BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

Phone :2248-3042 / 2248 8867
E-mail : batliboi_ca@yahoo.com
7, WATERLOO STREET, 1st FLOOR
KOLKATA - 700 069

INDEPENDENT AUDITOR'S REPORT

To the Members of **Guiltfree Industries Limited**

Report on the Audit of the standalone financial statements

Opinion

We have audited the accompanying standalone financial statements of **Guiltfree Industries Limited** ("the Company"), which comprise the Balance sheet as at 31 March 2026, the Statement of Profit and Loss, (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (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 standalone financial statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 standalone financial statements.

Other Information

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibility of Management for the standalone financial statements

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

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are

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

inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 standalone financial statements for the financial year ended 31 March 2026 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, other than for the matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014;

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

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

   (e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

   (f) With respect to the maintenance of accounts and other matters connected therewith, are as stated in paragraph 2(b) above on reporting under section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014;

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

(g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements;

(h) 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;

(i) 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 Company as detailed in notes to financial statements, has disclosed the impact of pending litigation on its financial position;

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

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

iv. (a) The Management has represented that, to the best of its 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 to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been receivedby the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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 have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us 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. No dividend was declared or paid during the year by the company.

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

vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, audit trail feature was enabled on 12 May 2025 at database level for recording any direct data changes and further the audit trail features was not enabled at the database level for one specific user with direct database access to the accounting software to log any direct data changes, used for maintenance of all accounting records by the Company, as stated in note 46 to the standalone financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

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

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 26063404VKLMZC3025

Place: Kolkata
Date: 11th May 2026

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT OF GUILTFREE INDUSTRIES LIMITED, FOR THE YEAR ENDED 31 MARCH 2026

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

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment and right-of-use assets under which the assets are physical verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain, certain property, plant and equipment and right of use assets were verified during the year. According to the information and record provided to us, no material discrepancies were noticed on such verification.

(c) The Company does not own any immovable properties. Therefore, the provision of clause 3(i)(c) of the said order is not applicable to the Company.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) The management of the Company has conducted physical verification of inventory at reasonable intervals during the year and in our opinion the coverage and procedure of such verification by the management is appropriate.

(b) The Company has a working capital limit in excess of ₹ 5 crore sanctioned by banks on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks are in agreement with the books of accounts of the Company.

iii. (a) The Company has provided loans during the year and the details of such are given below:

	Loan (Amt in Rs. Lakhs)
A. Aggregate amount granted/ provided during the year	
- Subsidiary	1470.00
- Fellow Subsidiary	8,735.00
B. Balance outstanding as at balance sheet date in respect of above cases	
- Fellow Subsidiary	19,330.00

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

During the year the Company has not provided advances in the nature of loans, guarantee, or provided security to companies, firms, Limited Liability Partnerships or any other parties

(b) In our opinion and according to the information and explanation given to us the loans made during the year are, prima facie, not prejudicial to the Company's interest.

(c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

(d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

(e) According to information and explanations given to us no loans or advances in the nature of loan granted by the Company which had fallen due during the year has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to the same parties hence, reporting under clause (3)(e) is not applicable

(f) According to information and explanations given to us the Company has granted loan to its fellow subsidiary which is repayable on demand. Aggregate amount of loan granted to the fellow subsidiary till the year end Rs. 19,330 lakhs which is 100% of the aggregate amount of loans granted to related parties as defined in clause (76) of Section 2 of the Companie Act.

iv. According to information and explanations given to us and on the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted.

v. The Company has not accepted or is not holding any deposit or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rule, 2014. Accordingly, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, dutyof Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

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

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2026 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Rs. in Lakhs
Goods and Service Tax Act, 2017	Goods and Service Tax	Additional Commissioner, CGST & Central Excise, Palghar Commissionerate	1st July 2017 to 31st December 2022	3,914.14

viii. According to the information and explanation given to us there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us, the Company has not defaulted in repayment of its loans or borrowings to banks or in the payment of the interest thereon.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanation given to us, the term loan taken during the year is applied for the purpose for which it is taken.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting underclause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) There are no whistle-blower complaints received during the year by the company.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act,2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

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

xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and till the date of our audit report.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(d) As represented to us by the management of the Company, the Group has 4 (four) Core Investment Companies as a part of the Group

xvii. The Company has incurred cash losses during the financial year covered by our audit and the immediately preceding financial year amounting to Rs. 29,205.84 Lakhs and Rs. 28,527.36 Lakhs respectively.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. According to the information and explanation given to us, the Company does not fulfill the criteria as specified under 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 26063404VKLMZC3025

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

Place: Kolkata
Date: 11th May, 2026

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

(Referred to in paragraph 2(g) 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 with reference to standalone financial statements of **Guiltfree Industries Limited** ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on "the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls 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 with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to 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 with reference to standalone financial statements.

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

BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

Meaning of Internal Financial Controls with reference to standalone financial statements

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

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 26063404VKLMZC3025

Place: Kolkata
Date: 11th May 2026

Guiltfree Industries Limited
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
CIN:-U15549WB2017PLC218864
Balance Sheet as at 31st March,2026

₹ in Lakhs

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
I. ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	3	5,062.89	5,577.02
(b) Right of Use Assets	5	2,079.69	2,726.00
(c) Capital work in progress	3	10.29	76.74
(d) Intangible assets	4	26.22	15.14
(e) Financial Assets			
(i) Investments	6	31,331.97	31,331.97
(ii) Other financial assets	8	143.86	134.16
(f) Non Current Tax Assets	9	164.97	138.42
(g) Other Non-Current assets	10	36.72	41.69
Total non-current assests		**38,856.61**	**40,041.14**
(2) Current Assets			
(a) Inventories	11	6,280.22	4,960.94
(b) Financial Assets			
(i) Trade receivables	12	2,602.98	1,482.27
(ii) Cash and cash equivalents	13	35.71	14,584.20
(iii) Loans	7	19,330.00	10,595.00
(iv) Other financial assets	8	21.97	593.86
(c) Other Current assets	10	10,272.49	8,416.95
Total current assets		**38,543.37**	**40,633.22**
TOTAL ASSETS		**77,399.98**	**80,674.36**
II. EQUITY AND LIABILITIES			
(1) Equity			
(a)Equity share capital	14	1,16,649.87	1,00,816.53
(b)Other equity	15	(1,86,320.44)	(1,59,090.93)
Total equity		**(69,670.57)**	**(58,274.40)**
(2) Liabilities			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	80,942.97	89,777.93
(ii) Lease Liabilities	17	2,043.35	2,737.79
(ii) Other financial liability	18	215.13	179.39
(b) Provision	19	492.40	518.39
Total non-current liabilities		**83,693.85**	**93,213.50**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	48,127.24	33,777.25
(ii) Lease Liabilities	17	645.94	553.43
(ii) Trade payables	20		
- total outstanding dues of micro enterprises and small enterprises		1,195.50	751.70
- total outstanding dues of creditors other than micro and small enterprises		10,351.31	8,607.55
(iii) Other financial liability	18	1,412.63	1,105.03
(b) Other Current Liabilities	21	1,638.90	935.33
(c) Provisions	19	5.18	4.97
Total Current liabilities		**63,376.70**	**45,735.26**
Total liabilities		**1,47,070.55**	**1,38,948.76**
TOTAL EQUITY AND LIABILITIES		**77,399.98**	**80,674.36**
Notes forming part of Financial Statements	1-50		

This is the 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: 11/05/2026

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

Guiltfree Industries Limited
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
CIN:-U15549WB2017PLC218864

Statement of Profit and Loss for year ended 31st March,2026

₹ in Lakhs

Particulars	No.	For the year ended 31 March 2026	For the year ended 31 March 2025
I. Revenue from operations	22	40,263.24	39,553.10
		40,263.24	**39,553.10**
II. Other income	23	1,929.22	2,098.77
III. Total income (I+II)		**42,192.46**	**41,651.87**
IV. Expenses			
Cost of materials consumed	24	23,109.07	24,950.74
Purchases of Stock- in -trade	25	1,755.97	752.44
Change in inventories of finished goods, work-in-progress and Stock in Trade	26	(736.18)	(451.77)
Employee benefits expense	27	7,642.85	7,560.92
Finance Cost	28	13,601.81	11,818.45
Depreciation and amortization expense	29	1,266.12	1,250.22
Other expenses	30	25,933.28	25,871.52
Total expense		**72,572.92**	**71,752.52**
V. Profit/(Loss) before exceptional items and tax (III-IV)		**(30,380.46)**	**(30,100.65)**
Exceptional items	36	122.28	-
VI. Profit/(Loss) before tax		**(30,502.74)**	**(30,100.65)**
VII. Tax Expense			
(1) Current tax		-	-
(2) Deferred tax (Credit)		-	-
Income tax expense / (Credit)		-	-
VIII Profit/(Loss) for the year (VI-VII)		**(30,502.74)**	**(30,100.65)**
IX. Other comprehensive income			
(A)(i)Items that will not be reclassified to profit or loss			
Re- measurements gain/ (loss) on defined benefit plans		106.56	56.53
Other comprehensive income for the year, net of tax		**106.56**	**56.53**
X. Total comprehensive income for the year (VIII+IX)		**(30,396.18)**	**(30,044.12)**
Earnings per equity share (Face Value of Rs 10 each)	47		
i. Basic		**(2.86)**	**(2.99)**
ii.Diluted		**(2.86)**	**(2.99)**
Notes forming part of Financial Statements	1-50		

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

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

For and on behalf of Board of Directors

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

Hemal Mehta
Partner
Membership no: 063404

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

GUILTFREE INDUSTRIES LIMITED

Place:Kolkata
Date: 11/05/2026

Guiltfree Industries Limited
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
CIN:-U15549WB2017PLC218864

₹ in Lakhs

Statement of Cash Flow for the year ended 31st March,2026

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A.Cash Flow from Operating activities		
Profit/(Loss) before tax	(30,502.74)	(30,100.65)
Adjustments for:		
Depreciation on Property, Plant & equipment	649.72	654.12
Depreciation on right-of-use assets	603.97	571.68
Amortisation of intangible assets	12.43	24.42
(Gain) / Loss on sale of current investment (Net)	(373.95)	(617.21)
Loss of PPE & CWIP due to Fire	-	17.48
Loss of Inventory due to Fire	-	9.16
Provision for Doubtful advances	33.47	-
Provision for Doubtful Debts	10.00	-
Provision for Slow moving Inventory	196.91	60.50
Loss on Inventory Valuation	39.97	(79.24)
Finance Cost	13,309.52	11,496.76
Loss due to assets discarded	37.31	1.38
Gain on lease modification	(12.68)	(34.79)
Interest expenes on Lease liabilities	292.29	321.69
Interest Income on financial instruments measured at amortised cost	(9.60)	(8.39)
Interest income from Loan given	(1,486.94)	(1,248.00)
Interest income from Income tax refund	(7.95)	(4.92)
Interest income from Bank Deposits	(35.57)	(42.70)
Operating Profit/(Loss) before working capital changes	**(17,243.84)**	**(18,978.71)**
Working capital adjustments:		
(Increase)/ decrease in Inventories	(1,556.15)	(962.33)
(Increase)/ decrease in Trade receivables	(1,130.71)	(434.92)
(Increase)/ decrease in Non Current Financial assets and Current Financial assets	13.09	556.60
(Increase)/ decrease in Other Non-Current assets and Other Current assets	(1,884.04)	436.82
Increase/(decrease) in Trade payables	2,187.56	286.15
Increase / (decrease) in Provision	80.77	89.12
Increase / (decrease) in Other Current financial liabilities & Non-Current Financial Liabilities	316.45	124.64
Increase / (decrease) in other Current Liabilities & Non-Current Liabilities	703.57	(138.37)
Cash Used in Operations	**(18,513.30)**	**(19,021.00)**
Income tax paid (net of refunds)	(18.60)	(27.62)
Net cash flows used in operating activities (A)	**(18,531.90)**	**(19,048.62)**
B.Cash Flow from Investing activities		
Purchase of property, plant and equipment, capital work-in-progress	(184.90)	(398.10)
Proceeds from Sale of property, plant and equipment	59.97	-
Purchase of intangible assets	(23.51)	(5.66)
Proceeds from Sale of current investments	94,433.95	1,16,459.03
Purchase of current investments	(94,060.00)	(1,15,841.82)
Creation/Maturity of Bank Deposit	550.64	(29.85)
Interest received	1,530.58	1,283.43
Loan to Fellow Subsidiary & Subsidiary	(8,735.00)	2,231.00
Net cash flows used in Investing activities (B)	**(6,428.27)**	**3,698.03**
C.Cash Flow from Financing Activities		
Issue of equity share capital including securities premium	19,000.00	-
Principal Payment of lease liabilities	(546.91)	(440.88)
Interest paid other than on lease liabilities	(12,661.31)	(11,470.19)
Interest paid on Lease liabilities	(292.29)	(321.69)
Proceeds/Repayment of short-term borrowings (net)	4,504.24	421.84
Repayment of long-term borrowings	(19,346.03)	(16,433.05)
Proceeds from long-term borrowings	19,753.98	55,204.79
Net cash flows from financing activities (C)	**10,411.68**	**26,960.82**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(14,548.49)**	**11,610.23**
Cash and cash equivalents at the beginning of the year	14,584.20	2,973.97
Cash and cash equivalents at the end of the year	**35.71**	**14,584.20**

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

Particluars	For the year ended 31 March 2026	For the year ended 31 March 2025
Balance with banks in current accounts	35.71	12,084.20
Bank Deposits with original maturity of less than three months	-	2,500.00
Total of Cash and Cash Equivalents	**35.71**	**14,584.20**

Particulars	For the year ended 31 March 2025	Cash flows	Others	For the year ended 31st March 2026
Current borrowings	15,017.15	4,504.24	-	19,521.40
Non-Current borrowings (including Current Maturities)	1,08,538.02	407.95	602.84	1,09,548.81
Total	**1,23,555.17**	**4,912.19**	**602.84**	**1,29,070.21**

Particulars	For the year ended 31 March 2024	Cash flows	Others	For the year ended 31st March 2025
Current borrowings	14,595.33	421.84	-	15,017.15
Non-Current borrowings (including Current Maturities)	69,766.28	38,169.78	601.96	1,08,538.02
Total	**84,361.61**	**38,591.61**	**601.96**	**1,23,555.17**

The above 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. 42(ii) and note 43 for reconciliation of lease liability and net debt reconciliation
This is the Statement of Cash Flows referred to in our Report of even date.

