan or advance in the nature of loan outstanding		Percentage to the total Loans and Advances in the nature of loans	
	As at 31st March 2023	As at 31st March 2022	As at 31st March 2023	As at 31st March 2022
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties				
(i) Loan to sister concern-repayable on demand	3,780.00	-	100%	-

Note	Particulars	As at 31 March 2023	As at 31 March 2022
6	**Other financial assets**		
	(i) Non Current		
	Security deposits (measured at amortised cost)	64.24	106.20
	Payments made under protest	4.07	-
	Bank Deposits with original maturity of more than twelve months	4.11	1.17
		72.42	**107.37**
	(ii) Current		
	Bank Deposits	0.00	6.03
	Security deposits	89.76	25.26
	Interest Accured but not due on FD	2.25	-
		92.01	**31.29**
8	**(i) Non-current tax assets (net)**		
	Taxes deducted at source recoverable (net of provision)	75.79	50.75
		75.79	**50.75**
	(ii) Current tax assets (net)		
	Taxes deducted at source recoverable (net of provision)	-	-
		-	-

Note	Particulars	As at 31 March 2023	As at 31 March 2022
9	**(i) Other Non-Current assets**		
	(Unsecured, considered good unless stated otherwise)		
	Capital advances	20.31	176.65
	Prepaid expenses	2.68	6.47
	Security and other deposits	-	-
		22.99	183.12
	Less: Provision for doubtful advances	-	-
		22.99	**183.12**
	(ii) Other Current Asset		
	(Unsecured, considered good unless stated otherwise)		
	Advances other than capital advances:		
	Advances for Supply of Goods	62.47	57.90
	Advance for Supply of Services & Others #	52.04	112.46
	Advance to employees	20.78	19.02
		135.29	189.38
	Unsecured considered Good	78.95	141.31
	Unsecured considered doubtful	56.33	48.07
		135.28	189.38
	Less: Provision for Doubtful advance	(56.33)	(48.07)
	Sub-total Net Advances other than capital advance	**78.95**	**141.31**
	Balances with statutory / government authorities	8,147.49	7,277.58
	Prepaid Expenses	171.33	269.20
		8,397.77	**7,688.09**
10	**Inventories**		
	(At the lower of cost or net realisable value)		
	Raw materials (Includes Packing materials)	1,581.27	1,778.59
	Work-in-progress	16.63	
	Finished goods	1,854.59	1,290.62
	Stock In Trade	169.51	328.25
	Stock In Transit (Raw materials)	-	-
	Stores , Spares & Promotional Materials	313.04	286.55
		3,935.04	**3,684.00**
	The write down of inventories to net realisable value amounted to ₹ 470.17 Lakhs (31 March 2021 ₹ 241.46 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.		
11	**Investments**		

otes forming part of Consolidated Financial Statements

₹ in Lakhs

	Current Investments (unquoted)		
	Investment in Mutual Funds (Quoted) - Level 1		
	ICICI Prudential Liquid Fund - Direct Plan - Growth	-	1,903.16
		-	**1,903.16**
	Aggregate amount of Quoted Investments - FVTPL	-	1,903.16
	Market value amount of Quoted Investments - FVTPL	-	1,903.16

12	**Trade receivables**	As at 31st March 2023	As at 31st March 2022
	Unsecured		
	Considered good	1,492.38	1,023.54
	Considered doubtful	245.33	59.31
		1,737.71	**1,082.85**
	Less: Allowance for doubtful debts	(245.33)	(59.31)
		1,492.38	**1,023.53**

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Ageing for Trade Receivable outstanding as on 31 March 2023						
(i) Undisputed Trade Receivables – considered good	1,429.16	20.07	10.40	23.23	9.52	**1,492.38**
(ii)Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	77.81	106.64	18.48	17.29	25.11	**245.33**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total Trade Receivable	**1,506.97**	**126.71**	**28.88**	**40.52**	**34.63**	**1,737.71**
Less: Allowance for doubtful debt						**245.33**
Net Trade Receivable	**1,506.97**	**126.71**	**28.88**	**40.52**	**34.63**	**1,492.38**
Ageing for Trade Receivable outstanding as on 31 March 2022						
(i) Undisputed Trade Receivables – considered good	985.17	4.64	24.21	9.52	-	**1,023.54**
(ii)Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	9.90	1.24	3.07	31.82	13.29	**59.31**
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(v) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total Trade Receivable	**1,028.80**	**5.88**	**3.07**	**31.82**	**13.29**	**1,082.85**
Less: Allowance for doubtful debt						**59.31**
Net Trade Receivable	**1,028.80**	**5.88**	**3.07**	**31.82**	**13.29**	**1,023.53**

13	**Cash and cash equivalent**	As at 31 March 2023	As at 31 March 2022
	Balances with banks:		
	- In curent accounts	11,569.83	6,666.96
	- Bank Deposits with original maturity of less than three months#	486.42	460.26
	Cash in hand	5.08	1.19
	# Bank deposit include Rs 4.13 Lakhs (March 31,2022 Rs 4.11 Lakhs) lien against Haryana VAT Registration	**12,061.33**	**7,128.41**
14	**Bank Balances other than Cash and cash equivalent**		
	Balances with banks:		
	- In Escrow accounts	43.88	43.88
	- Bank Deposits	-	-
		43.88	**43.88**

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Notes forming part of Consolidated Financial Statements

₹ in Lakhs

Note 7 Deferred tax assets / (Liabilities) (net)	As at 31st March 2023	As at 31st March 2022
Deferred tax asset arising on account of:		
Business loss and unabsorbed depreciation	164.85	1,365.30
Provision for employee benefits	103.44	103.75
Provision for Expenses & Others (net)	514.50	463.55
	782.79	**1,932.60**
Deferred tax liability arising on account of:		
Excess of tax depreciation over book depreciation	9,904.42	9,893.01
Others	4.67	4.02
	9,909.09	**9,897.04**
	(9,126.30)	**(7,964.44)**

Movement in Deferred tax assets / (Liabilities) (net)