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

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

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 11/05/2026

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

Guiltfree Industries Limited
Address:-31, Netaji Subhas Road, 1st Floor Duncan House Kolkata WB 700001 IN
CIN:-U15549WB2017PLC218864
Statement of Changes in Equity for the year ended 31st March 2026

₹ in Lakhs

A. Equity share capital:

Equity shares of INR 10 each issued, subscribed and fully paid	No.	₹ in Lakhs
Balance as at 1st April, 2025	1,00,81,65,320	1,00,816.53
Shares issued during the period	15,83,33,334	15,833.34
Bought back during the year period	-	-
Balance as at 31st March, 2026	**1,16,64,98,654**	**1,16,649.87**
Balance as at 1st April, 2024	1,00,81,65,320	1,00,816.53
Shares issued during the year	-	-
Bought back during the year	-	
Balance as at 31st March, 2025	**1,00,81,65,320**	**1,00,816.53**

(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
1,00,816.53	-	-	15,833.34	1,16,649.87

(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
1,00,816.53	-	-	-	1,00,816.53

B. Other equity (Refer Note 17)

Particulars	Share Application Money Pending Allotment	Reserves and surplus		Other Comprehensive Income	Total Other Equity
		Securities Premium Reserve	Retained earnings	Other items of OCI	
Balance as at 1st April, 2025	-	**19,645.82**	**(1,78,953.58)**	**216.83**	**(1,59,090.93)**
Profit / (loss) for the year	-	-	(30,502.74)	-	(30,502.74)
Other comprehensive income for the year					
Re measurement gain / (loss) on defined benefit plans (Net of taxes)	-	-	-	106.56	106.56
Share Application Money Received	19,000.00	-	-	-	19,000.00
Transfer to Equity Share Capital	(15,833.33)	-	-	-	(15,833.33)
Transfer to Equity Securities premium	(3,166.67)	3,166.67	-	-	-
Share application money refunded during the period				-	-
Balance as at 31st March, 2026	-	**22,812.49**	**(2,09,456.32)**	**323.39**	**(1,86,320.44)**

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,2024	-	**19,645.82**	**(1,48,852.93)**	**160.30**	**(1,29,046.82)**
Profit / (loss) for the year	-	-	(30,100.65)	-	(30,100.65)
Other comprehensive income for the year					-
Re measurement gain / (loss) on defined benefit plans (Net of taxes)	-	-	-	56.53	56.53
Share Application Money Received	-	-	-	-	-
Transfer to Equity Share Capital	-	-	-	-	-
Transfer to Equity Securities premium	-	-	-	-	-
Share application money refunded during the period				-	-
Balance as at 31st March, 2025	-	**19,645.82**	**(1,78,953.58)**	**216.83**	**(1,59,090.93)**

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

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

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

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 11/05/2026

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

1 Corporate information

Guiltfree Industries Limited is a Company domiciled in India with its registered office at 31, Netaji Subhas Road, 1st Floor Duncan House Kolkata, 700001, West Bengal having corporate identity number U15549WB2017PLC218864. The Company has been incorporated on 6th January 2017. The Company is engaged in a business of Fast Moving Consumer Goods dealing with food products, under the brand name of **"Too Yumm"** and Personal Care Segment, under the Brand Name **"Naturali"** and **"WITHIN Beauty"**.

2 Basis of preparation and other Material Accounting policies

2.1 Basis of preparation

a. Statement of Compliance

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

b. Functional and Presentation Currency

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

c. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis, except for certain assets and liabilities which has been measured at Fair Value basis as mentioned below:

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

d. Key accounting estimates and judgements

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

e. Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that may have a significant risk of resulting in a material adjustment in the year ended 31 March 2026 is included in the following notes:

Note 31 - 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 3 & 4 - Useful Life and Residual Value of Property Plant and equipment and Intangible Asset
Note 3 & 4- Impairment of Property Plant and Equipment and Intangible asset (if any)
Note 5 & 17 - Measurement of Lease liabilities and Right of Use Asset (ROU)

f. Current versus non-current classification

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

2.2 Summary of material accounting policies

a. Property, plant and equipment

Recognition and Measurement

Property, plant and equipment are stated at cost, less accumulated depreciation/impairment losses if any. The cost of an item of property, plant and equipment comprises its purchase price after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

Subsequent Expenditure

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

Depreciation, Estimated useful life and residual value

Depreciation on 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.

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

b. Intangible assets

Recognition and Measurement

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

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

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

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

A summary of amortisation policies applied to the Company's intangible asset is as below:

Class of Assets	Estimated useful lives
Computer Softwares	6 years

c. Leases :

The Company as a lessee:

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

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

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

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

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

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

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

The Company as a lessor:

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

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

d. Inventories

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

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

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

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

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

(ii) Financial assets

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

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

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

f. Financial asset and liabilities

Recognition and initial measurement

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

Classification and subsequent Measurement

The financial assets are classified in the following categories :
1) financial assets measured at amortised cost.
2) financial assets measured at fair value through profit & loss account
3) financial assets measured at fair value through other comprehensive income
The classification of financial assets depends on the Company's business model for managing financial assets and the contractual terms of the cash flow.

Financial assets measured at amortised cost

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

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

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

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

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

Financial liabilities

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

Investment in subsidiaries

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

Derecognition

Financial assets

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

Financial liabilities

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

g Foreign currencies Transactions

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

h. Segment Reporting

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

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

i. Revenue recognition

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

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

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods to a customer, excluding amounts collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both. The transaction price is allocated by the Company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer. For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. When either party to a contract has performed its obligation, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

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

Interest income is recognized using effective interest method.
Dividend income is recognized at the time when the right to receive is established by the reporting date.
Other incomes have been recognized on accrual basis in the financial statements, except when there is uncertainty of collection.

GUILTFREE INDUSTRIES LIMITED

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

j. **Borrowing costs**

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

Borrowing cost consists of interest and other costs incurred in connection with the borrowing of funds and also include exchange differences to the extent regarded as an adjustment to the same.

Borrowing costs directly attributable to the acquisition and/or construction of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

k. **Cash and cash equivalents**

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

l. **Taxes**

(i) Current Income tax

Current tax is determined as the tax payable in respect of taxable income forthe year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognized outside profit or loss is recognized either in other comprehensive income or in equity.

(ii) Deferred tax and Liabilities

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

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

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

m. **Fair value**

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

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy that categorizes into three levels, described as follows, the inputs to valuation techniques used to measure value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

For assets and liabilities that are recognized in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period and discloses the same.

n. **Provisions and Contingent Liabilities**

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

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

Contingent liabilities

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

o. **Employee benefits**

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

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

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

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

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

(iv) **Compensated absences:** The employees of the Company are entitled to compensated absences which are both accumulating and non accumulating 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 occurred.

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. **Recent Pronouncements**

The Company has evaluated the amendments and updates to Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs (MCA) and guidance issued by the Institute of Chartered Accountants of India (ICAI) during the period from 1st April, 2025 to 31st March, 2026. These amendments, inter alia, include changes relating to the classification of liabilities as current or non-current, clarification on accounting estimates, deferred tax on leases, disclosures pertaining to supplier finance arrangements, and guidance on lease accounting.

Based on the assessment carried out, the Company does not expect any material impact of these amendments on the recognition and measurement of items in the financial statements. Further, these changes do not have any bearing on the operations of the Company. However, wherever applicable, the Company will incorporate the necessary additional disclosures in its financial statements.

GUILTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

3 Property, plant and equipment	Leasehold Improvement	Plant and Equipments	Furniture and fixtures	Office equipments	Computers	Total Tangible Assets
Gross Carrying Amount						
As at 1st April, 2025	577.22	8,525.71	102.43	53.18	295.30	9,553.84
Additions	5.80	183.56	0.15	0.14	43.22	232.87
Deduction	372.91	131.33	8.29	5.18	2.80	520.51
Balance as at 31st March,2026	210.11	8,577.94	94.29	48.14	335.72	9,266.20
As At 1st April, 2024	577.22	8,189.64	102.43	47.13	265.68	9,182.10
Additions	-	362.53	0.00	6.05	29.62	398.20
Deduction	-	26.46	-	-	-	26.46
Balance as at 31st March, 2025	577.22	8,525.71	102.43	53.18	295.30	9,553.84
Accumulated depreciation						
As at 1st April, 2025	542.48	3,110.78	58.69	43.79	221.07	3,976.82
Depreciation charge for the year	5.58	588.51	9.82	1.68	44.13	649.72
Reversal on disposal of assets	354.26	54.89	6.50	4.92	2.66	423.23
Balance as at 31st March,2026	193.80	3,644.40	62.01	40.55	262.54	4,203.31
As At 1st April, 2024	535.05	2,535.31	48.96	39.65	172.70	3,331.68
Depreciation charge for the year	7.43	584.45	9.73	4.14	48.37	654.12
Reversal on disposal of assets	-	8.98	-	-	-	8.98
Balance as at 31st March, 2025	542.48	3,110.78	58.69	43.79	221.07	3,976.82
Net block						
Balance as at 31st March,2026	16.31	4,933.54	32.28	7.59	73.18	5,062.89
Balance as at 31st March, 2025	34.73	5,414.93	43.74	9.39	74.23	5,577.02

Note:

3. (a) For contractual obligations, refer Note 34(ii) for disclosure of capital commitments for acquisition of property, plant and equipment.
3. (b) There are no immovable property in the name of the company

3.(i)

Capital Work in Progress	₹ in Lakhs Capital Work in Progress
Gross Carrying Amount	
As At 1st April, 2025	76.74
Additions	189.92
Less: Transfer to Property, Plant and Equipment & intangible assets	(256.37)
Less: Write off	-
Balance as at 31st March,2026	**10.29**
As At 1st April, 2024	**88.15**
Additions	393.85
Less: Transfer to Property, Plant and Equipment & intangible assets	(403.88)
Less: Write off	(1.38)
Balance as at 31st March, 2025	**76.74**

(ii) 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 year	
Balance as at 31st March,2026					
Projects in progress	10.29	-	-	-	**10.29**
Projects temporarily suspended	-	-	-	-	**-**
Balance as at 31st March, 2025					
Projects in progress	76.74	-	-	-	**76.74**
Projects temporarily suspended	-	-	-	-	**-**

The Capital Work-in-Progress pertaining to the project has substantially been completed during the year and is scheduled to be capitalised in FY 2026-27 upon commencement of commercial production, as per the management's assessment

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

GULFFREE INDUSTRIES LIMITED *

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

4

Intangible Assets		₹ in Lakhs
	Computer Software, Server and Network	Total Intangible Assets
Gross Carrying Amount		
As At 1st April, 2025	**345.82**	**345.82**
Additions	23.50	23.50
Deduction	-	-
Balance as at 31st March,2026	**369.32**	**369.32**
As at 1st April, 2024	**340.15**	**340.15**
Additions	5.67	5.67
Deduction	-	-
Balance as at 31st March, 2025	**345.82**	**345.82**

Accumulated Amortisation		
As At 1st April, 2025	**330.67**	**330.67**
Amortisation	12.43	12.43
Reversal on disposal of assets	-	-
Balance as at 31st March,2026	**343.10**	**343.10**
As at 1st April, 2024	**306.25**	**306.25**
Amortisation	24.42	24.42
Reversal on disposal of assets	-	-
Balance as at 31st March, 2025	**330.67**	**330.67**

Net block

Balance as at 31st March,2026	**26.22**	**26.22**
Balance as at 31st March, 2025	**15.14**	**15.14**

5

Right-of-use assets		₹ in Lakhs
	Right-of-use assets	Total Right-of-use assets
Gross Carrying Amount		
As At 1st April, 2025	**4,296.36**	**4,296.36**
Additions	46.83	46.83
Deduction	114.93	114.93
Balance as at 31st March,2026	**4,228.26**	**4,228.26**
As at 1st April, 2024	**3,891.80**	**3,891.80**
Additions	1,125.89	1,125.89
Deduction	721.33	721.33
Balance as at 31st March, 2025	**4,296.36**	**4,296.36**

Accumulated Amortization		
As At 1st April, 2025	**1,570.36**	**1,570.36**
Depreciation	603.97	603.97
Reversal on disposal of assets	25.76	25.76
Balance as at 31st March,2026	**2,148.57**	**2,148.57**
As at 1st April, 2024	**1,100.85**	**1,100.85**
Depreciation	571.68	571.68
Reversal on disposal of assets	102.17	102.17
Balance as at 31st March, 2025	**1,570.36**	**1,570.36**

Net block

Balance as at 31st March,2026	**2,079.69**	**2,079.69**
Balance as at 31st March, 2025	**2,726.00**	**2,726.00**

For details of lease liability refer note no. 17

GULTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

		As at 31 March 2026	As at 31 March 2025
6	**Investments**		
	(i) Non-current Investments		
	Measured at Cost		
	In Equity Shares of Subsidiary company (70% Holding)		
	Unquoted , fully paid*		
	Apricot foods Private limited :	31,331.97	31,331.97
	*2,80,000 (31 March, 2025 2,80,000) equity shares of ₹ 10 each		
		31,331.97	**31,331.97**

		As at 31 March 2026	As at 31 March 2025
7	**Loans**		
	(i) Current		
	(unsecured, considered good)		
	Loan to Fellow Subsidiary	19,330.00	10,595.00
		19,330.00	**10,595.00**

The Loan to Herbolab India Private Limited, fellow subsidiary, 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 10.80% p.a

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

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 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Related Parties				
(i) Loan to Fellow Subsidiary-repayable on demand	19,330.00	10,595.00	100%	100%

		As at 31 March 2026	As at 31 March 2025
8	**Other financial assets**		
	(i) Non Current		
	Security deposits	142.34	132.74
	Bank Deposits with original maturity of more than twelve months**	1.52	1.42
		143.86	**134.16**
	(ii) Current		
	Security deposits	18.43	18.43
	Bank Deposits**	3.52	554.25
	Interest Accured but not due on FD	0.02	8.09
	Interest Accured but not due against Loan to Subsidiary	-	-
	Other receivable	-	13.09
	** Bank Deposit includes lien on Fixed Deposit of Rs 5.04 Lakhs (31st March 2025 Rs 2.86 Lakhs) against Bank Guarantee	**21.97**	**593.86**
9	**Non Current Tax Assets**		
	Taxes deducted at source recoverable (net of provision)	164.97	138.42
		164.97	**138.42**

GUILTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

		As at 31 March 2026	As at 31 March 2025
10	**(i) Other Non-Current assets**		
	(Unsecured, considered good unless stated otherwise)		
	Capital advances	-	(0.00)
	Prepaid expenses	36.72	41.69
		36.72	**41.69**
	(ii) Other Current Asset		
	(Unsecured, considered good unless stated otherwise)		
	Advances other than capital advances:		
	Advances for Supply of Goods	555.24	98.92
	Advance for Supply of Services & Others	72.63	70.81
	Advance to employees	5.06	35.77
		632.93	**205.50**
	Unsecured,considered Good	563.99	168.51
	Unsecured,considered doubtful	68.94	37.00
		632.93	205.51
	Less: Allowance for Doubtful advance	(68.94)	(37.00)
	Sub-total Net Advances other than capital advance	**563.99**	**168.51**
	Balances with statutory/government authorities	9,621.94	8,147.36
	Prepaid Expenses	86.56	101.08
		10,272.49	**8,416.95**
11	**Inventories**		
	(At the lower of cost or net realisable value)		
	Raw materials (Includes Packing materials)	2,824.60	2,231.01
	Finished goods	2,773.31	2,189.78
	Stock In Trade	232.64	79.99
	Stores , Spares & Promotional Materials	449.67	460.16
		6,280.22	**4,960.94**
	* The write down of inventories to net realisable value amounted to ₹ 915.39 Lakhs (31 March 2025 ₹ 718.48 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.	**6,280.22**	**4,960.94**

		As at 31 March 2026	As at 31 March 2025
12	**Trade receivables**		
	Unsecured		
	Considered good	2,602.98	1,482.27
	Considered doubtful	60.32	50.32
		2,663.30	**1,532.59**
	Less: Allowance for doubtful debts	(60.32)	(50.32)
	Total Trade receivables	**2,602.98**	**1,482.27**

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

Particulars	Outstanding for following periods from due date					
	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 2026						
(i) Undisputed Trade receivables – considered good	2,483.24	73.47	40.71	0.38	5.19	**2,602.98**
(ii)Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivables –credit impaired	-	-	5.20	15.32	39.80	**60.32**
(iii) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total Trade Receivable	**2,483.24**	**73.47**	**45.91**	**15.70**	**44.99**	**2,663.30**
Less: Allowance for doubtful debt						**60.32**
Net Trade Receivable	**2,483.24**	**73.47**	**45.91**	**15.70**	**44.99**	**2,602.98**
Ageing for trade receivable outstanding as on 31 March 2025						
(i) Undisputed Trade receivables – considered good	1,439.20	13.24	8.66	15.22	5.95	**1,482.27**
(ii)Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(ii) Undisputed Trade Receivables – credit impaired	-	18.38	5.56	1.27	25.11	**50.32**
(iii) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iv) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total Trade Receivable	**1,439.20**	**31.62**	**14.22**	**16.49**	**31.05**	**1,532.59**
Less: Allowance for doubtful debt						**50.32**
Net Trade Receivable	**1,439.20**	**31.62**	**14.22**	**16.49**	**31.05**	**1,482.27**

₹ in Lakhs

		As at 31 March 2026	As at 31 March 2025
13	**Cash and cash equivalent**		
	Balances with banks:		
	- In curent accounts	35.71	12,084.20
	- Bank Deposits with original maturity of less than three months	-	2,500.00
		35.71	**14,584.20**

GUILTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2026

	As at 31 March 2026		As at 31 March 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
14 **Equity Share capital**				
Authorised share capital				
Equity shares [1,50,00,00,000 equity shares of ₹ 10/- each (31 March, 2025 1,50,00,00,000 equity share ₹ 10/- each)]	1,50,00,00,000	1,50,000.00	1,50,00,00,000	1,50,000.00
	1,50,00,00,000	1,50,000.00	1,50,00,00,000	1,50,000.00
Issued, subscribed and fully paid up	1,16,64,98,654	1,16,649.87	1,00,81,65,320	1,00,816.53
Equity shares fully paid up 1,16,64,98,654 equity shares of ₹ 10/- each] [31 March, 2025 : 1,00,81,65,320 equity shares of ₹ 10/- each]				
Total issued, subscribed and fully paid share capital	1,16,64,98,654	1,16,649.87	1,00,81,65,320	1,00,816.53

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

	As at 31 March 2026		As at 31 March 2025	
	Number	₹ in Lakhs	Number	₹ in Lakhs
Equity shares				
At the beginning of the year	1,00,81,65,320	1,00,816.53	1,00,81,65,320	1,00,816.53
Add: Shares issued	15,83,33,334	15,833.34	-	-
Less: Shares bought back	-	-	-	-
Balance at the end of the year	1,16,64,98,654	1,16,649.87	1,00,81,65,320	1,00,816.53

b) **Rights, preferences and restrictions attached to shares**

Equity shares

The Company has only one class of equity share having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

During the year ended 31 March 2026, the Company issued 15,83,33,334 equity shares of ₹10 each at a premium of ₹2 per share on rights basis to the existing shareholders, thereby raising ₹19,000 lakhs (comprising ₹15,833.33 lakhs towards equity share capital and ₹3,166.67 lakhs towards securities premium).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares held by promoter at the end of year**

Shares held by promoter at the end of the year	As at 31st March 2026		As at 31st March 2025		% Change during the Year
Promoter Name	No. of Shares	% of Total Share	No. of Shares	% of Total Share	
RPSG Ventures Limited	1,16,64,98,654	100%	1,00,81,65,320	100%	0.00%

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

GUILTFREE INDUSTRIES LIMITED

d) Details of shareholders holding more than 5% equity shares in the Company

Name of shareholder	As at 31 March 2026		As at 31 March 2025	
	Number	% of holding	Number	% of holding
Equity shares				
RPSG Ventures Limited	1,16,64,98,654	100.0%	1,00,81,65,320	100.0%
	1,16,64,98,654	**100.0%**	**1,00,81,65,320**	**100.0%**

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

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

15

Other Equity	As at 31 March 2026	As at 31 March 2025
Reserves & Surplus:		
Securities premium Reserve	22,812.49	19,645.82
Retained Earnings	(2,09,456.32)	(1,78,953.58)
Other comprehensive Income	323.39	216.83
	(1,86,320.44)	**(1,59,090.93)**

Nature and purpose of other Equity

(i) Securities premium reserve :

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

(ii) Retained earnings:

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

(iii) Other comprehensive Income :

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

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

GUILTFREE INDUSTRIES LIMITED *

Notes forming part of Financial Statements ₹ in Lakhs

As at and for the year ended 31st March, 2026

16 Borrowings	As at 31 March 2026	As at 31 March 2025
(i) Non Current		
Secured (measured at amortised cost)		
Term Loan		
Rupee term loans - from banks	-	2,487.48
Long Term Working Capital Loan		
Rupee LTWC loans - from financial institutions	51,133.98	37,415.56
Long Term Working Capital Loan		
Rupee LTWC loans - from banks	58,414.83	68,634.98
Total	**1,09,548.81**	**1,08,538.02**
Less: Current maturities of long term borrowings transferred to Short term Borrowing	**(28,605.84)**	**(18,760.09)**
	80,942.97	**89,777.93**

(ii) Current	As at 31 March 2026	As at 31 March 2025
Secured		
Overdraft Limit		
Rupee STWC loans - from banks	16,171.40	6,017.16
Current maturities of long-term debt	28,605.84	18,760.09
Unsecured Loan from Holding Company	3,350.00	9,000.00
	48,127.24	**33,777.25**

Nature of Security

Term loan amounting to Nil (31st March, 2025: ₹ 2,487.48 Lakhs) is secured by way of first pari-passu charge over all the movable fixed assets and second pari-passu charge over entire current assets of the Company, both present and future. The loan was repayable in 24 unequal quarterly instalments commencing from 22nd May, 2020. Interest was payable monthly at RBL Bank 1 year MCLR plus 0.50% p.a.

Long term working capital loan amounting to ₹ 58,414.84 Lakhs (31st March, 2025: ₹ 63,673.69 Lakhs) is secured by way of first pari-passu charge on entire movable fixed assets and second pari-passu charge on entire current assets of the Company, both present and future.The rate of interest charged by the lenders ranges from MCLR/I-MCLR/Repo Rate/T-Bill Rate prevailing from time to time plus spread ranging from 0.10% to 3.19%.

Long term working capital loan amounting to ₹ 37,254.55 Lakhs (31st March, 2025: ₹ 37,415.57 Lakhs) is secured by way of first pari-passu charge on entire movable fixed assets of the Company, both present and future and second pari paru charge by way of Hypothecation over current assets (both present as well as future) of the Company.The rate of interest charged by the lenders is Long Term Reference Rate plus/minus spread a spreas upto 2.25%

Long term working capital loan amounting to ₹ 9,706.59 Lakhs (31st March, 2025: NIL) is secured by way of first pari-passu charge on movable fixed assets and current assets including cashflows of the Company, both present and future.The rate of interest charged by the lender is Lender's Long Term Reference Rate less spread of 10.5%

Long term working capital loan amounting to ₹ 4,172.83 Lakhs (31st March, 2025: ₹ 4,961.09 Lakhs) is secured by way of first and exclusive charge on debt mutual fund investments and second pari-passu charge on movable fixed assets and current assets of the Company, both present and future.The rate of interest charged by the lender is Lender's Reference Rate plus 5.75% Spread.

Short Term Working capital facilities amounting to ₹ 16,171.40 Lakhs (31st March, 2025: ₹ 6,017.35 Lakhs) are secured by way of first pari-passu charge on current assets and second pari-passu charge on movable fixed assets of the Company, both present and future.The rate of interest charged ranges from MCLR/I-MCLR/benchmark rates prevailing from time to time plus spread ranging from 0.10% to 2.00%.

Loan from related party amounting to ₹ 3,350.00 Lakhs (31st March, 2025: ₹ 9,000.00 Lakhs) is unsecured, repayable on demand at prevailing G-Sec rates in one or more tranches

Other Disclosure

The above term loans are repayable in structured quarterly instalments over their respective tenures. The rate of interest charged by the lenders is based on benchmark rates such as MCLR/Repo Rate/T-Bill/Long Term Reference Rate prevailing from time to time plus applicable spread.

Working capital facilities are repayable on demand or at maturity and carry interest based on benchmark rates plus applicable spread.

Loan from related party is repayable on demand at prevailing G-Sec rates.

The Company has not defaulted in the repayment of borrowings during the current year and the previous year. Further, the Company has complied with all applicable covenants for the year ended 31st March, 2026 and for the year ended 31st March, 2025

17 Lease Liabilities	As at 31 March 2026	As at 31 March 2025
(i) Non Current		
Lease Liabilities (Refer note no. 42)	2,043.35	2,737.79
	2,043.35	**2,737.79**
(ii) Current		
Lease Liabilities (Refer note no. 42)	645.94	553.43
	645.94	**553.43**

18 Other Financial Liabilities		
(i) Non Current		
Security Deposit	6.50	6.50
Other Non-Financial liability	208.63	172.89
	215.13	**179.39**

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700069

GUILTFREE INDUSTRIES LIMITED

₹ in Lakhs

Notes forming part of Financial Statements		As at 31 March 2026	As at 31 March 2025
	(i) Current		
	Interest accrued but not due	190.28	194.31
	Payable to employees	1,208.69	892.24
	Creditors for Capital goods	-	18.48
	Other Financial liability	13.66	-
		1,412.63	**1,105.03**
19	**Provisions**		
	(i) Non Current		
	Provision for employees benefits	492.40	518.39
		492.40	**518.39**
	(ii) Current		
	Provision for employees benefits	5.18	4.97
		5.18	**4.97**
20	**Trade payables**		
	- Total outstanding dues of micro enterprises and small enterprises	1,195.50	751.70
	- Total outstanding dues of creditors other than micro and small enterprises	10,351.31	8,607.55
		11,546.81	**9,359.25**

Particulars	Outstanding for following periods from due date				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026:					
(i) Undisputed Dues-MSME	1,195.50	-	-	-	**1,195.50**
(ii) Undisputed Dues-Others	10,332.98	12.68	-	5.65	**10,351.31**
(iii) Disputed Dues – MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**11,528.48**	**12.68**	-	**5.65**	**11,546.81**
As at 31 March 2025:					
(i) Undisputed Dues-MSME	751.70	-	-	-	**751.70**
(ii) Undisputed Dues-Others	8,597.58	4.32	-	5.65	**8,607.55**
(iii) Disputed Dues – MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
Total	**9,349.28**	**4.32**	-	**5.65**	**9,359.25**

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2026 (31 March 2025: NIL). This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

# Information relating to trade payables to Micro and Small Enterprises	As at 31 March 2026	As at 31 March 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
-Principal	1,195.50	751.70
-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 further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purposes of disallowance as a deductable expenditure under the MSMED Act, 2006	-	-

		As at 31 March 2026	As at 31 March 2025
21	**Other current liabilities**		
	Advance from customers	1,451.27	657.74
	Statutory dues (dues Includes TDS, PF, ESI, GST etc)	187.63	277.59
		1,638.90	**935.33**

GUILTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

		For the year ended 31 March 2026	For the year ended 31 March 2025
22	**Revenue from operations**		
	Sale of Product	40,138.15	39,400.13
	Other Operating revenues		
	Scrap sales	125.09	152.97
		40,263.24	**39,553.10**
23	**Other income**		
	Gain / (loss) on sale of current investment (Net)	373.95	617.21
	Interest income:		
	- On Bank Deposits	35.57	42.70
	- On Loan to Related Parties	1,486.94	1,248.00
	- On Income tax refund	7.95	4.92
	- On financial instruments measured at amortised cost	9.60	8.39
	Gain on lease modification	12.68	34.79
	Miscellaneous Income	2.53	142.76
		1,929.22	**2,098.77**
24	**Cost of Materials consumed**		
	Inventory of materials at the beginning of the year	2,231.01	1,778.75
	Add : Purchases (Net)	23,702.66	25,403.00
	Less : Inventory of materials at the end of the year	(2,824.60)	(2,231.01)
	Cost of Material Consumed	**23,109.07**	**24,950.74**
25	**Purchases of Stock- in -trade**		
	Finished Goods	1,755.97	752.44
		1,755.97	**752.44**
26	**Changes in inventories of finished goods, work in progress and stock in trade:**		
	Opening Inventory		
	Finished goods	2,189.78	1,732.49
	Stock in Trade	79.99	85.51
	Closing Inventory		
	Finished goods	2,773.31	2,189.78
	Stock in Trade	232.64	79.99
	(Increase) / decrease in Inventory	**(736.18)**	**(451.77)**
27	**Employee benefits expense**		
	Salaries, wages and Bonus	7,338.96	7,102.99
	Contribution to provident and other fund	179.50	311.01
	Staff welfare expenses	124.39	146.92
		7,642.85	**7,560.92**
28	**Finance Costs**		
	Interest expense		
	On Term loan	141.85	440.70
	On Long Term Working Capital	11,109.26	9,905.84
	On Cash Credit facilities	1,218.38	869.53
	Other borrowing costs		
	Interest expenes on Lease liabilities	292.29	321.69
	Corporate Guarantee Commission	43.69	(152.76)
	Processing Charges	796.34	433.45
		13,601.81	**11,818.45**
29	**Depreciation and Amortisation expense**		
	Depreciation on Property, Plant & equipment (refer note 3)	649.72	654.12
	Depreciation on right-of-use assets (refer note 5)	603.97	571.68
	Amortisation of intangible assets (refer note 4)	12.43	24.42
		1,266.12	**1,250.22**

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

₹ in Lakhs

		For the year ended 31 March 2026	For the year ended 31 March 2025
30	**Other expenses**		
	Job work charges	3,966.49	4,253.04
	Carriage,Freight and Forwarding Charges	6,894.61	6,617.42
	Repair & Maintenance		
	- Plant & Machinery (Includes stores and spares	229.86	213.87
	- AMC and Other IT related Maintenances Expenses	248.22	214.15
	Marketing and Advertising Expenses	6,977.32	6,283.61
	Sales Promotion and other selling Expenses	5,098.94	6,435.84
	Consultancy and Legal Expenses	887.82	250.88
	Rent	72.78	79.47
	Common Area Maintenance	50.37	50.37
	Audtior Remuneration		
	- For Audit Fees	6.00	6.00
	- For Tax Audit	1.00	1.00
	- For Limited Review	3.00	3.00
	- For Other Services	0.18	0.22
	Recruitment Expenses	271.78	119.70
	Travelling, Boarding & Lodging	607.70	808.55
	Rates and taxes	14.79	1.95
	Research & Development Expense	178.50	149.52
	Loss on sale or discard of property, plant and equipments	37.31	1.38
	Provision for Doubtful Debt	10.00	-
	Provision for Doubtful receivables and advances	33.47	-
	Miscellaneous Expenses	343.14	381.55
	Total	**25,933.28**	**25,871.52**

GULFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026
Note 31 Employee Benefit
1) Post Retirement Benefits - Defined Contribution Plan

₹ in Lakhs

Benefit (Employer contribution to)	As at 31st March 2026	As at 31st March 2025
Provident fund	263.27	271.21
National pension scheme	38.52	39.24
Other Fund	-	0.56
Total included in "Employees Benefit Expenses"	**301.79**	**311.01**

2) Post Retirement Benefits - Defined Benefits Plan
a) Gratuity

The Gratuity Scheme provides for lumpsum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months.
The Company has not yet started contributing to defined benefits funds or investment in plan assets.