Particulars	1st April, 2022	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2023
Assets				
Business loss and unabsorbed depreciation	1,365.30		(1,200.46)	164.85
Share Isue Expense				-
Lease liabilities				-
Provision for employee benefits	103.74	(4.08)	3.78	103.44
Provision for Expenses & Others	463.55		50.95	514.50
Provisions for doubtful advances				-
Provisions allowable for tax purpose on actual basis				-
Sub-total	**1,932.59**	**(4.08)**	**(1,145.73)**	**782.79**
Liabilities				
Excess of tax depreciation over book depreciation	9,893.01		11.41	9,904.42
Financial assets at fair value - Mutual Funds	-	-	-	-
Others	4.02		0.65	4.67
Sub-total	**9,897.03**	**-**	**12.06**	**9,909.09**
Total	**(7,964.44)**	**(4.08)**	**(1,157.79)**	**(9,126.30)**

Movement in Deferred tax assets / (Liabilities) (net)

Particulars	1 April 2021	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2022
Assets				
Business loss and unabsorbed depreciation	902.42		462.88	1,365.30
Provision for employee benefits	98.98	2.63	2.14	103.75
Provision for Expenses & Others	452.28		11.27	463.55
Sub-total	**1,453.68**	**2.63**	**476.29**	**1,932.60**
Liabilities				
Excess of tax depreciation over book depreciation	9,867.45		25.56	9,893.01
Financial assets at fair value through profit or loss - Mutual Funds	-	-	-	-
Others	3.36		0.66	4.02
Sub-total	**9,870.82**	**-**	**26.22**	**9,897.04**
Total	**(8,417.14)**	**2.63**	**450.07**	**(7,964.44)**

GUILTFREE INDUSTRIES LIMITED

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	As at 31 March 2023		As at 31 March 2022	
	Number	₹ in Lakhs	Number	₹ in Lakhs
5 **Equity Share capital**				
Authorised share capital				
Equity shares [1,50,00,00,000 equity shares of ₹ 10/- each (March 31, 2022 , 1,00,00,00,000 equity share ₹ 10/- each)]	1,500,000,000	150,000.00	1,000,000,000	100,000.00
	1,500,000,000	**150,000.00**	**1,000,000,000**	**100,000.00**
Issued, subscribed and fully paid up				
Equity shares fully paid up [92,48,31,998 equity shares of ₹ 10/- each] [March 31, 2022 : 84,14,98,655 equity shares of ₹ 10/- each]	924,831,988	92,483.20	841,498,655	84,149.88
Total issued, subscribed and fully paid share capital	**924,831,988**	**92,483.20**	**841,498,655**	**84,149.88**

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

	As at 31 March 2023		As at 31 March 2022	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity shares				
At the beginning of the year	841,498,655	84,149.88	711,498,655	71,149.87
Add: Shares issued	83,333,333	8,333.33	130,000,000	13,000.00
Less: Shares bought back	-	-	-	-
Balance at the end of the year	**924,831,988**	**92,483.21**	**841,498,655**	**84,149.88**

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.

Shares held by promoter at the end of year

Shares held by promoter at the end of the year	As at 31 March 2023		As at 31 March 2022		% Change during the Year
Promoter Name	No. of Shares	% of Total Share	No. of Shares	% of Total Share	
RPSG Ventures Ltd (formerly known as CESC Ventures Limited)	924,831,988	100%	841,498,655	100%	9.90%

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

Name of shareholder	As at 31 March 2023		As at 31 March 2022	
	Number	% of holding	Number	% of holding
Equity shares				
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	924,831,988	100.0%	841,498,655	100.0%
	924,831,988	**100.0%**	**841,498,655**	**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.

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

16 **Other Equity**	As at As at 31 March 2023	As at As at 31 March 2022
Reserves & Surplus:		
Securities premium Reserve	17,979.15	16,312.48
Retained Earnings	(124,934.24)	(91,996.39)
Other comprehensive Income	179.81	174.34
	(106,775.27)	**(75,509.57)**

Nature and purpose of other reserves

17.(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")

17.(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.

17.(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.

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Notes forming part of Consolidated Financial Statements

₹ in Lakhs

17	Borrowings	As at 31st March 2023	As at 31st March 2022
	(i) Non Current		
	Secured at amortised Cost		
	Term Loan		
	Rupee term loans - from banks	6,407.29	7,853.78
	Finance Lease obligations - from banks (Vehicle loans)	70.44	133.81
	Long Term Working Capital Loan		
	Rupee LTWC loans - from banks	42,092.91	17,836.38
	Long Term Working Capital Loan		
	Rupee LTWC loans - from financial institutions	19,276.00	11,875.00
	Total	**67,846.64**	**37,698.97**
	Less: Current maturities of long term borrowings transferred to short term borrowing	**(8,406.17)**	**(4,374.51)**
		59,440.47	**33,324.46**

(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 31st March 2023	As at 31st March 2022
Rupee term loans - from banks	(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. Rate of interest as on 31st March, 2023 - 10.70%, 1 year MCLR plus 0.50% p.a.(presently MCLR @10.20%)	6,407.29	7,853.78

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GUILTFREE INDUSTRIES LIMITED