The present value of defined benefit obligation and related current service cost has been done as per Projected unit credit method. Actuarial Valuation for Gratuity has been done in line with requirements of Ind AS 19 (2015). Below notes sets out in details the assumption used for gratuity valuation.

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

	As at 31st March 2026	As at 31st March 2025
(i) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	282.01	262.37
Current service cost	102.49	93.33
Interest cost	18.42	17.02
Benefit Paid	(90.61)	(34.18)
Plan Amendments: Vested portion at end of period(Past Service)	61.91	-
Actuarial (gain)/loss arising due to Change in Financial Assumption	(34.33)	1.25
Actuarial (gain)/loss arising due to Change in Demographic assumption	-	-
Actuarial (gain)/loss arising from Unexpected Experience	(72.22)	(57.78)
Balance at the end of the year	**267.67**	**282.01**
(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	267.67	282.01
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**267.67**	**282.01**
(iv) Expense recognised in Statement of Profit or Loss		
Employee benefit expenses:		
Service cost	102.49	93.33
Plan Amendments: Vested portion at end of period(Past Service)	61.91	
Finance costs		
- Interest costs	18.42	17.02
- Interest income	-	-
Net impact on profit before tax	**182.82**	**110.35**
(v) Remeasurement losses / (gains) recognised in Other Comprehensive Income		
Actuarial (gain)/loss arising due to Change in Financial Assumption	(34.33)	1.25
Actuarial (gain)/loss arising from Demographic Assumption	-	-
Actuarial (gain)/loss arising from Unexpected Experience	(72.22)	(57.78)
Remeasurement losses / (gains) in other comprehensive income	**(106.55)**	**(56.53)**

(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 2026	As at 31st March 2025
Discount rate (per annum)	7.78%	6.94%
Expected rate of return on plan assets	NA	NA
Salary escalation rate (per annum)	8.00%	8.00%
Withdrawl rate (per annum)	20.00%	20.00%
Expected average remaining working lives of employees (years)	18	19
Mortality	IALM 2012 - 2015 Ultimate	IALM 2012 - 2015 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.

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

(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:

	As at 31st March 2026		As at 31st March 2025	
	Increase	Decrease	Increase	Decrease
(i) Discount Rate (0.5% Movement)	(249.64)	287.45	(262.00)	303.98
(ii) Future Salary (0.5% Movement)	283.49	(253.02)	299.54	(265.94)
(iii) Atrition Rate (0.5% Movement)	(266.43)	268.93	(280.58)	283.46
(iv) Mortality Rate (0.5% Movement)	(267.72)	267.63	(282.00)	282.02

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

	As at 31st March 2026	As at 31st March 2025
Within 12 months	2.76	2.58
Between 2 and 5 years	39.66	26.31
Between 6 and 10 years	58.36	56.11
Beyond 10 years	883.99	831.40

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 2026	As at 31st March 2025
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	241.36	228.41
Current service cost	62.79	68.38
Interest cost	13.48	13.22
Benefit paid	(136.12)	(75.78)
Plan Amendments: Vested portion at end of period(Past Service)	60.37	-
Actuarial (gain)/loss arising due to Change in Financial assumption	(30.75)	1.10
Actuarial (gain)/loss arising due to Change in Demographic assumption	-	-
Actuarial (gain)/loss arising from Unexpected Experience	18.78	6.03
Obligations at the end of the year	**229.91**	**241.36**
(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	229.91	241.36
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**229.91**	**241.36**
(iv) Components of net cost charged to the Statement of Profit and Loss		
Employee benefit expenses:		
Service cost	62.79	68.38
Plan Amendments: Vested portion at end of period(Past Service)	60.37	
Actuarial Gain loss	(11.97)	7.13
Finance costs		
- Interest costs	13.48	13.22
- Interest income	-	-
Net impact on profit before tax	**124.67**	**88.73**
(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	-	-

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

(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 2026	As at 31st March 2025
Discount rate (per annum)	7.78%	6.94%
Expected rate of return on plan assets	NA	NA
Future compensation Growth (per annum)	8.00%	8.00%
Employee Turnover (per annum)	20.00%	20.00%
Average Expected Future Service (years)	18	19
Mortality	IIAM 2012-2015 Ultimate	IALM 2012 - 2015 Ultimate

The impact of plan amendments relating to the Labour Code has been considered under exceptional items for the year ended 31 March 2026. Refer Note No. 36.

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

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

GUILTFREE INDUSTRIES LIMITED

BATLIBOI PUROHIT & DARBARI
Waterloo Street, Kolkata 700069
Chartered Accountants

Note: 32 : 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
Subsidiary company	Apricot Foods Private Limited **(70% holding)**
Entities under Common Control	Spencer's Retail Limited RPSG Ventures Advisory LLP Natures Basket Limited PCBL Chemical Limited CESC Limited
Fellow Subsidiary	Quest Properties India Limited Serene Vibes Private Ltd Herbolab India Private Limited RPSG Sports Private Limited
Key Management Personnel	Mr. Rohit Garg ,Whole Time Director and Chief Financial Officer (till 08th May,2025) Mr. Vikas Jain,Whole Time Director and Chief Financial Officer(w.e.f 09th May,2025) Ms. Arya Shaw (w.e.f 25th September,2024) Mr. Manish Kumar Singh (till 21st May,2024)
Non-Executive Directors	Ms.Shreya Agarwal (w.e.f 18th March,2026) Mr.Srikanth Ramachandra Murthy Gopishetty (w.e.f 30th March,2026) Mr.Sudhir Langer (till 31st March,2026) Ms. Saumyapriya Bose(till 20th March,2026)

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

₹ in Lakhs

Nature of Transactions	Holding Company		Entities Under Common Control and Fellow Subsidiary		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			**195.57**	**168.87**					**195.57**	**168.87**
			(269.54)	(133.30)					(269.54)	(133.30)
CESC Limited			**1.04**	-					**1.04**	-
			(0.41)	-					(0.41)	-
Natures Basket Limited			**15.89**	**19.40**					**15.89**	**19.40**
			(7.77)	(5.18)					(7.77)	(5.18)
Serene Vibes Pvt Ltd			**3.19**	**3.17**					**3.19**	**3.17**
			(0.57)	(0.56)					(0.57)	(0.56)
Herbolab India Pvt Ltd			-	**3.76**					-	**3.76**
			(0.24)	-					(0.24)	-
Interest income on Loan										
Herbolab India Pvt Ltd			**1,478.60**	-					**1,478.60**	-
			(1,226.46)	-					(1,226.46)	-
Apricot Foods Private Limited			**8.66**	-					**8.66**	-
			(21.54)	-					(21.54)	-
Sales of Raw Material and Packing Material										
Apricot Foods Private Limited			**108.88**	-					**108.88**	-
			-	-					-	-
Purchase of Capital Work in Progress										
RPSG Ventures Ltd			**10.29**	-					**10.29**	-
			-	-					-	-
Sale of Property Plant and Equipment										
Apricot Foods Private Limited			**49.57**	-					**49.57**	-
			-	-					-	-

BATLIBOI PUROHIT & DARBARI
Waterloo Street,
Kolkata
700069
Chartered Accountants

GUILTFREE INDUSTRIES LIMITED

Nature of Transactions	Holding Company		Entities Under Common Control and Fellow Subsidiary		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/Packing Material										
Natures Basket Limited			-	-					-	-
			(5.12)	-					(5.12)	-
Spencer's Retail Limited			-	-					-	-
			(2.17)	-					(2.17)	-
Apricot Foods Private Limited			**112.81**	**64.56**					**112.81**	**64.56**
			(96.65)	(96.01)					(96.65)	(96.01)
Expense Incurred										
Spencer's Retail Limited			**103.22**	-					**103.22**	-
			(107.67)	-					(107.67)	-
Quest Properties Limited			**43.69**	**222.29**					**43.69**	**222.29**
			(152.76)	(172.89)					(152.76)	(172.89)
CESC Limited			**21.56**	-					**21.56**	-
			(1.06)	(0.63)					(1.06)	(0.63)
RPSG Ventures Ltd			-	-					-	-
			(9.55)	-					(9.55)	-
Herbolab India Private Limited			**0.22**	-					**0.22**	-
			-	-					-	-
Natures Basket Limited			-	-					-	-
			(5.62)	-					(5.62)	-
PCBL Chemical Limited			**7.89**	-					**7.89**	-
			(4.06)	-					(4.06)	-
Apricot Foods Private Limited			**43.19**	-					**43.19**	-
			(11.86)	-					(11.86)	-
RPSG Sports Private Ltd			**200.00**	-					**200.00**	-
			(125.00)	-					(125.00)	-
Reimbursement of Expense										
RPSG Ventures Ltd			**16.96**	-					**16.96**	-
			-	-					-	-
RPSG Ventures Advisory LLP			**0.31**	-					**0.31**	-
			(3.47)	(0.24)					(3.47)	(0.24)
Apricot Foods Private Limited			**19.06**	-					**19.06**	-
			(35.63)	-					(35.63)	-
Herbolab India Private Limited			-	-					-	-
			(15.20)	(4.07)					(15.20)	(4.07)
Remuneration to Key Managerial Personnel (Employee Benefit Expenses)										
Vikas Jain										
Short Term Employee Benefits							**186.32**	-	**186.32**	-
							-	-	-	-
Retirement Benefits							**19.30**	-	**19.30**	-
							-	-	-	-
Reimbursement							**0.15**	-	**0.15**	-
							-	-	-	-
Rohit Garg										
Short Term Employee Benefits							**41.19**	-	**41.19**	-
							(138.97)	-	(138.97)	-
Retirement Benefits							**0.74**	-	**0.74**	-
							(5.75)	-	(5.75)	-
Reimbursement							**0.10**	-	**0.10**	-
							(0.37)	-	(0.37)	-
Arya Shaw										
Short Term Employee Benefits					**10.04**	-			**10.04**	-
					(4.88)	-			(4.88)	-
Retirement Benefits					**0.57**	-			**0.57**	-
					(0.21)	-			(0.21)	-
Reimbursement					**0.17**	-			**0.17**	-
					(0.09)	-			**(0.09)**	-

7, Waterloo Street, Kolkata 700069
BATLIBOI PUROHIT & DARBARI * Chartered Accountants *
GUILTFREE INDUSTRIES LIMITED *

Nature of Transactions	Holding Company		Entities Under Common Control and Fellow Subsidiary		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
Manish Kumar Singh										
Short Term Employee Benefits					- (1.46)	- -			- (1.46)	- -
Retirement Benefits					- (0.06)	- -			- (0.06)	- -
Reimbursement					- (0.06)	- -			- (0.06)	- -
Sudhir Langer Reimbursement of Expense					**1.36** (1.25)	- -			**1.36** (1.25)	- -
Rajeev Ramesh Chand Khandelwal Reimbursement of Expense					**0.14** (2.27)	- -			**0.14** (2.27)	- -
Advance Taken CESC Ltd			- -	**0.57** (0.56)					- -	**0.57** (0.56)
Loan Given Apricot Foods Private Limited			**1,470.00** -	- -					**1,470.00** -	- -
Herbolab India Pvt Ltd			**8,735.00** (2,800.00)	**19,330.00** (10,595.00)					**8,735.00** (2,800.00)	**19,330.00** (10,595.00)
Loan Received Back Apricot Foods Private Limited			**1,470.00** (2,231.00)	- -					**1,470.00** (2,231.00)	- -
Herbolab India Pvt Ltd			- (2,800.00)	- -					- (2,800.00)	- -
Interest Expense on Loan RPSG Ventures Ltd	**504.33** (297.04)	- -							**504.33** (297.04)	- -
Loan Taken RPSG Ventures Ltd	**3,800.00** (17,300.00)	**3,350.00** (9,000.00)							**3,800.00** (17,300.00)	**3,350.00** (9,000.00)
Loan Repaid RPSG Ventures Ltd	**9,450.00** (12,300.00)	- -							**9,450.00** (12,300.00)	- -
Share application money Recevied / Pending for Allotment RPSG Ventures Limited	**19,000.00** -	- -							**19,000.00** -	- -
Share issued (includes premium) RPSG Ventures Limited	**19,000.00** -	- -							**19,000.00** -	- -
Share application money refunded RPSG Ventures Limited	- -	- -							- -	- -

(i) Figure disclosed above are net value (excluding GST amount) where ever Input GST considered.
(ii) Key Managerial Personnel are entitled to post-employment benefits and other long term employee benefits recognised as per Ind AS 19 - 'Employee Benefits' in the financial statements. As these employee benefits are provided on the basis of actuarial valuation of a Company as a whole, thus the same is not included above.
(iii) Figure disclosed above in bracket are related to Previous year .
(iv) Related party transactions entered into during the year were carried out in the ordinary course of business and on arm's length basis.

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

GILLTFREE INDUSTRIES LIMITED

33 Ratios disclosed as per requirement of Schedule III to the Act

	As at 31 March 2026	As at 31 March 2025
(a) Return on equity ratio		
Loss after tax for the year (Numerator)	(30,502.74)	(30,100.65)
Average shareholder's equity (Denominator)	(63,972.48)	(43,252.34)
Return on equity (%)	**47.68%**	**69.59%**
% Change as compared to the preceding year	**31.49%**	
Notes:		
(i) Improvement due to Rs 19,000 Lakhs equity infusion in current year		
(b) Return on capital employed		
[Capital Employed = Total equity + borrowings (including accrued interest)]-Intangible Assets		
Earning before interest and taxes (Numerator)	(16,900.93)	(18,282.20)
Capital employed (Denominator)	59,563.70	65,459.94
Return on capital employed	**-28.37%**	**-27.93%**
% Change as compared to the preceding year	**(1.60%)**	
(c) Current ratio		
[Current assets / Current liabilities]		
Current assets (Numerator)	38,543.37	40,633.22
Current liabilities (Denominator)	63,376.70	45,735.26
Current ratio (times)	**0.61**	**0.89**
% Change as compared to the preceding year	**(31.55%)**	
Notes:		
(i) Short term borrowings received amounting to Rs 4504 lakhs leading to increase in current liabilities		
(d) Debt-equity ratio		
[Total debt / Shareholder's equity]		
Total debt (Numerator)	131759.50	126846.39
Shareholder's equity (Denominator)	(69,670.57)	(58,274.40)
Debt-equity ratio (times)	**(1.89)**	**(2.18)**
% Change as compared to the preceding year	**13.12%**	
(e) Debt service coverage ratio		
[Earning for Debt Service = Net Profit after taxes + Finance Costs + Depreciation and amortisation expenses+Non cash income/expense]		
Debt service = Interest and lease payments + Principal repayments		
Earnings available for debt service (Numerator)	(15,566.71)	(17,065.39)
Debt service (Denominator)	32,846.53	28,665.80
Debt service coverage ratio (times)	**(0.47)**	**(0.60)**
% Change as compared to the preceding year	**20.39%**	
(f) Inventory turnover ratio		
[Average Inventory = (Opening balance + Closing balance) / 2]		
Sales for the year (Numerator)	40,263.24	39,553.10
Average inventory (Denominator)	5,620.58	4,474.98
Inventory turnover ratio (times)	**7.16**	**8.84**
% Change as compared to the preceding year	**(18.95%)**	
(g) Trade receivables turnover ratio		
[Average trade receivables = (Opening balance + Closing balance) / 2]		
Revenue from operations (Numerator)	40,263.24	39,553.10
Average trade receivable (Denominator)	2,042.62	1,264.81
Trade receivables turnover ratio (times)	**19.71**	**31.27**
% Change as compared to the preceding year	**-36.97%**	
Note:		
(i) During the year ECOM channel sales grew by 77% leading to increase in trade receivables		

GUILTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

Ratios disclosed as per requirement of Schedule III to the Act (cont'd)

		As at 31 March 2026	As at 31 March 2025
(h)	**Trade payables turnover ratio**		
	[Average trade payables = (Opening balance + Closing balance) / 2]		
	Purchase of raw materials and packing materials (Numerator)	25,458.63	26,155.44
	Average trade payables (Denominator)	10,453.03	9,216.18
	Trade payables turnover ratio (times)	**2.44**	**2.84**
	% Change as compared to the preceding year	**-14.18%**	
(i)	**Net capital turnover ratio**		
	[Working capital is calculated as current assets (-) current liabilities]		
	Revenue from operations (Numerator)	40,263.24	39,553.10
	Working capital (Denominator)	(24,833.33)	(5,102.05)
	Net capital turnover ratio (times)	**(1.62)**	**(7.75)**
	% Change as compared to the preceding year	**-79.09%**	
	Notes:		
	(i) Short term borrowings received amounting to Rs 4504 lakhs leading to increase in current liabilities		
(j)	**Net profit ratio**		
	Loss after tax for the year (Numerator)	(30,502.74)	(30,100.65)
	Revenue from operations (Denominator)	40,263.24	39,553.10
	Net profit ratio	**-75.76%**	**-76.10%**
	% Change as compared to the preceding year	**0.45%**	
(k)	**Return on Investment**		
	Gain on Mutual Fund Investment	373.95	617.21
	Purchase of Mutual Fund Investment	94,060.00	1,15,841.82
	Return on Investment Ratio	**0.40%**	**0.53%**
	% Change as compared to the preceding year	**25.38%**	
	Notes:		
	(i) Lower return realised on investments in mutual funds		

Note:

Explanations have been furnished for change in ratio by more than 25% as compared to the preceeding year as stipulated in Schedule III to the Act.

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements

As at and for the year ended 31st March, 2026

₹ in Lakhs

		For the Year Ended 31st March 2026	For the Year Ended 31st March 2025
34	**Contingent liabilities and Capital commitments**		
	(i) Contingent liabilities:		
	Bank guarantees	5.04	4.28
	Income Tax -AY 2021-22*	-	2.00
	(ii) Capital commitments		
	Estimated value of contracts in capital account remaining to be executed	22.04	-
		27.09	**6.28**

* 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).The matter, if decided against the Company, may result in reduction of carry forward losses.

₹ in Lakhs

35	**Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:**		
	Accounting Loss before tax	**(30,502.74)**	**(30,100.65)**
	Enacted tax rates in India (%)	26%	26%
	Computed expected tax expense	**(7,930.71)**	**(7,826.17)**
	Tax impact on Expenses Disallowed	-	-
	Deferred Tax assets reversed	-	-
	Unrecognised deferred tax Assets	7,930.71	7,826.17
	Income tax expense reported in Statement of Profit and Loss	-	-

36 Pursuant to the notification by the Ministry of Labour & Employment on 21 November 2025 in respect of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), the Company has carried out a preliminary assessment of the contemplated impact on employee benefit obligations.

Based on such assessment, the Company has recognized an incremental provision towards past service cost relating to gratuity and Leave Encashment amounting to Rs. 122.28 lakh for the year ended 31 March 2026 which has been charged under "Exceptional Items" in the Statement of Profit and Loss, based on information available up to the date of authorisation of the financial statements. Given that the matter is evolving and the final Central and State Rules are yet to be notified, the Company will continue to monitor developments and will recognise any further impact as and when required, based on future notifications and clarifications.

37 The Company has received a Demand Order dated 03 February,2025 from the Additional Commissioner, CGST & Central Excise, Palghar Commissionerate amounting to Rs. 3,914.14 lakhs (excluding interest and an equivalent amount of penalty) pursuant to a show cause notice dated 30 September,2023 issued by the Joint Director, DGGI, Kolkata Zonal Unit, in respect of a rate classification issue relating to certain products of the Company.

The Company has been previously advised by its legal counsel that the said products were correctly classified and, consequently, the appropriate GST has been discharged on supplies of such products. The Company has filed a Writ Petition before the Hon'ble Bombay High Court, inter alia challenging the validity of Circular No. 189/01/2023-GST dated 13.01.2023, Circular No. 200/12/2023-GST dated 01.08.2023 and Circular No. 235/29/2024-GST dated 11.10.2024, and has also challenged the legality of Order-in-Original No. 66/PLG/ADC/VKA/DGGI/Guiltfree/DGGI/2024-25 dated 03.02.2025 passed by the Additional Commissioner, CGST, Palghar.

By an order dated 23 February 2026, the Hon'ble Bombay High Court has directed that no coercive steps for recovery of the demand in question under the impugned order shall be taken forward by the respondents until the parties are heard after filing of the reply affidavit. The matter is listed before the Hon'ble Court, and the respondents have been directed to serve the reply affidavit on the Company well in advance.

38 Segmental information

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

A. Information about products and services ₹ in Lakhs

Particilars	31 March 2026	31 March 2025
Sale of Product	40,138.15	39,400.13
Sale of Services	-	-

B. Information about geographical areas

	Sale of Goods	Non current operating assets
Year ended 31 March 2026		
India	40,121.89	7,179.09
Outside India	16.26	-
Total	**40,138.15**	**7,179.09**
Year ended 31 March 2025		
India	39,400.13	8,394.90
Outside India	-	-
Total	**39,400.13**	**8,394.90**

Notes

1) The business of the Company comprise of only one reportable segment i.e. FMCG. The management monitors the operating results of this segment for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements.

2) Segment revenue in the geographical segments considered for disclosure are as follows:

a) Revenue within India includes sales to customers located within India.

b) Revenue outside India includes sales to customers located outside India.

3) The Company does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue

4) Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development.

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

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

39 **Capital management - policies and procedures**

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

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

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

The following table summaries the capital of the Company: ₹ in Lakhs

Particulars	As at 31 March 2026	As at 31 March 2025
Long Term Borrowing (including current maturities of long term debt)	1,09,548.81	1,08,538.02
Short Term Borrowing	19,521.40	15,017.16
Less: Cash and cash equivalents	(35.71)	(14,584.20)
Total Borrowing (Net)	**1,29,034.50**	**1,08,970.98**
Total equity	(69,670.57)	(58,274.40)
Total Capital (Equity+Net Debt)	**59,363.93**	**50,696.58**

40 **Financial risk management**

The Company financial risk management is an integral part of how to plan and execute its business strategies. The Company's Financial risk management policy is approved by the Board of Directors. In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.. The Company primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. A summary of the risks have been given below.

(a) Credit Risk

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

Trade and other receivables

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

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

Particulars	As at 31 March 2026	As at 31 March 2025
Trade receivables		
- Domestic	2,599.60	1,482.27
- Export	3.38	-
	2,602.98	**1,482.27**

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

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	50.32	50.32
Amount provided for (net)	10.00	-
Net remeasurement of loss allowance	**60.32**	**50.32**

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

(b) Liquidity Risk

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

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2026 and 31 March 2025.

Particulars	Carrying amount	Contractual cash flows		₹ *Lakhs*
		Less than 1 year	1 -5 years	More than 5years
As at 31 March 2026				
Current Financial liabilities				
Trade payables	11,546.81	11,546.81	-	-
Financial liabilities	1,412.63	1,412.63	-	-
Borrowings	48,127.24	48,127.24	-	-
Lease Liabilities	645.94	645.94	-	-
Non- Current Financial liabilities				
Borrowings	80,942.97	-	75,692.98	5,249.99
Financial liabilities	215.13	-	215.13	-
Lease Liabilities	2,043.35	-	2,043.35	-
	1,44,934.07	**61,732.62**	**77,951.46**	**5,249.99**
As at 31 March 2025				
Current Financial liabilities				
Trade payables	9,359.25	9,359.25	-	-
Financial liabilities	1,105.03	1,105.03	-	-
Borrowings	33,777.25	33,777.25	-	-
Lease Liabilities	553.43	553.43	-	-
Non- Current Financial liabilities				
Borrowings	89,777.93	-	79,386.63	10,391.30
Financial liabilities	179.39	-	179.39	-
Lease Liabilities	2,737.79	-	2,737.79	-
	1,37,490.07	**44,794.96**	**82,303.81**	**10,391.30**

GUILFREE INDUSTRIES LIMITED

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

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

(c) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company's exposure to risk of change in market interest rates relates primarily to its debt interest obligations. It's borrowings are at floating rates and its future cash flows will fluctuate because of changes in market interest rates.

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

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

₹ in Lakhs

Particuars	As at 31 March 2026	As at 31 March 2025
Total borrowings (including current maturities)	1,29,070.21	1,23,555.18
	1,29,070.21	**1,23,555.18**

(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 As at 31 March 2026	As at 31 March 2025
Interest Rates - Increase by 50 basis points (50 bps)	(645.35)	(617.78)
Interest Rates - Decrease by 50 basis points (50 bps)	645.35	617.78

(ii) Price risk

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

(iii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company exposure to the risk of changes in foreign exchange rates relates primarily to the Trade receivables and Trade payables due to transactions entered in foreign currencies. However as on reporting date no such trade receivables and trade payables are due to be paid/ received , hence the Company is not expose to any foreign currency risk.

41 **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, 2026			
(i). Financial assets			
Investments			
- Equity shares	-	31,331.97	-
- Mutual Funds	-	-	-
Trade receivables	2,602.98	-	-
Cash and cash equivalents	35.71	-	-
Bank Balances other than Cash and cash equivalent	-	-	-
Loans	19,330.00	-	-
Other financial assets	165.83	-	
Total financial assets (Non-current and Current)	**22,134.52**	**31,331.97**	-
(ii). Financial liabilities			
Borrowings	1,29,070.21	-	-
Lease Liabilities	2,689.29	-	-
Trade payables	11,546.81	-	-
Security Deposit	-		
Other financial liability	1,627.76	-	-
Total financial liabilities (Non-current and Current)	**1,44,934.07**	-	-
As at 31st March, 2025			
(i). Financial assets			
Investments			
- Equity shares	-	31,331.97	-
- Mutual Funds	-	-	-
Trade receivables	1,482.27	-	-
Cash and cash equivalents	14,584.20	-	-
Bank Balances other than Cash and cash equivalent	-	-	-
Loans	10,595.00	-	-
Other financial assets	728.02	-	
Total financial assets (Non-current and Current)	**27,389.49**	**31,331.97**	-
(ii). Financial liabilities			
Borrowings	1,23,555.18	-	-
Lease Liabilities	3,291.22	-	-
Trade payables	9,359.25	-	-
Other financial liability	1,284.42	-	-
Total financial liabilities (Non-current and Current)	**1,37,490.07**	-	-

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

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

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

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

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

GUILTFREE INDUSTRIES LIMITED

BATLIBOI, PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700 069
Chartered Accountants

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

42 Lease Disclosure

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

₹ in Lakhs

Particulars	As at 31 March 2026	As at 31 March 2025
Current Lease Liability	645.94	553.43
Non Current Lease Liability	2,043.35	2,737.79
Total	**2,689.29**	**3,291.22**

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

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	3,291.22	3,259.22
Add: Addition during the year	46.83	1,125.89
Add: Finance cost accrued during the year	292.29	321.69
Less: Deletions	89.16	618.24
Less: Gain/(loss) due to lease modification	12.68	34.79
Less: Payment of lease liabilities	839.21	762.55
Closing balance	**2,689.29**	**3,291.22**

(iii) Contractual maturities of lease liabilities as at 31st March, 2026 on an undiscounted basis:

Particulars	Less than 1 year	1 -5 years	More than 5years
Lease payable	878.86	2,786.48	-

(iv) The Company incurred ₹ 72.78 Lakhs (March 31, 2025 ₹ 79.47 Lakhs) towards expenses relating to short-term/Low value leases.

43 Net Debt Reconciliation:

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

₹ in Lakh

Particluars	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April, 2025	**1,08,538.02**	**15,017.17**	**1,23,555.18**
Repayment of non-current borrowings	(19,346.03)	-	(19,346.03)
Proceed from current borrowings	-	4,504.24	4,504.24
Amortization of processing fees	602.84	-	602.84
Repayment of current borrowings	-	-	-
Proceed from non-current borrowings	19,753.98	-	19,753.98
Net debt as at 31 March, 2026	**1,09,548.81**	**19,521.41**	**1,29,070.21**
Net debt as at 1 April, 2024	**69,766.28**	**14,595.33**	84,361.60
Repayment of non-current borrowings	(16,433.05)	-	(16,433.05)
Proceed from current borrowings	-	421.84	421.84
Repayment of current borrowings	-		-
Proceed from non-current borrowings	55,204.79	-	55,204.79
Net debt as at 31 March, 2025	**1,08,538.02**	**15,017.17**	**1,23,555.18**

44 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 done 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) The company has not been declared as any wilful defaulter from any bank or financial institution from where the company has taken loan and overdraft facilities.
(ix) 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
(x) The company is maintaining its books of aaccounts in electronic mode and books of accounts are accessible in India at all times with server being physically located in India, the back-up of the books of account has been kept in servers physically located outsidee India on a daily basis.