₹ in Lakhs

Bank / Financial institutions	Nature of Security	Repayment terms	As at 31st March 2023	As at 31st March 2022
Rupee term loans - from banks	(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. Rate of Interest as on 31st March, 2023 - 10.70%, 1 year MCLR plus 0.50% p.a.(presently MCLR @10.20%)	6,407.29	7,853.78
Rupee LTWC loans - from banks	(i) First pari-passu charge over all movable fixed assets of the Borrower, both present and future. (ii) Second pari-passu charge over all current assets of the Borrower, both present and future.	(i)Principal repayment in 24 unequal quarterly instalments starting from 01st Jan, 2024 in the following manner: (a) first 3 instalments of 0.66% each (b) next 1 instalment of 1.75% (c) next 3 instalments of 2.59% each (d) next 4 instalments of 3.25% each. (e) next 4 instalments of 4.25% each (f) next 9 instalments of 6.50% each (ii) Interest payable monthly. Rate of Interest as on 31st March, 2023 - 9.30% on 1st tranche of Rs 50cr (MCLR @8.1% plus spread of 1.2%) and 9.50% on 2nd tranche of 68.75cr,1 year MCLR which is in range of 8.3% plus spread of 1.2%	7,105.88	7,373.66
	1) First pari-passu charge on fixed assets of the Borrower. 2) Second pari-passu charge on entire current assets of the Borrower, both present and future	Principal repayment in 22 equal Quarterly instalments after 1.5 yrs from first disbursement. Interest - payable monthly on the last business day of each month falling after the date of 1st disbursement. Rate of Interest as on 31st March, 2023 - 10.05%,12m MCLR plus 4% spread.(Presently 1YMCLR at 9.65%).	9,915.20	4,900.12
	1) First pari-passu charge on fixed assets of the Borrower. 2) Second pari-passu charge on entire current assets of the Borrower, both present and future	Principal to be repaid in 16 structured quarterly instalments starting from 15th month from date of disbursement. Repayment for 2nd and 3rd year 4.375% per quarter and 4th and 5th year 8.125% per quarter. Interest to be paid monthly at the rate of Interest @ 7.75% p.a linked to 1 year T-Bill rate for disbursement taken on June'2022 and for disbursement taken after June'2022 interest rate @8.40% linked to 3month MCLR(MCLR as on 31st March, 2023 9.45%pa)	12,163.25	5,562.60
	1) First pari-passu charge on fixed assets of the Borrower. 2) Second pari-passu charge on entire current assets of the Borrower, both present and future	Principal to be repaid in 16 structured quarterly instalments starting from 15th month from date of disbursement. Repayment for 2nd and 3rd year 4.375% per quarter and 4th and 5th year 8.125% per quarter. Interest to be paid monthly at the rate of Interest @ 9.35% p.a linked to 3 month T-Bill rate.	1,200.00	-
	(i) First pari-passu charge over all movable fixed assets of the Borrower, both present and future. (ii) Second pari-passu charge over all current assets of the Borrower, both present and future.	(i)Principal repayment in 24 unequal quarterly instalments starting from 01st Jan, 2024 in the following manner: (a) first 3 instalments of 0.66% each (b) next 1 instalment of 1.75% (c) next 3 instalments of 2.59% each (d) next 4 instalments of 3.25% each. (e) next 4 instalments of 4.25% each (f) next 9 instalments of 6.50% each (ii) Interest payable monthly. Rate of Interest as on 31st March, 2023 - 9.30% on 1st tranche of Rs 50cr (MCLR @8.1% plus spread of 1.2%) and 9.50% on 2nd tranche of 68.75cr,1 year MCLR which is in range of 8.3% plus spread of 1.2%.	11,708.58	-
Finance Lease obligations - from banks (Vehicle loans)	Secured by way of hypothecation of underlying Property Plant and Equipment (Vehicles) taken on lease	Vehicle loans from a bank are secured by way of hypothecations of vehicles financed thereagainst. The tenure of these loans range from 36 to 48 months (31 March 2022 - 36 to 48 months) and the rate of interest ranges from 8.25% p.a. to 9.01% p.a. (31 March 2022: 8.25% p.a. to 9.01% p.a.)	70.44	133.81

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₹ in Lakhs

Rupee LTWC loans - from financial institutions	(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%. Principal repayment in 24 equal quarterly instalments starting from 15th March, 2021. Interest payable monthly 10.75% p.a. i.e. ROI equal to LTLR less 8.50%	9,901.00	11,875.00
		(i) Repayment in 24 equal quarterly instalments starting from June, 2024 (ii) Interest payable monthly @10.25% p.a. i.e. ROI equal to LTLR less 11.05%.	9,375.00	-

Note: i. There has been no default in repayment of principal amount and interest thereon, during the current year and previous year.

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₹ in Lakhs

(ii) Current	As at 31st March 2023	As at 31st March 2022
Secured		
Cash credit facilities from banks	798.16	1,167.52
Rupee STWC loans - from banks	800.00	3,300.00
Current maturities of long-term debt	8,406.17	4,374.51
Unsecured		
Loans from Others	64.70	64.71
	10,069.03	**8,906.74**

Bank / Financial institutions	Nature of Security	Repayment terms	As at 31 March 2023	As at 31 March 2022
Rupee STWC loans - from banks	1) First pari-passu charge by way hypothecation over entire current assets of the company both present and future. 2) Second pari-passu charge by way of hypothecation on the entire movable fixed assets of the company both present and future.	Repayable on demand. The rate of interest is I-MCLR-6m (presently @ 8.35%) and spread per annum is 2%	800.00	3,300.00
Cash credit facilities from banks	First pari passu charge by way of Hypothecation on all current assets of the Company (both present and future)	The facility carries an interest rate of 8.65% p.a. to 10.25% p.a. (31 March 2022: 8.65% p.a.).	798.16	1,167.52
Unsecured Loan from Related Party	The loan is not secured by any assets.	The loan is repayable on demand and carries interest rate of @10.00% p.a.(March 31,2022 9.10% p.a.)	64.71	64.71

₹ in Lakhs

		As at 31st March 2023	As at 31st March 2022
18	**Lease Liabilities**		
	(i) Non Current		
	Lease Liabilities	1,809.27	2,620.05
		1,809.27	**2,620.05**
	(ii) Current		
	Lease Liabilities	465.30	574.48
		465.30	**574.48**
19	**Other Financial Liabilities**		
	Current		
	Current maturities of long-term debt	-	-
	Interest Accrued but not due	96.83	61.20
	Payable to erstwhile shareholders of subsidiary company	48.01	48.01
	Payable to employees	894.34	831.97
	Trade deposits from dealers/ distributors	35.02	16.74
	Creditors for Capital goods	77.30	112.12
	Other Payable	346.06	220.92
		1,497.56	**1,290.96**
20	**Provisions**		
	(i) Non Current		
	Provision for employee benefits*	405.81	363.73
	* Provision for Employee Benefit Includes Provision for Gratuity amounting to Rs 199.31 lakhs (31st March'2022: Rs 168.73 Lakhs), Provision for Leave encashment amounting to Rs 206.50 Lakhs (31st March'2022: Rs 195.00 Lakhs)	**405.81**	**363.73**
	(ii) Current		
	Provision for employee benefits*	52.78	48.79
	* Provision for Employee Benefit Includes Provision for Gratuity amounting to Rs 45.69 Lakhs (31st March'2022: Rs 44.00 Lakhs), Provision for Leave encashment amounting to Rs 7.09 (31st March'2022: Rs 4.79 Lakhs)	**52.78**	**48.79**

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Notes forming part of Consolidated Financial Statements