45 Going concern

The Company has incurred a net loss after tax of Rs (30,396.18) lakhs for the year ended 31 March 2026 and accumulated loss stand at Rs. (2,09,132.93) lakhs.In response, the Company continues to receive financial support from its holding company to meet its financial obligations, as and when required. The Company also has access to unutilized credit facilities from its bankers. Further, the Company is undertaking initiatives to enhance its operating cash flows, with a focus on improving margins. Considering the financial strength of the holding company and the approved business projections for the forthcoming year, which incorporate expected margin improvements and cost optimization measures, the management is confident in its ability to meet its financial obligations. Accordingly, the financial statements have been prepared on a going concern basis.

46

The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company is using SAP ERP for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled and operated throughout the year for all relevant transactions recorded in the software. However, the company has enabled the audit trail feature at database level of the said accounting software on 12th May 2025 to log any direct data changes. Further, the Company has not enabled the audit trail (edit log) feature at database level for one specific users with direct database access of the accounting software to log any direct data changes due to technical reasons. Further, no instances of audit trail features being tempered with, was noted in respect of the these accounting software.
The audit trail has been preserved by the Company as per the statutory requirements for record retention

47 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 2026	As At 31 March 2025
Net profit/loss attributable to equity shareholders (₹)	(30,502.74)	(30,100.65)
Weighted average number of equity shares in calculating basic and diluted EPS	10,650.51	10,081.65
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	**(2.86)**	**(2.99)**

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

GULFREE INDUSTRIES LIMITED

BATLIBOI PUROHIT & DARBARI
7, Wa…erloo S…eet, Kolkata 700069
Chartered Accountants

Notes forming part of Financial Statements
As at and for the year ended 31st March, 2026

49 The financial statements are approved for issue by the Board of Directors in its meeting held on 11th May,2026

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

As per our report of even date

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

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

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 11/05/2026

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

GUILTFREE INDUSTRIES LIMITED

BATLIBOI, PUROHIT & DARBARI
Chartered Accountants

Phone :2248-3042 / 2248 8867
E-mail : batliboi_ca@yahoo.com
7, WATERLOO STREET, 1st FLOOR
KOLKATA - 700 069

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 31 March 2026, the Consolidated statement of Profit and Loss (including 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 material 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 31 March 2026, and their consolidated loss (including other 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 Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Director's 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 another auditor. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

BATLIBOI PUROHIT & DARBARI
7, Waterloo Street, Kolkata 700 069
Chartered Accountants

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 consolidated 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.
- 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 consolidated financial statements or, if such disclosures are inadequate, to

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

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.

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

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 4,608.78 Lakhs as at 31 March 2026, total revenues of Rs. 14,065.30 Lakhs and net cash outflow amounting to Rs. 28.23 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.

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;

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

(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 except for the matters stated in paragraph 1(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including 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 31 March 2026 taken on record by the Board of Directors of the Company and its reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the company and its subsidiary company incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 1(b) above on reporting under section 143(3)(b) of the Act and paragraph 1(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

(g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements of those companies;

(h) 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;

(i) 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;

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;

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

(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. Based on our examination which included test checks, the Company and its subsidiary has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. However, audit trail feature was enabled on 12 May 2025 at database level for recording any direct data changes and further the audit trail features was not enabled at the database level for one specific user with direct database access to the accounting software to log any direct data changes, used for maintenance of all accounting records by the Company and its subsidiary, as stated in note 43 to the consolidated financial statements. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software where such feature is enabled. Furthermore, the audit trail has been preserved by the Company and its subsidiary as per the statutory requirements for record retention.

2. As required in clause (xxi) of paragraph 3 and 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO report issued by the auditor of subsidiary company included in the consolidated financial statements to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO report by the auditor and provided to us, we report that in respect there are no qualifications or adverse remarks reported in the respective the Order report of the subsidiary company.

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

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 26063404KQDBSA6334

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

Place: Kolkata
Date: 11th May 2026

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

(Referred to in paragraph 1(g) 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 with reference to consolidated financial statements 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 31 March 2026.

Management's Responsibility for Internal Financial Controls

The respective Board of Director of the Company and its subsidiary company incorporated in India which are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective 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 with reference to consolidated 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") issued by the Institute of Chartered Accountants of India 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 with reference to consolidated financial statements. 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 consolidated 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 with reference to consolidated financial statements of the Company and its subsidiary company incorporated in India.

Meaning of Internal Financial Controls with reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation

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

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

Inherent Limitations of Internal Financial Controls with reference to Consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated 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 and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the criteria for internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements in so far 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.

Our opinion is not modified in respect of the above matters.

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

Hemal Mehta
Partner
Membership Number: 063404
UDIN: 26063404KQDBSA6334

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

Place: Kolkata
Date: 11th May 2026

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, 2026

₹ in Lakhs

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
I. ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	2	10,043.08	10,613.39
(b) Right of Use Assets	4	2,127.27	2,763.11
(c) Capital work in progress	2	10.29	76.74
(d) Goodwill	3	15,013.55	15,013.55
(e) Intangible assets	3	23,968.50	24,171.27
(f) Financial Assets			
(i) Other financial assets	6	215.35	213.09
(g) Non-current tax assets (net)	7	207.54	164.25
(h) Other Non-Current assets	8	38.39	68.42
Total non-current assests		**51,623.97**	**53,083.82**
(2) **Current Assets**			
(a) Inventories	9	7,048.44	5,709.14
(b) Financial Assets			
(i) Trade receivables	10	3,431.07	2,002.14
(ii) Cash and cash equivalents	11	111.57	14,688.29
(iii) Loans	5	19,330.00	13,095.00
(iv) Other financial assets	6	21.97	593.86
(c) Other Current assets	8	10,560.10	8,452.51
Total current assets		**40,503.15**	**44,540.94**
TOTAL ASSETS		**92,127.12**	**97,624.76**
II. EQUITY AND LIABILITIES			
(1) **Equity**			
(a)Equity share capital	12	1,16,649.87	1,00,816.53
(b)Other equity	13	(1,94,393.31)	(1,65,839.82)
Equity attributable to equity holders of the parent		**(77,743.44)**	**(65,023.29)**
Non-controlling interests		3,541.62	4,109.04
Total Equity		**(74,201.82)**	**(60,914.25)**
(2) **Liabilities**			
(1) **Non-current liabilities**			
(a) Financial liabilities			
(i) Borrowings	14	83,758.98	94,871.64
(ii) Lease Liabilities	15	2,061.47	2,760.42
(iii) Other financial liability	16	215.13	179.39
(b) Deferred Tax Liabilities	20	8,910.65	9,000.63
(c) Provision	17	578.40	547.34
Total non-current liabilities		**95,524.63**	**1,07,359.42**
(2) **Current liabilities**			
(a) Financial liabilities			
(i) Borrowings	14	54,287.98	37,871.25
(ii) Lease Liabilities	15	680.80	571.46
(iii) Trade payables	18		
- total outstanding dues of micro enterprises and small enterprises		1,420.96	987.71
- total outstanding dues of creditors other than micro and small enterprises		10,663.30	8,879.21
(iv) Other financial liability	16	1,991.49	1,710.69
(b)Other Current Liabilities	19	1,720.45	1,066.68
(c)Provisions	17	39.33	92.59
Total Current liabilities		**70,804.31**	**51,179.59**
Total liabilities		**1,66,328.94**	**1,58,539.01**
TOTAL EQUITY AND LIABILITIES		**92,127.12**	**97,624.76**
Notes forming part of Consolidated Financial Statements	1-46		

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

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

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

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

GUILTFREE INDUSTRIES LIMITED

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 11/05/2026

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

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, 2026

₹ in Lakhs

	Particulars	No.	For the Year ended 31 March 2026	For the Year ended 31 March 2025
I.	**Revenue from operations**			
	Sale of goods/Income from operation	21	53,893.36	53,566.60
			53,893.36	**53,566.60**
II.	**Other income**	22	2,199.74	2,187.10
III.	**Total income (I+II)**		**56,093.10**	**55,753.70**
IV.	**Expenses**			
	Cost of materials consumed	23	32,793.46	35,665.49
	Purchases of Stock- in -trade	24	2,005.23	1,064.96
	Change in inventories of finished goods, work-in-progress and Stock in Trade	25	(657.27)	(482.35)
	Employee benefits expense	26	9,003.38	8,694.53
	Finance Cost	27	14,678.12	12,462.56
	Depreciation and amortization expense	28	1,817.15	1,843.58
	Other expenses	29	28,813.69	28,705.46
	Total expense		**88,453.76**	**87,954.23**
V.	**Profit/(Loss) before exceptional items and tax (III-IV)**		**(32,360.66)**	**(32,200.53)**
	Exceptional items	34	147.81	-
VI.	**Profit/(Loss) before tax**		**(32,508.47)**	**(32,200.53)**
VII.	**Tax Expense**			
	(1) Current tax		-	-
	(2) Tax for earlier years		-	-
	(3) Deferred tax (Credit)	20	(96.31)	(67.38)
	Income tax expense / (Credit)		**(96.31)**	**(67.38)**
VIII	**Profit/(Loss) for the year (VI-VII)**		**(32,412.16)**	**(32,133.15)**
IX.	**Other comprehensive income**			
	(A)(i)Items that will not be reclassified to profit or loss			
	Re- measurements gain/ (loss) on defined benefit plans		130.91	55.02
	(ii)Income Tax relating to items that will not be reclassified to profit or loss			
	Re- measurements gain/ (loss) on defined benefit plans		(6.33)	0.39
	Other comprehensive income for the year, net of tax		**124.58**	**55.41**
X.	**Total comprehensive income for the year (VIII+IX)**		**(32,287.58)**	**(32,077.74)**
XI.	**Loss attributable to:**			
	Owners of the equity		(31,839.33)	(31,523.40)
	Non-controlling interest		(572.83)	(609.75)
			(32,412.16)	**(32,133.15)**
XII.	**Other comprehensive loss attributable to:**			
	Owners of the equity		119.17	55.75
	Non-controlling interest		5.41	(0.34)
			124.58	**55.41**
XIII	**Total comprehensive loss attributable to:**			
	Owners of the equity		(31,720.16)	(31,467.65)
	Non-controlling interest		(567.42)	(610.09)
			(32,287.58)	**(32,077.74)**
	Earnings per equity share (Face Value of Rs 10 each)	41		
	Basic, computed on the basis of profit attributable to equity holders		**(2.99)**	**(3.13)**
	Diluted,computed on the basis of profit attributable to equity holders		**(2.99)**	**(3.13)**
	Notes forming part of Consolidated Financial Statements	1-46		

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

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

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 11/05/2026

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

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,2026

₹ in Lakhs

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
A. Cash Flow from Operating activities		
Profit/(Loss) before tax	(32,508.47)	(32,200.53)
Adjustments for:		
Depreciation on Property, Plant & equipment	954.20	953.62
Depreciation on right-of-use assets	636.68	644.52
Amortisation of intangible assets	226.27	245.44
Interest income from Income tax refund	(12.19)	(5.09)
(Gain)/ Loss on sale of property, plant and equipment	37.33	3.84
(Gain) / Loss on sale of current investment (Net)	(373.95)	(638.74)
Loss of PPE & CWIP due to Fire	-	17.48
Loss of Inventory due to Fire	-	9.16
Provision for Doubtful advances	33.47	-
Provision for Slow moving Inventory	199.68	56.15
Provision for Doubtful Debts	127.23	10.95
Loss on Inventory Valuation	39.97	(79.24)
Finance Cost	14,379.12	12,132.76
Gain on lease modification	(12.68)	(36.97)
Interest expenes on Lease liabilities	299.00	329.80
Liability no longer required written back	(18.79)	(39.70)
Interest income on financial instruments measured at amortised cost	(10.50)	(9.37)
Interest income from Loan given	(1,729.23)	(1,274.21)
Interest income from Bank Deposits	(35.57)	(47.46)
Profit/(Loss) before working capital changes	**(17,768.43)**	**(19,927.59)**
Working capital adjustments:		
(Increase)/ decrease in Inventories	(1,578.96)	(1,061.62)
(Increase)/ decrease in trade receivables	(1,556.16)	(477.45)
(Increase)/ decrease in Non Current Financial assets and Current Financial assets	21.43	554.98
(Increase)/ decrease in Other Non-Current assets and Other Current assets	(2,136.09)	469.73
Increase/(decrease) in Trade payables	2,217.34	21.66
Increase / (decrease) in Provision	108.71	108.68
Increase / (decrease) in Other Current financial liabilities & Non-Current Financial Liabilities	283.57	169.15
Increase / (decrease) in other Current Liabilities & Non-Current Liabilities	672.56	(65.89)
Cash Generated from Operations	**(19,736.03)**	**(20,216.35)**
Income tax paid (net of refunds)	(31.10)	(36.15)
Cash used in operating activities (A)	**(19,767.13)**	**(20,252.50)**
B. Cash Flow from Investing activities		
Purchase of property, plant and equipment, capital work-in-progress	(402.07)	(487.84)
Proceeds from Sale of property, plant and equipment	59.97	-
Purchase of intangible assets	(23.51)	(5.66)
Proceeds from Sale of current investments	94,433.95	1,19,522.08
Purchase of current investments	(94,060.00)	(1,18,883.34)
Creation/Maturity of Bank Deposit	550.64	(29.85)
Interest received	1,772.87	1,313.99
Loan to Fellow Subsidiary	(6,235.00)	(2,500.00)
Net cash flows from/(used) in investing activities (B)	**(3,903.15)**	**(1,070.62)**
C. Cash Flow from Financing Activities		
Issue of equity share capital including securities premium	19,000.00	-
Principal Payment of lease liabilities	(577.78)	(519.03)
Interest paid other than on lease liabilities	(13,666.23)	(12,162.69)
Interest paid on Lease liabilities	(299.00)	(329.80)
Proceeds/Repayment from current borrowings (net)	5,555.29	941.61
Proceeds from non-current borrowings	19,753.99	61,748.83
Repayment of non-current borrowings	(20,672.71)	(16,659.61)
Net cash flows from financing activities (C)	**9,093.56**	**33,019.31**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(14,576.72)**	**11,696.19**
Cash and cash equivalents at the beginning of the year	14,688.29	2,992.10
Cash and cash equivalents at the end of the year	**111.57**	**14,688.29**

Components of Cash and cash equivalents (Refer Note : 11)

Particluars	For the year ended 31 March 2026	For the year ended 31 March 2025
Balance with banks in current accounts	108.80	12,184.58
Bank Deposits with original maturity of less than three months	-	2,500.00
Cash on hand	2.77	3.71
Total of Cash and Cash Equivalents	**111.57**	**14,688.29**

Particulars	For the year ended 31 March 2025	Cash flows	Others	For the year ended 31st March 2026
Current borrowings	17,849.15	5,555.29	-	23,404.43
Non-Current borrowings (including Current Maturities)	1,14,893.73	(918.72)	667.52	1,14,642.53
Total	**1,32,742.88**	**4,636.57**	**667.52**	**1,38,046.96**

Particulars	For the year ended 31 March 2024	Cash flows	Others	For the year ended 31st March 2025
Current borrowings	16,907.53	941.61	-	17,849.15
Non-Current borrowings (including Current Maturities)	69,804.52	44,443.21	646.00	1,14,893.73
Total	**86,712.05**	**45,384.82**	**646.00**	**1,32,742.88**

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. 38 and note 39 for reconcilation 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: 11/05/2026

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

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

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, 2024	**1,00,81,65,320**	**1,00,816.53**
Shares issued during the year	-	-
Bought back during the year	-	-
Balance as at 31st March, 2025	**1,00,81,65,320**	**1,00,816.53**
Shares issued during the year	15,83,33,334	15,833.33
Bought back during the year	-	-
Balance as at 31st March, 2026	**1,16,64,98,654**	**1,16,649.87**

(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
1,00,816.53	-	-	15,833.33	1,16,649.87

(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
1,00,816.53	-	-	-	1,00,816.53

B. Other equity (Refer Note 13) ₹ 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,2025	-	**19,645.82**	**(1,85,737.60)**	**251.96**	**(1,65,839.82)**
Profit/(Loss) for the year	-	-	(31,839.33)	-	(31,839.33)
Other comprehensive income for the year					
- Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	119.17	119.17
Share Application Money Received	19,000.00	-	-	-	19,000.00
Transfer to Equity Share Capital	(15,833.33)	-	-	-	(15,833.33)
Transfer to Equity Securities premium	(3,166.67)	3,166.67	-	-	-
Share application money refunded during the period	-		-	-	-
Balance as at 31st March, 2026	-	**22,812.49**	**(2,17,576.93)**	**371.13**	**(1,94,393.31)**

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,2024	-	**19,645.82**	**(1,54,214.20)**	**196.21**	**(1,34,372.17)**
Profit/(Loss) for the year	-	-	(31,523.40)	-	(31,523.40)
Other comprehensive income for the year					
- Re measurement gain/(loss) on defined benefit plans (Net of taxes)	-	-	-	55.75	55.75
Share Application Money Received	-		-	-	-
Transfer to Equity Share Capital	-		-	-	-
Transfer to Equity Securities premium	-	-	-	-	-
Share application money refunded during the period	-		-	-	-
Balance as at 31st March,2025	-	**19,645.82**	**(1,85,737.60)**	**251.96**	**(1,65,839.82)**

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: 11/05/2026

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

GUILTFREE INDUSTRIES LIMITED

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

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 2026. 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 2026	Proportion (%) of equity interest As at 31st
Apricot Foods Private Limited	India	FMCG business	70	70

1 **Material 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 2026 is included in the following notes:
Note 20 - recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 30 - measurement of defined benefit obligations: key actuarial assumptions;
Note 32- recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources (if any);
Note 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 & 15 - 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.

Notes forming part of Consolidated Financial Statements

1 **Summary of Material 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
7, Waterloo Street, Kolkata 700069
Chartered Accountants

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.

GUILTREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements

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'.

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 " FMCG " 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 handed over to transporter 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

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.

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.

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. Recent Pronouncements

The Company has evaluated the amendments and updates to Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs (MCA) and guidance issued by the Institute of Chartered Accountants of India (ICAI) during the period from 1st April, 2025 to 31st March, 2026. These amendments, inter alia, include changes relating to the classification of liabilities as current or non-current, clarification on accounting estimates, deferred tax on leases, disclosures pertaining to supplier finance arrangements, and guidance on lease accounting.

Based on the assessment carried out, the Company does not expect any material impact of these amendments on the recognition and measurement of items in the financial statements. Further, these changes do not have any bearing on the operations of the Company. However, wherever applicable, the Company will incorporate the necessary additional disclosures in its financial statements.

GUILTFREE INDUSTRIES LIMITED

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

₹ in Lakhs

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, 2025	2,364.49	1,774.29	577.22	12,647.19	125.52	163.97	522.90	329.42	18,505.00
Additions	-	158.38	5.80	222.60	0.03	0.36	-	44.46	431.63
Disposals / adjustments for the year	-	-	372.91	42.59	6.22	5.18	-	2.80	429.70
Balance as at 31st March, 2026	2,364.49	1,932.67	210.12	12,827.20	119.33	159.15	522.90	371.08	18,506.93
As At 1st April, 2024	2,364.49	1,774.29	577.21	12,239.64	125.08	153.21	522.90	289.52	18,046.34
Additions	-	-	-	434.01	0.43	10.77	-	39.90	485.12
Disposals / adjustments for the year	-	-	-	26.46	-	-	-	-	26.46
Balance as at 31st March, 2025	2,364.49	1,774.29	577.22	12,647.19	125.52	163.97	522.90	329.42	18,505.00
Accumulated depreciation									
As At 1st April, 2025	-	500.57	542.49	5,973.43	73.64	131.37	427.32	242.80	7,891.62
Depreciation charge for the year	-	53.18	5.58	785.89	13.58	10.76	35.75	49.46	954.20
Disposals / adjustments for the year	-	-	354.26	14.97	5.16	4.92	-	2.66	381.97
Balance as at 31st March, 2026	-	553.75	193.81	6,744.35	82.06	137.21	463.07	289.60	8,463.85
As At 1st April, 2024	-	448.76	535.06	5,203.45	59.66	118.51	390.74	190.80	6,946.97
Depreciation charge for the year	-	51.81	7.43	778.96	13.98	12.86	36.58	52.00	953.62
Disposals / adjustments for the year	-	-	-	8.98	-	-	-	-	8.98
Balance as at 31st March, 2025	-	500.57	542.49	5,973.43	73.64	131.37	427.32	242.80	7,891.61
Net block									
Balance as at 31st March, 2026	2,364.49	1,378.92	16.31	6,082.85	37.27	21.94	59.83	81.48	10,043.08
Balance as at 31st March, 2025	2,364.49	1,273.72	34.73	6,673.76	51.88	32.61	95.58	86.62	10,613.39

2. (a) For contractual obligations, refer Note 32(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

	₹ in Lakhs Capital Work in Progress
Gross Carrying Amount	
As At 1st April, 2025	76.74
Additions	189.92
Less: Transfer to Property, Plant and	(256.37)
Less: Write off	-
Balance as at 31st March, 2026	10.29
As At 1st April, 2024	113.41
Additions	371.05
Less: Transfer to Property, Plant and	(406.34)
Less: Write off	(1.38)
Balance as at 31st March, 2025	76.74

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 year	
Balance as at 31st March, 2026					
Projects in progress	10.29	-	-	-	10.29
Projects temporarily suspended	-	-	-	-	-
Balance as at 31st March, 2025					
Projects in progress	76.74	-	-	-	76.74
Projects temporarily suspended	-	-	-	-	-

The Capital Work-in-Progress pertaining to the project has substantially been completed during the year and is scheduled to be capitalised in FY 2026-27 upon commencement of commercial production, as per the management's assessment

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

Notes forming part of Consolidated Financial Statements

₹ in Lakhs

3 Intangible Assets

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, 2025	15,013.55	377.41	543.06	2,125.00	23,714.58	26,760.05
Additions	-	23.50	-	-	-	23.50
Deduction	-	-	-	-	-	-
Balance as at 31st March, 2026	15,013.55	400.91	543.06	2,125.00	23,714.58	26,783.55
As At 1st April, 2024	15,013.55	371.74	543.06	2,125.00	23,714.58	26,754.38
Additions	-	5.67	-	-	-	5.67
Deduction	-	-	-	-	-	-
Balance as at 31st March, 2025	15,013.55	377.41	543.06	2,125.00	23,714.58	26,760.05

Accumulated Amortisation						
As At 1st April, 2025	-	358.53	543.06	1,687.19	-	2,588.78
Amortisation	-	13.77	-	212.50	-	226.27
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31st March, 2026	-	372.30	543.06	1,899.69	-	2,815.05
As At 1st April, 2024	-	325.59	543.06	1,474.69	-	2,343.34
Amortisation	-	32.94	-	212.50	-	245.44
Reversal on disposal of assets	-	-	-	-	-	-
Balance as at 31st March, 2025	-	358.53	543.06	1,687.19	-	2,588.78

Net block

Balance as at 31st March, 2026	15,013.55	28.61	-	225.31	23,714.58	23,968.50
Balance as at 31st March, 2025	15,013.55	18.88	(0.00)	437.81	23,714.58	24,171.27

4 Right-of-Use assets

Right-of-Use assets	Right-of-Use assets
Gross Carrying Amount	
As At 1st April, 2025	4,350.83
Additions	90.01
Deduction	114.93
Balance as at 31st March, 2026	4,325.91
As At 1st April, 2024	4,041.67
Additions	1,167.00
Deduction	857.84
Balance as at 31st March, 2025	4,350.83

Accumulated Depreciation	
As At 1st April, 2025	1,587.72
Depreciation	636.68
Reversal on disposal of assets	25.76
Balance as at 31st March, 2026	2,198.64
As At 1st April, 2024	1,163.81
Depreciation	644.52
Reversal on disposal of assets	220.61
Balance as at 31st March, 2025	1,587.72

Net block

Balance as at 31st March, 2026	2,127.27
Balance as at 31st March, 2025	2,763.11

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

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Consolidated Financial Statements

₹ in Lakhs

		As at 31 March 2026	As at 31 March 2025
5	**Loans**		
	Current		
	(unsecured, considered good)		
	Loan to Fellow Subsidiary*	19,330.00	13,095.00
	*The Loan to Herbolab India Private Limited, fellow subsidiary, 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 10.80%	**19,330.00**	**13,095.00**
6	**Other financial assets**		
	(i) Non Current		
	Security deposits	213.83	211.67
	Bank Deposits with original maturity of more than twelve months#	1.52	1.42
		215.35	**213.09**
	(ii) Current		
	Bank Deposits#	3.52	554.25
	Other Receivable	-	13.09
	Security deposits	18.43	18.43
	Interest Accured but not due on FD	0.02	8.09
		21.97	**593.86**
	# Bank deposit include Rs 5.04 Lakhs (March 31,2025 Rs 4.28 Lakhs) lien against bank guarantee		
7	**(i) Non-current tax assets (net)**		
	Taxes deducted at source recoverable (net of provision)	207.54	164.25
		207.54	**164.25**
8	**(i) Other Non-Current assets**	**As at 31 March 2026**	**As at 31 March 2025**
	(Unsecured, considered good unless stated otherwise)		
	Capital advances	1.67	26.73
	Prepaid expenses	36.72	41.69
		38.39	**68.42**
	(ii) Other Current Asset		
	(Unsecured, considered good unless stated otherwise)		
	Advances other than capital advances:		
	Advances for Supply of Goods	579.53	129.42
	Advance for Supply of Services & Others	84.78	73.99
	Advance to employees	17.20	35.77
		681.51	239.18
	Unsecured considered Good	596.99	186.60
	Unsecured considered doubtful	84.52	52.58
		681.51	239.18
	Less: Provision for Doubtful advance	(84.52)	(52.58)
	Sub-total Net Advances other than capital advance	**596.99**	**186.60**
	Balances with statutory / government authorities	9,824.45	8,150.08
	Amount deposited Under Protest	13.00	-
	Prepaid Expenses	125.66	115.83
		10,560.10	**8,452.51**
9	**Inventories**		
	(At the lower of cost or net realisable value)		
	Raw materials (Includes Packing materials)	3,463.88	2,771.36
	Work-in-progress	18.09	11.73
	Finished goods	2,884.10	2,386.48
	Stock In Trade	232.70	79.41
	Stores , Spares & Promotional Materials	449.67	460.16
		7,048.44	**5,709.14**
	The write down of inventories to net realisable value amounted to ₹ 984.75 Lakhs (31 March 2025 ₹ 785.07 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.		

		As at 31st March 2026	As at 31st March 2025
10	**Trade receivables**		
	Unsecured		
	Considered good	3,476.76	2,014.15
	Considered doubtful	326.37	266.28
		3,803.13	**2,280.43**
	Less: Allowance for doubtful debts	(372.06)	(278.29)
		3,431.07	**2,002.14**

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

Particulars	Outstanding for following periods from due date					
	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 2026						
(i) Undisputed Trade Receivables – considered good	3,356.69	73.47	40.71	0.38	5.51	**3,476.76**
(ii)Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	20.98	17.09	53.38	33.92	201.00	**326.37**
(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	**3,377.67**	**90.56**	**94.09**	**34.30**	**206.51**	**3,803.13**
Less: Allowance for doubtful debt						**372.06**
Net Trade Receivable	**3,377.67**	**90.56**	**94.09**	**34.30**	**206.51**	**3,431.07**
Ageing for Trade Receivable outstanding as on 31 March 2025						
(i) Undisputed Trade Receivables – considered good	1,971.06	13.24	8.66	15.22	5.95	**2,014.15**
(ii)Undisputed Trade Receivables –which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables –credit impaired	23.96	22.65	26.54	145.42	47.71	**266.28**
(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	**1,995.02**	**35.89**	**35.20**	**160.64**	**53.66**	**2,280.43**
Less: Allowance for doubtful debt						**278.29**
Net Trade Receivable	**1,995.02**	**35.89**	**35.20**	**160.64**	**53.66**	**2,002.14**

		As at 31 March 2026	As at 31 March 2025
11	**Cash and cash equivalent**		
	Balances with banks:		
	- In curent accounts	108.80	12,184.58
	- Bank Deposits with original maturity of less than three months	-	2,500.00
	- Cash in hand	2.77	3.71
		111.57	**14,688.29**

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements

		As at 31st March 2026 Number	₹ in Lakhs	As at 31 March 2025 Number	₹ in Lakhs
12	**Equity Share capital**				
	Authorised share capital				
	Equity shares [1,50,00,00,000 equity shares of ₹ 10/- each (31 March,2025 1,50,00,00,000 equity share ₹ 10/- each)]	1,50,00,00,000	1,50,000.00	1,50,00,00,000	1,50,000.00
		1,50,00,00,000	1,50,000.00	1,50,00,00,000	1,50,000.00
	Issued, subscribed and fully paid up				
	Equity shares fully paid up 1,16,64,98,654 equity shares of ₹ 10/- each] [31 March, 2025 : 1,00,81,65,320 equity shares of ₹ 10/- each]	1,16,64,98,654	1,16,649.87	1,00,81,65,320	1,00,816.53
	Total issued, subscribed and fully paid share capital	1,16,64,98,654	1,16,649.87	1,00,81,65,320	1,00,816.53

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

	As at 31st March 2026 Number	₹ in Lakhs	As at 31 March 2025 Number	₹ in Lakhs
Equity shares				
At the beginning of the year	1,00,81,65,320	1,00,816.53	1,00,81,65,320	1,00,816.53
Add: Shares issued	15,83,33,334	15,833.33	-	-
Less: Shares bought back	-	-	-	-
Balance at the end of the year	1,16,64,98,654	1,16,649.86	1,00,81,65,320	1,00,816.53

b) **Rights, preferences and restrictions attached to shares**

Equity shares

The Company has only one class of equity share having the par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share.

During the year ended 31 March 2026, the Company issued 15,83,33,334 equity shares of ₹10 each at a premium of ₹2 per share on rights basis to the existing shareholders, thereby raising ₹19,000 lakhs (comprising ₹15,833.33 lakhs towards equity share capital and ₹3,166.67 lakhs towards securities premium).