₹ in Lakhs

21 Trade payables	As at 31st March 2023	As at 31st March 2022
- Total outstanding dues of micro enterprises and small enterprises	921.88	398.46
- Total outstanding dues of creditors other than micro and small enterprises	8,855.36	7,411.22
	9,777.24	**7,809.67**

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31 March 2022:					
(i) Undisputed Dues-MSME	921.88	-	-	-	**921.88**
(ii) Undisputed Dues-Others	8,846.32	4.62	-	-	**8,850.94**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	4.42	4.42
Total	**9,768.20**	**4.62**	**-**	**4.42**	**9,777.24**
As on 31 March 2022:					
(i) Undisputed Dues-MSME	398.46	-	-	-	**398.46**
(ii) Undisputed Dues-Others	7,406.05	0.10	0.64	4.42	**7,411.22**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**7,804.51**	**0.10**	**0.64**	**4.42**	**7,809.68**

# Information relating to trade payables to Micro and Small Enterprises	As at 31st March 2023	As at 31st March 2022
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
-Principal	921.88	398.46
-Interest	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed date during the year.		
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 MSMED Act, 2006		
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-

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 Group .

22 Other current liabilities	As at 31st March 2023	As at 31st March 2022
Advance from customers	541.24	288.41
Statutory dues (dues Includes TDS, PF, ESI, GST etc)	331.79	286.78
	873.03	**575.19**

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Notes forming part of Consolidated Financial Statements

₹ in Lakhs

		As at 31st March 2023	As at 31 March 2022
23	**Revenue from operations**		
	Sale of Product	42,168.79	34,628.60
	Other Operating revenues		
	Scrap sales	168.65	85.51
		42,337.44	**34,714.11**
24	**Other income**		
	Gain / (loss) on sale of current investment (Net)	139.76	44.14
	Net gain on current investment measured at fair value	-	1.48
	Interest income:		
	- On Bank Deposits	29.20	24.78
	- On Loan to Sister Concern	92.12	-
	- On Income tax refund	0.26	-
	- On financial instruments measured at amortised cost	6.00	3.24
	Other Non Operating Income	0.47	
	Profit on account of lease modification	41.02	23.98
	Exchange differences	(1.61)	-
	Liability no longer required written back	1.05	106.07
	Sale of Service	-	39.00
	Miscellaneous income	0.98	28.35
		309.25	**271.04**
25	**Cost of Material consumed**		
	Inventory of materials at the beginning of the year	1,778.59	1,151.28
	Add : Purchases (Net)	29,982.65	26,364.51
	Less : Inventory of materials at the end of the year	(1,581.27)	(1,778.59)
	Cost of Material Consumed	**30,179.97**	**25,737.20**
26	**Purchases of Stock- in -trade**		
	Finished Goods	399.95	536.60
		399.95	**536.60**
27	**Changes in inventories of finished goods, work in progress and stock in trade:**		
	Opening Inventory		
	Finished goods	1,290.61	857.50
	Stock-in-trade	328.25	6.43
	Work-in-progress		-
	Closing Inventory		
	Finished goods	1,854.58	1,290.61
	Stock-in-trade	169.51	328.25
	Work-in-progress	16.63	-
	(Increase) / decrease in Inventory	**(421.86)**	**(754.93)**
28	**Employee benefits expense**		
	Salaries, wages and Bonus	6,534.53	6,123.72
	Contribution to provident and other fund	302.28	269.08
	Staff welfare expenses	228.43	147.97
		7,065.24	**6,540.77**
29	**Finance Cost**		
	Interest expense		
	On Term loan	801.12	919.84
	On Long Term Working Capital	4,094.43	2,002.10
	On Cash Credit facilities	255.92	166.24
	On Unsecured loan	-	6.63
	Other borrowing costs		
	Interest expenes on Lease liabilities	113.98	308.11
	Bank Processing and Others Charges	22.50	42.82
		5,287.95	**3,445.74**
30	**Depreciation and Amortisation expense**		
	Depreciation on Property, Plant & equipment (refer note 3)	1,133.20	1,139.31
	Depreciation on right-of-use assets (refer note 5)	742.11	737.49
	Amortisation of intangible assets (refer note 4)	283.77	379.73
		2,159.08	**2,256.53**

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₹ in Lakhs

		As at 31st March 2023	As at 31 March 2022
31	**Other expenses**		
	Job work charges	3,599.46	2,517.21
	Factory expenses (includes Power and fuel cost)	994.79	975.28
	Carriage,Freight and Forwarding Charges	6,113.16	4,667.77
	Repair & Maintenance		
	- Buildings	-	-
	- Plant & Machinery (Includes stores and spares consumed)	309.45	143.03
	- AMC and Other Maintenances expenses	219.72	193.16
	Marketing and Advertising expenses	9,499.79	6,087.25
	Sales Promotion and other selling expenses	7,288.64	4,535.56
	Consultancy and Legal Expenses	165.75	744.89
	Rent	78.30	19.52
	Common Area Maintenance	50.37	50.37
	Auditors' remuneration	-	-
	- For Audit Fees	15.00	14.00
	- For taxation matters	2.50	2.50
	- For other services	9.00	10.00
	- For Re-imbursement of expenses	0.05	-
	Recruitment Expenses	99.07	189.59
	Travelling, Boarding & Lodging	1,084.27	583.80
	Rates and taxes	38.03	4.60
	R&D Expense	216.00	323.97
	Provision for Doubtful Debt	186.00	-
	Provision for Doubtful receivables and advances	10.63	39.69
	Misc Expenses	516.41	220.52
		30,496.39	**21,322.71**

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Notes forming part of Consolidated Financial Statements

Note 32 Employee Benefit

1) Post Retirement Benefits - Defined Contribution Plan

₹ in Lakhs

Benefit (contribution to)	As at 31st March 2023	As at 31 March 2022
Provident fund	270.47	253.67
National pension scheme	31.76	15.32
Other fund	0.05	0.09
Total included in "Employees Benefit Expenses"	**302.28**	**269.08**

2) Post Retirement Benefits - Defined Benefits Plan

(A).For Company (Guiltfree Industries Limited)

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 in case employees completes five years or more of service . The Company has not yet started contributing to defined benefits funds or make 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:

	As at 31st March 2023	As at 31 March 2022
(i) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	148.47	132.33
Current service cost	72.59	57.36
Interest cost	8.99	9.73
Benefit Paid	(49.07)	-
Actuarial (gain)/loss arising from assumption changes	28.17	(9.53)
Actuarial (gain)/loss arising from experience adjustments	(25.51)	(41.42)
Balance at the end of the year	**183.64**	**148.47**
(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	183.64	148.47
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**183.64**	**148.47**
(iv) Expense recognised in Statement of Profit or Loss		
Employee benefit expenses:		
Service cost	72.59	57.36
Finance costs		
- Interest costs	8.99	9.73
- Interest income	-	-
Net impact on profit before tax	**81.58**	**67.09**
(v) Remeasurement losses / (gains) recognised in Other Comprehensive Income		
Actuarial (gain)/loss arising from assumption changes	28.17	(9.53)
Actuarial (gain)/loss arising from experience adjustments	(25.51)	(41.42)
Remeasurement losses / (gains) in other comprehensive income	**2.66**	**(50.95)**

(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	As at 31st March 2023	As at 31 March 2022
Discount rate (per annum)	7.25%	7.36%
Expected rate of return on plan assets	NA	N/A
Salary escalation rate (per annum)	8.00%	7.00%
Withdrawl rate (per annum)	20.00%	18.00%
Expected average remaining working lives of employees (years)	20	20
Mortality	IALM 2012 - 2014 Ultimate	IALM 2012 - 2014 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:

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Notes forming part of Consolidated Financial Statements

Note 32 Employee Benefit

	31st March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
(i) Discount Rate (0.5% Movement)	(169.77)	198.89	(137.25)	160.82
(ii) Future Salary (0.5% Movement)	197.47	(170.60)	159.55	(138.25)
(iii) Atrition Rate (0.5% Movement)	(182.41)	184.88	(147.26)	149.69

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

	As at 31st March 2023	As at 31 March 2022
Within 12 months	1.44	1.21
Between 2 and 5 years	7.36	5.64
Between 6 and 10 years	27.29	37.72
Beyond 10 years	625.96	505.18

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.

	As at 31st March 2023	As at 31 March 2022
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	164.00	168.04
Current service cost	53.27	44.93
Interest cost	8.93	10.02
Benefit paid	(81.57)	(63.85)
Actuarial (gain)/loss arising from change in financial assumption	28.18	(10.09)
Actuarial (gain)/loss arising from experience adjustments	4.65	14.95
Obligations at the end of the year	**177.46**	**164.00**
(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	177.46	164.00
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**177.46**	**164.00**
(iv) Components of net cost charged to the Statement of Profit and Loss		
Employee benefit expenses:		
Service cost	53.27	44.93
Actuarial Gain loss Applicable only for last year	32.83	4.86
Finance costs		
- Interest costs	8.93	10.02
- Interest income	-	-
Net impact on profit before tax	**95.03**	**59.81**
(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.

	As at 31st March 2023	As at 31 March 2022
Discount rate (per annum)	7.25%	7.36%
Expected rate of return on plan assets	NA	NA
Future compensation Growth (per annum)	8.00%	7.00%
Employee Turnover (per annum)	20.00%	20.00%
Average Expected Future Service (years)	20	20
Mortality	IALM 2012 - 2014 Ultimate	IALM 2012 - 2014 Ultimate

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Notes forming part of Consolidated Financial Statements

Note 32 Employee Benefit

(B). For Subsidary (Apricot Foods Private Limited)

(a) Gratuity - (funded)

Gratuity is a post employment benefit and is a defined benefit plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972. The liability recognised in the balance sheet represents the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets (if any), together with adjustment for unrecognised actuarial gains or losses and past service cost. Independent actuaries calculate the defined benefit obligation annually using the projected unit credit method. Actuarial gains and losses are credited/ charged to the statement of other comprehensive income in the year in which such gains or losses arise.

The following table summarises the components of defined benefit expense recognized in the statement of profit and loss/other comprehensive income ('OCI') and the funded status and amounts recognised in the balance sheet for the respective plans:

	As at 31st March 2023	As at 31 March 2022
(i) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	67.65	43.70
Current service cost	20.64	15.63
Interest cost	4.82	2.98
Actuarial (gain)/loss arising from assumption changes	7.65	12.79
Actuarial (gain)/loss arising from experience adjustments	(22.95)	(4.45)
Actuarial (gain)/loss on obligations arising due to change in demographic assumptions	(0.33)	(0.03)
Benefit paid directly by the employer	(12.49)	(2.97)
Benefit Paid from the fund	-	-
Balance at the end of the year	**64.99**	**67.65**
(ii) Reconciliation of fair value of plan assets		
Balance at the beginning of the year	3.40	3.30
Interest Income on Plan Assets	0.16	0.22
Contribution by employer	-	1.69
Expected return on plan assets*	0.07	(1.81)
Benefit Paid from the fund	-	-
Balance at the end of the year	**3.63**	**3.40**
(iii) Net defined benefit liabilities / (assets)		
Present value obligation as at the end of the year	64.99	67.65
Fair value of plan assets as at the end of the year	(3.63)	(3.40)
Net liabilities recognized in balance sheet	**61.36**	**64.25**
(iv) Expense recognised in Statement of Profit or Loss		
Employee benefit expenses:		
Service cost	20.64	15.63
Finance costs		
- Interest costs	4.82	2.98
- Interest income	(0.16)	(0.22)
Net impact on profit before tax	**25.30**	**18.39**
(v) Remeasurement losses / (gains) recognised in Other Comprehensive Income		
Return (differential) on plan assets, excluding interest income (*)	(0.07)	1.81
Actuarial (gain)/loss	(15.63)	8.31
Remeasurement losses / (gains) in other comprehensive income	**(15.70)**	**10.12**
(*) Amount lower than ₹ 1,000.		

(b) Leave encashment

Leave encashment: Defined benefit obligation	**36.14**	**35.79**

(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	As at 31st March 2023	As at 31 March 2022
Discount rate (per annum)	7.41%	7.25%
Expected rate of return on plan assets	7.41%	7.25%
Salary escalation rate (per annum)	7.00%	7.00%
Withdrawl rate (per annum)	10.00%	For Officer category 2% p.a. & for Workers category 15%
Expected average remaining working lives of employees (years)	8	14
Mortality	IALM 2012 - 2014 Ultimate	IALM 2012 - 2014 Ultimate

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Note 32 Employee Benefit

(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:

	31st March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
(i) Discount Rate (1% Movement)	(4.29)	4.88	(8.41)	10.20
(ii) Future Salary (1% Movement)	4.85	(4.34)	10.12	(8.50)
(iii) Atrition Rate (1% Movement)	(0.36)	0.36	0.44	(0.47)

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

	As at 31st March 2023	As at 31 March 2022
Within 12 months	5.09	2.05
Between 2 and 5 years	24.49	8.63
Between 6 and 10 years	31.87	23.06

Expected employer contribution in Gratuity plan for the year ending 31 March 2023 is ₹ 44.30 lakhs (31 March 2022: ₹ 42.82 lakhs)

C). Aforesaid defined benefit plans typically expose the Group 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.

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Notes forming part of Consolidated Financial Statements

Note: 33 : 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 Woodlands Multi Speciality Hospital Saregama India Limited Phillips Carbon Black Limited Quest Properties India Limited Herbolab India Private Limited Firstsource Solution Limited RPSG Sports Pvt Limited
Key Management Personnel	Mr. Rohit Garg , Whole Time Director and Chief Financial Officer Mr. Ghanshyam Pandiya ,Company Secretary
Relatives of KMP	Mrs Smriti Garg (Wife of Rohit Garg)
Non-Executive Directors	Mr. Arun kumar Mukherjee Mr. Rajeev Ramesh Chand Khandelwal Mr. Akhilanand Joshi Mrs. Saumyapriya Bose

(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			147.43	28.95					147.43	28.95
			(227.80)	(9.20)					(227.80)	(9.20)
CESC Limited			0.41	-					0.41	-
			(2.50)	(0.24)					(2.50)	(0.24)
Natures Basket Limited			2.40	1.57					2.40	1.57
			(4.29)	(1.30)					(4.29)	(1.30)
Herbolab India Pvt Ltd			40.45	23.61					40.45	23.61
			-	-					-	-
Sales of property, plant and equipments										
Herbolab India Pvt Ltd			0.19	-					0.19	-
			-	-						-
Sales of Service										
Herbolab India Private Limited			-	-					-	-
			(46.02)	-					(46.02)	-
Interest income on Loan										
Herbolab India Pvt Ltd			92.12	-					92.12	-
			-	-					-	-

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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
Purchase of stock in trade /Consumables / Office Equipment										
Spencer's Retail Limited			11.49	-					11.49	-
			(52.89)	-					(52.89)	-
Expense Incurred (includes Reimbursement of expenses)										
Spencer's Retail Limited			99.58	-					99.58	-
			(167.11)	-					(167.11)	-
Saregama India Limited			-	-					-	-
			(22.94)	-					(22.94)	-
Quest Properties Limited			-	-					-	-
			(0.58)	-					(0.58)	-
CESC Limited			6.37	-					6.37	-
			-	-					-	-
Natures Basket Limited			-	-					-	-
			(2.36)	-					(2.36)	-
Phillips Carbon Black Limited			1.48	0.88					1.48	0.88
			(1.04)	-					(1.04)	-
Herbolab India Private Limited			9.24	-					9.24	-
			(2.83)	(1.17)					(2.83)	(1.17)
RPSG Sports			355.66	-					355.66	-
			(45.00)	-					(45.00)	-
Woodlands Multi Speciality Hospital			1.98	-					1.98	-
			-	-					-	-
Firstsource Solution Ltd			-	-					-	-
			(0.69)	-					(0.69)	-
Mrs Smriti Garg							7.80	-	7.80	-
							(7.80)	-	(7.80)	-
Rajeev Ramesh Chand Khandelwal										
Reimbursement of Expense							4.03	-	4.03	-
							-	-	-	-
Remuneration to Key Managerial Personnel (Employee Benefit Expneses)										
Rohit Grag										
Short Term Employee Benefits							134.92	-	134.92	-
							(123.82)	-	(123.82)	-
Retirement Benefits							5.01	-	5.01	-
							(6.58)	-	(6.58)	-
Ghanshyam Pandiya										
Short Term Employee Benefits					7.22	-			7.22	-
					(7.17)	-			(7.17)	-
Retirement Benefits					0.28	-			0.28	-
					(0.38)	-			(0.38)	-
Advance Taken										
CESC Ltd			-	0.69					-	0.69
Advance given			-	-					-	-
RPSG Sports Pvt Ltd			-	-					-	-
			(130.00)	(130.00)					(130.00)	(130.00)
							-	-	-	-
Loan given (net)										
Herbolab India Pvt Ltd			3,780.00	3,780.00					3,780.00	3,780.00
			-	-					-	-

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
Share application money Recevied / Pending for Allotment										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	**10,000.00**	-							**10,000.00**	-
	(15,600.00)	-							(15,600.00)	-
Share issued (includes premium)										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	**10,000.00**	-							**10,000.00**	-
	(15,600.00)	-							(15,600.00)	-
Share application money refunded										
RPSG Ventures Limited (formerly known as CESC Ventures Limited)	-	-							-	-
	-	-							-	-

Note 33 (B). (i) Figure disclosed above are net value (excluding GST amount) where ever Input GST considered.

Note 33 (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 as a Company as a whole, thus the same is not included above.

Note 33 (B). (iii) Figure disclosed above in bracket are related to previous year .

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₹ in Lakhs

		As at 31 March 2023	As at 31 March 2022
34	**Contingent liabilities and Capital commitments**		
	(i) Contingent liabilities:		
	Bank guarantees	94.19	86.02
	VAT demand for financial year 2016-17 and 2017 -18 [Refer note (a) below]	33.75	33.75
	Claims against the Company not acknowledged as debts includes Income tax demand AY 2014-15 *	-	68.84
	Income Tax -AY 2021-22**	2.00	-
	* The appeal lying with CIT(A) has been decided in favour of the company with Nil liability.	**127.94**	**188.61**
	** Income tax order passed u/s 143(3) of Income Tax Act,1961 on account of depreciation and provision for baddebt disallowance pending in CIT(A)		
	(ii) Capital commitments		
	Estimated value of contracts in capital account remaining to be executed [(net of capital advances ₹ 56.08 Lakhs (March 31, 2022 ₹ 20.60 Lakhs)]	56.08	20.60
		56.08	**20.60**
	(a) The above matters are lying at appellate forum and the munagement is confident of succeeding in all these matters based on legal precedence's and expert opinions.		

₹ in Lakhs

		As at 31 March 2023	As at 31 March 2022
35	**Tax expenses**		
	A. Amount recognised in Statement of Profit & Loss		
	Current tax	-	-
	Tax for earlier years	-	1.62
	Deferred tax:		
	- Deferred tax (credit)/ charge	1,157.79	(450.07)
	Tax Expense/ (credit)	**1,157.79**	**(448.45)**
	B. Amount recognised in Other Comprehensive Income		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	(4.08)	2.63
	Tax Expense/ (credit) relating to OCI items	**(4.08)**	**2.63**
35(a)	**Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:**		
	Accounting Loss before tax	**(32,520.03)**	**(24,099.48)**
	Enacted tax rates in India (%)	26%	26%
	Computed expected tax expense	**(8,455.21)**	**(6,265.87)**
	Tax impact on Expenses Disallowed	(4.08)	-
	Tax expense of earlier years	-	1.62
	Deferred Tax assets reversed	1,606.00	-
	Unrecognised deferred tax Assets	8,114.93	5,880.46
	Tax impact of Others adjustment	(103.86)	(64.66)
	Income tax expense reported in Statement of Profit and Loss	**1,157.79**	**(448.45)**
35(b)	**Details of income tax assets / (liabilities)**		
	Non-current:		
	Taxes deducted at source recoverable (net of provision)	75.79	50.75
		75.79	**50.75**
	Current:		
	Taxes deducted at source recoverable (net of provision)	-	-
		-	-
	Net income tax assets / (liabilities)	**75.79**	**50.75**

36

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: 19).**

37 **Segmental information**

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

38 **1. Capital management**

For the purposes of the Group capital management, capital includes issued capital, all other equity reserves and borrowing less reported cash and cash equivalents.
The primary objective of the Group 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 Group 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 Group :

₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Long Term Borrowing (including current maturities of long term debt)	67,846.64	37,698.97
Short Term Borrowing	1,662.86	4,532.23
Less: Cash and cash equivalents	(12,061.33)	(7,128.41)
Total Borrowing (Net)	**57,448.17**	**35,102.79**
Total equity	(14,292.87)	8,640.31
Total Capital (Equity+Net Debt)	**43,156.09**	**43,743.10**

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2. Financial risk management

The Group financial risk management is an integral part of how to plan and execute its business strategies. The Group management risk policy is set by the Managing Board. The Group activities may expose it to a variety of risks such as credit risk, liquidity risk and market risk. The Group 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 Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group 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 Group 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 Group 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 Group 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 Group and existence of previous financial difficulties. The default in collection as a percentage to total receivable is low.

The Group exposure to credit risk for trade receivables by geographic region is as follows ₹ in Lakhs

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables		
- Domestic	1,492.38	1,023.53
- Export	-	-
	1,492.38	**1,023.53**

Movement in the allowance for impairment in trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	59.31	155.61
Provisions made during the year (net of reversals)	186.01	- 96.30
Net remeasurement of loss allowance	**245.32**	**59.31**

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 Group will not be able to meet its financial obligations as they become due. The Group manages its liquidity risk by ensuring, that it will always have sufficient liquidity to meet its liabilities when due. The Group 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 2023 and 31 March 2022. ₹ in Lakhs

Particulars	Carrying amount	Contractual cash flows: Less than 1 year	1-5 years	More than 5years
As at 31 March 2023				
Current Financial liabilities				
Trade payables	9,777.24	9,777.24	-	-
Financial liabilities	1,497.56	1,497.56	-	-
Borrowings	10,069.03	10,069.03	-	-
Lease Liabilities	465.30	465.30	-	-
Non- Current Financial liabilities				
Borrowings	59,440.47	-	48,764.01	10,676.46
Lease Liabilities	1,809.27	-	1,212.58	596.68
	83,058.87	**21,809.13**	**49,976.59**	**11,273.14**
As at 31 March 2022				
Current Financial liabilities				
Trade payables	7,809.68	7,809.68	-	-
Financial liabilities	1,290.96	1,290.96	-	-
Borrowings	8,906.75	8,906.75	-	-
Lease Liabilities	574.48	574.48	-	-
Non- Current Financial liabilities				
Borrowings	33,324.46	-	30,154.06	3,170.40
Lease Liabilities	2,620.05	-	1,793.11	826.94
	54,526.38	**18,581.87**	**31,947.17**	**3,997.34**

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(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 Group 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

The exposure of the Group borrowings to interest rate changes at the end of the reporting period are as follows: ₹ in Lakh

Particluars	As at 31 March 2023	As at 31 March 2022
Total borrowings (including current maturities)	69,444.80	40,865.16
	69,444.80	**40,865.16**

(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 2023	31 March 2022
Interest Rates - Increase by 50 basis points (50 bps)	(347.22)	(204.33)
Interest Rates - Decrease by 50 basis points (50 bps)	347.22	204.33

(ii) Price risk

The Group 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 Group 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 Group not expose to any foreign currency risk.

3 . a) Financial instruments - fair values management and risk management

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

Financial assets and liabilities	Amortised cost	Cost	FVTPL
As at 31st March, 2023			
(i). Financial assets			
Investments	-	-	-
Trade receivables	1,492.38	-	-
Cash and cash equivalents	12,061.33	-	-
Bank Balances other than Cash and cash equivalent	43.88	-	-
Loan	3,780.00	-	-
Other financial assets	164.43	-	-
Total financial assets (Non-current and Current)	**17,542.02**	**-**	**-**
(ii). Financial liabilities			
Borrowings	69,509.50	-	-
Lease Liabilities	2,274.56	-	-
Trade payables	9,777.24	-	-
Other financial liability	1,497.56	-	-
Total financial liabilities (Non-current and Current)	**83,058.86**	**-**	**-**
As at 31st March, 2022			
(i). Financial assets			
Investments	-	1,901.68	1,903.16
Trade receivables	1,023.53	-	-
Cash and cash equivalents	7,128.41	-	-
Bank Balances other than Cash and cash equivalent	43.88	-	-
Loan	-	-	-
Other financial assets	138.66	-	-
Total financial assets (Non-current and Current)	**8,334.48**	**1,901.68**	**1,903.16**
(ii). Financial liabilities			
Borrowings	42,231.21	-	-
Lease Liabilities	3,194.53	-	-
Trade payables	7,809.68	-	-
Other financial liability	1,290.96	-	-
Total financial liabilities (Non-current and Current)	**54,526.38**	**-**	**-**

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 Group ,the carrying amount will be the reasonable approximation of the fair value.

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3. c) Disclosure of sanction facilities: ₹ in Lakhs

Particluars	Used	Unused	Total
As at 31st March, 2023			
(i) Facilities from - RBL Bank limited			
- Term Loan	6,500.00	-	6,500.00
- Cash credit	-	500.00	500.00
-Letter of Credit Limit	-	-	-
(ii) Facilities from - Tata capital Financial Services Limited			
- Long Term Working Capital Loan	19,375.00	-	19,375.00
(iii) Facilities from - ICICI Bank Limited			
- Cash credit	798.16	701.84	1,500.00
- Short Term Loan	800.00	3,200.00	4,000.00
- Long Term Working Capital Loan	19,076.00	-	19,076.00
(iv) Facilities from -- IDFC First Bank			
- Long Term Working Capital Loan	10,000.00	-	10,000.00
- Overdraft	-	500.00	500.00
(v) Facilities from -- Indusind Bank			
- Long Term Working Capital Loan	14,000.00	6,000.00	20,000.00
- Overdraft	-	100.00	100.00
As at 31st March, 2022			
(i) Facilities from - RBL Bank limited			
- Term Loan	8,750.00	-	8,750.00
- Cash credit	-	500.00	500.00
-Letter of Credit Limit	-	100.00	100.00
(ii) Facilities from - Tata capital Financial Services Limited			
- Long Term Working Capital Loan	15,000.00	-	15,000.00
(iii) Facilities from - ICICI Bank Limited			
- Cash credit	1,167.52	332.48	1,500.00
- Long Term Working Capital Loan	15,000.00	-	15,000.00
(iv) Facilities from -- IDFC First Bank			
- Long Term Working Capital Loan	5,000.00	5,000.00	10,000.00
- Overdraft	-	500.00	500.00
(v) Facilities from -- Indusind Bank			
- Long Term Working Capital Loan	6,000.00	6,500.00	12,500.00
- Overdraft	-	100.00	100.00

39 **Lease Disclosure**

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

Particulars	As at 31 March 2023	As at 31 March 2022
Current Lease Liability	465.30	574.48
Non Current Lease Liability	1,809.27	2,620.05
Total	**2,274.57**	**3,194.53**

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

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	3,194.53	2,975.98
Add: Addition during the year (net of reversal)	237.84	-
Add: Finance cost accrued during the year	113.98	308.11
Less: Deletions	429.89	-
Less: Gain/(loss) due to lease modification	41.02	-
Less: Payment of lease liabilities	800.86	3,060.71
Closing balance	**2,274.57**	**3,194.53**

(iii) Contractual maturities of lease liabilities as at 31st March, 2023 on an undiscounted basis:

Particulars	Less than 1 year	1 -5 years	More than 5years
Lease payable	653.55	1,661.66	643.14

(iv) The group incurred ₹ 78.30 Lakhs (March 31, 2022 ₹ 19.52 Lakhs) towards expenses relating to short-term/Low value leases.

40 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 Group 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.

41 **Net Debt Reconciliation:**

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

Particulars	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April, 2022	**37,698.97**	**4,532.23**	**42,231.20**
Repayment of non-current borrowings	(4,362.63)	0	(4,362.63)
Proceed from current borrowings	-	(2,869.36)	(2,869.36)
Proceed from non-current borrowings	34,510.30	-	34,510.30
Net debt as at 31 March, 2023	**67,846.64**	**1,662.87**	**69,509.51**
Net debt as at 1 April, 2021	**23,270.45**	**1,475.83**	**24,746.28**
Repayment of non-current borrowings	14,428.52	-	14,428.52
Proceeds from current borrowings (net)	-	3,056.40	3,056.40
Net debt as at 31 March, 2022	**37,698.97**	**4,532.23**	**42,231.20**

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42 Other statutory information:

(i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company do not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

(viii) During the previous year ended 31st March, 2021 the Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the Codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.

(ix) The company has not been declared as any wilful defaulter from any bank or financial institution where from the company has taken loan and overdraft facilities.

(x) The company has complied with the no. of layers prescribed under clause 7 of section 2 of the act read with the (Companies Restriction on number of Layers Rules) 2017

43 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 20[illegible]	As At 31 March 202[illegible]
Net profit/(loss) attributable to equity shareholders (₹)	(33,677.82)	(23,651.03)
Weighted average number of equity shares in calculating basic and diluted EPS	8,417.27	7,506.06
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	**(4.00)**	**(3.15)**

44 Going concern

The company has incurred a net loss after tax of Rs (33,677.82) lakhs for the year ended 31 March 2023 and accumulated loss stand at Rs.(1,24,934.23) lakhs and its current assets exceeds current liabilities, including current borrowings, by Rs 7,067.48 lakhs. The Company has access to unutilised credit lines with its bankers and also additional funds from its promoters, if and when required. The Company is concentrating on increasing its operating cashflows with a focus on improvement of margins. In view of the above factors, and the approved business plan for the next year, the management is confident of its ability to generate sufficient cash to fulfil all its obligations, including debt repayments, consequent to which, these financial statements have been prepared on a going concern basis.

45 There are no material discrepancies between the quarterly statements filed with the landers and the books of accounts of the company with respect to inventories and other financial assets.

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Notes forming part of Consolidated Financial Statements ₹ in Lakhs

46 **Prior period comparatives**

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

47 The financial statements are approved for issue by the Board of Directors in its meeting held on 13th May,2023

As per our report of even date

For Batliboi, Purohit & Darbari
Chartered Accountants
Firm Registration no: 303086E

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 13/05/2023

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 Secretary
Membership no: 37228

Place:Kolkata
Date: 13/05/2023

GUILTFREE INDUSTRIES LIMITED

BATLIBOI PUROHIT & DARBARI
7,Waterloo Street, Kolkata 700069
Chartered Accountants