In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Shares held by promoter at the end of year**

Shares held by promoter at the end of the year	As at 31st March 2026		As at 31 March 2025		% Change during the Year
Promoter Name	No. of Shares	% of Total Share	No. of Shares	% of Total Share	
RPSG Ventures Ltd	1,16,64,98,654	100%	1,00,81,65,320	100%	0.00%

d) **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 31st March 2026 Number	% of holding	As at 31 March 2025 Number	% of holding
Equity shares				
RPSG Ventures Limited	1,16,64,98,654	100.0%	1,00,81,65,320	100.0%
	1,16,64,98,654	100.0%	1,00,81,65,320	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.

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

		As at 31st March 2026	As at 31 March 2025
13	**Other Equity**		
	Reserves & Surplus:		
	Securities Premium	22,812.49	19,645.82
	Retained Earnings	(2,17,576.93)	(1,85,737.60)
	Other comprehensive Income	371.13	251.96
		(1,94,393.31)	(1,65,839.82)

Nature and purpose of other reserves

13.(i) Securities Premium

Securities premium 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")

13.(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.

13.(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.

BATLIBOI PUROHIT & DARBARI

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Consolidated Financial Statements ₹ in Lakhs

		As at 31st March 2026	As at 31st March 2025
14	**Borrowings**		
	(i) Non Current		
	Secured at amortised Cost		
	Term Loan		
	Rupee term loans - from banks	5,093.72	8,829.01
	Finance Lease obligations - from banks (Vehicle loans)	-	14.19
	Long Term Working Capital Loan		
	Rupee LTWC loans - from banks	58,414.83	68,634.98
	Long Term Working Capital Loan		
	Rupee LTWC loans - from financial institutions	51,133.98	37,415.56
	Total	**1,14,642.53**	**1,14,893.73**
	Less: Current maturities of long term borrowings transferred to short term borrowing	**(30,883.55)**	**(20,022.10)**
		83,758.98	**94,871.64**
	(ii) Current		
	Secured		
	Rupee STWC loans - from banks	20,054.43	8,849.14
	Current maturities of long-term debt	30,883.55	20,022.10
	Unsecured Loan from Holding Company	3,350.00	9,000.00
		54,287.98	37,871.25

Nature of Security

Term loan amounting to Nil (31st March, 2025: ₹ 2,487.48 Lakhs) is secured by way of first pari-passu charge over all the movable fixed assets and second pari-passu charge over entire current assets of the Company, both present and future. The loan was repayable in 24 unequal quarterly instalments commencing from 22nd May, 2020.

Long term working capital loan amounting to ₹ 58,414.84 Lakhs (31st March, 2025: ₹ 63,673.69 Lakhs) is secured by way of first pari-passu charge on entire movable fixed assets and second pari-passu charge on entire current assets of the Company, both present and future.The rate of interest charged by the lenders ranges from MCLR/I-MCLR/Repo Rate/T-Bill Rate prevailing from time to time plus spread ranging from 0.10% to 3.19%.

Long term working capital loan amounting to ₹ 37,254.55 Lakhs (31st March, 2025: ₹ 37,415.57 Lakhs) is secured by way of first pari-passu charge on entire movable fixed assets of the Company, both present and future and second pari paru charge by way of Hypothecation over current assets (both present as well as future) of the Company.The rate of interest charged by the lenders is Long Term Reference Rate plus/minus spread a spreas upto 2.25%

Long term working capital loan amounting to ₹ 9,706.59 Lakhs (31st March, 2025: NIL) is secured by way of first pari-passu charge on movable fixed assets and current assets including cashflows of the Company, both present and future.The rate of interest charged by the lender is Lender's Long Term Reference Rate less spread of 10.5%

Long term working capital loan amounting to ₹ 4,172.83 Lakhs (31st March, 2025: ₹ 4,961.09 Lakhs) is secured by way of first and exclusive charge on debt mutual fund investments and second pari-passu charge on movable fixed assets and current assets of the Company, both present and future.The rate of interest charged by the lender is Lender's Reference Rate plus 5.75% Spread.

Short term working capital facilities amounting to ₹ 16,171.40 Lakhs (31st March, 2025: ₹ 6,017.35 Lakhs) are secured by way of first pari-passu charge on current assets and second pari-passu charge on movable fixed assets of the Company, both present and future.The rate of interest charged ranges from MCLR/I-MCLR/benchmark rates prevailing from time to time plus spread ranging from 0.10% to 2.00%.

Secured term loans (including vehicle loans) outstanding amount to ₹ 5,093.72 lakhs as at 31 March 2026 (31 March 2025: ₹ 6,355.72 lakhs). These loans are secured by hypothecation/first pari passu charge on movable fixed assets and, where applicable, current assets and cash flows, with tenures ranging from 36 to 60 months including moratorium up to 15 months, and carry interest rates ranging from 7.10% p.a. to 9.95% p.a. (31 March 2025: 8.25% p.a. to 10.20% p.a.). The facilities are supported by letters of comfort from holding/group entities.

Bill discounting and working capital facilities (secured and repayable on demand) amount to ₹ 3,883.03 lakhs as at 31 March 2026 (31 March 2025: ₹ 2,831.98 lakhs). These are secured by first pari passu charge on current assets and movable fixed assets, with additional charge on immovable properties where applicable. Bill discounting facilities have a tenure of 12 months with a credit period of up to 90 days. Interest rates range from 8.50% p.a. to 10.85% p.a. (31 March 2025: 9.50% p.a. to 10.85% p.a.), and are supported by letters of comfort from the holding company.

Loan from related party amounting to ₹ 3,350.00 Lakhs (31st March, 2025: ₹ 9,000.00 Lakhs)is unsecured, repayable on demand at prevailing G-Sec rates

Other Disclosure

The above term loans are repayable in structured quarterly instalments over their respective tenures. The rate of interest charged by the lenders is based on benchmark rates such as MCLR/Repo Rate/T-Bill/Long Term Reference Rate prevailing from time to time plus applicable spread.

Working capital facilities are repayable on demand or at maturity and carry interest based on benchmark rates plus applicable spread.

The Company has not defaulted in the repayment of borrowings during the current year and the previous year. Further, the Company has complied with all applicable covenants for the year ended 31st March, 2026 and for the year ended 31st March, 2025

		As at 31st March 2026	As at 31st March 2025
15	**Lease Liabilities**		
	(i) Non Current		
	Lease Liabilities (refer note no.38)	2,061.47	2,760.42
		2,061.47	**2,760.42**
	(ii) Current		
	Lease Liabilities (refer note no.38)	680.80	571.46
		680.80	**571.46**
16	**Other Financial Liabilities**		
	(i) Non Current		
	Security Deposit	6.50	6.50
	Other Financial liabilities	208.63	172.89
		215.13	**179.39**
	Current		
	Interest Accrued but not due	190.28	194.31
	Payable to employees	1,401.86	1,076.20
	Trade deposits from dealers/ distributors	16.33	16.64
	Creditors for Capital goods	38.32	50.73
	Other Financial liabilities	13.66	-
	Other Payable	331.04	372.81
		1,991.49	**1,710.69**

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

GUILTFREE INDUSTRIES LIMITED

		As at 31st March 2026	As at 31st March 2025
17	**Provisions**		
	(i) Non Current		
	Provision for employee benefits*	578.40	547.34
	* Provision for Employee Benefit includes Provision for Gratuity amounting to Rs 351.02 lakhs (31st March'2025: Rs 308.46 Lakhs), Provision for Leave encashment amounting to Rs 227.38 Lakhs (31st March'2025: Rs 238.88 Lakhs)	**578.40**	**547.34**
	(ii) Current		
	Provision for employee benefits*	39.33	92.59
	* Provision for Employee Benefit includes Provision for Gratuity amounting to Rs 4.70 Lakhs (31st March'2025: Rs 48.19 Lakhs), Provision for Leave encashment amounting to Rs 34.63 lakhs (31st March'2025: Rs 44.40 Lakhs)	**39.33**	**92.59**
18	**Trade payables**		
	- Total outstanding dues of micro enterprises and small enterprises	1,420.96	987.71
	- Total outstanding dues of creditors other than micro and small enterprises	10,663.30	8,879.21
		12,084.26	**9,866.92**
	*includes due to Related parties		

Particulars	Outstanding for following periods from due date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As on 31 March 2026:					
(i) Undisputed Dues-MSME	1,420.96	-	-	-	**1,420.96**
(ii) Undisputed Dues-Others	10,637.66	19.99	-	5.65	**10,663.30**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**12,058.63**	**19.99**	-	**5.65**	**12,084.26**
As on 31 March 2025:					
(i) Undisputed Dues-MSME	987.71	-	-	-	**987.71**
(ii) Undisputed Dues-Others	8,863.14	8.38	2.04	5.65	**8,879.21**
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-
Total	**9,850.85**	**8.38**	**2.04**	**5.65**	**9,866.92**

# Information relating to trade payables to Micro and Small Enterprises	As at 31st March 2026	As at 31st March 2025
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year		
-Principal	1,420.96	987.71
-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	-	-

There are no material dues owed by the Company to Micro and Small enterprises, which are outstanding for more than 45 days during the year and as at 31 March 2026. This information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors.

		As at 31st March 2026	As at 31st March 2025
19	**Other current liabilities**		
	Advance from customers	1,503.92	693.85
	Statutory dues (dues Includes TDS, PF, ESI, GST etc)	216.53	372.83
		1,720.45	**1,066.68**

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

GUILTFREE INDUSTRIES LIMITED

Notes forming part of Consolidated Financial Statements ₹ in Lakhs

Note 20 Deferred tax assets / (Liabilities) (net)	As at 31st March 2026	As at 31st March 2025
Deferred tax asset arising on account of:		
Business loss and unabsorbed depreciation	361.97	294.69
Provision for employee benefits	109.32	108.40
Provision for Expenses & Others (net)	539.27	516.76
	1,010.56	**919.85**
Deferred tax liability arising on account of:		
Excess of tax depreciation over book depreciation	9,917.20	9,915.97
Others	4.01	4.49
	9,921.21	**9,920.46**
	(8,910.65)	**(9,000.63)**

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

Particulars	1st April, 2025	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2026
Assets				
Business loss and unabsorbed depreciation	294.69	-	67.28	361.97
Provision for employee benefits	108.40	(6.34)	7.26	109.32
Provision for Expenses & Others	516.76	-	22.51	539.27
Sub-total	**919.85**	**(6.34)**	**97.05**	**1,010.56**
Liabilities				
Excess of tax depreciation over book depreciation	9,915.97	-	1.23	9,917.20
Financial assets at fair value - Mutual Funds	-	-	-	-
Others	4.49	-	(0.48)	4.01
Sub-total	**9,920.46**	**-**	**0.75**	**9,921.21**
Total	**(9,000.61)**	**(6.34)**	**96.30**	**(8,910.65)**

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

Particulars	1 April 2024	Recognized in other comprehensive income	Recognized in profit or loss	31 March 2025
Assets				
Business loss and unabsorbed depreciation	227.07	-	67.61	294.69
Provision for employee benefits	101.73	0.39	6.28	108.40
Provision for Expenses & Others	515.05	-	1.71	516.76
Sub-total	**843.85**	**0.39**	**75.60**	**919.85**
Liabilities				
Excess of tax depreciation over book depreciation	9,909.01	-	6.96	9,915.97
Others	3.24	-	1.25	4.49
Sub-total	**9,912.25**	**-**	**8.21**	**9,920.46**
Total	**(9,068.40)**	**0.39**	**67.39**	**(9,000.62)**

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements

₹ in Lakhs

		For the year ended 31st March 2026	For the year ended 31 March 2025
21	**Revenue from operations**		
	Sale of Product	53,768.27	53,413.63
	Other Operating revenues		
	Scrap sales	125.09	152.97
		53,893.36	**53,566.60**
22	**Other income**		
	Gain / (loss) on sale of current investment (Net)	373.95	638.74
	Interest income:		
	- On Bank Deposits	35.57	47.46
	- On Loan to fellow subsidiary	1,729.23	1,274.21
	- On Income tax refund	12.19	5.09
	- On financial instruments measured at amortised cost	10.50	9.37
	Other Non Operating Income	4.30	0.00
	Profit on account of lease modification	12.68	36.97
	Liability no longer required written back	18.79	32.50
	Miscellaneous income	2.53	142.76
		2,199.74	**2,187.10**
23	**Cost of Material consumed**		
	Inventory of materials at the beginning of the year	2,771.36	2,246.04
	Add : Purchases (Net)	33,485.98	36,190.81
	Less : Inventory of materials at the end of the year	(3,463.88)	(2,771.36)
	Cost of Material Consumed	**32,793.46**	**35,665.49**
24	**Purchases of Stock- in -trade**		
	Finished Goods	2,005.23	1,064.96
		2,005.23	**1,064.96**
25	**Changes in inventories of finished goods, work in progress and stock in trade:**		
	Opening Inventory		
	Finished goods	2,386.48	1,893.98
	Stock-in-trade	79.41	85.51
	Work-in-progress	11.73	15.78
	Closing Inventory		
	Finished goods	2,884.10	2,386.48
	Stock-in-trade	232.70	79.41
	Work-in-progress	18.09	11.73
	(Increase) / decrease in Inventory	**(657.27)**	**(482.35)**
26	**Employee benefits expense**		
	Salaries, wages and Bonus	8,656.07	8,176.90
	Contribution to provident and other fund	208.12	363.26
	Staff welfare expenses	139.19	154.37
		9,003.38	**8,694.53**
	Refer note no. 30 for disclosure		
27	**Finance Cost**		
	Interest expense		
	On Term loan	1,044.95	1,031.10
	On Long Term Working Capital	11,109.26	9,905.84
	On Cash Credit facilities	1,384.88	919.31
	On Unsecured loan	-	3.02
	Other borrowing costs		
	Interest expenes on Lease liabilities	299.00	329.80
	Corporate Guarantee Commission	43.69	(159.96)
	Bank Processing and Others Charges	796.34	433.45
		14,678.12	**12,462.56**
28	**Depreciation and Amortisation expense**		
	Depreciation on Property, Plant & equipment (refer note 2)	954.20	953.62
	Depreciation on right-of-use assets (refer note 4)	636.68	644.52
	Amortisation of intangible assets (refer note 3)	226.27	245.44
		1,817.15	**1,843.58**

GULTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements			₹ in Lakhs
		For the year ended 31st March 2026	For the year ended 31 March 2025
29	**Other expenses**		
	Job work charges	3,960.17	4,253.17
	Factory expenses (includes Power and fuel cost)	933.04	908.86
	Carriage,Freight and Forwarding Charges	8,171.82	8,105.47
	Repair & Maintenance		
	- Buildings	-	4.67
	- Plant & Machinery (Includes stores and spares consumed)	282.17	265.69
	- AMC and Other Maintenances expenses	258.70	229.33
	Marketing and Advertising expenses	6,977.32	6,283.61
	Sales Promotion and other selling expenses	5,215.60	6,485.89
	Consultancy and Legal Expenses	923.36	313.36
	Rent	132.56	71.45
	Common Area Maintenance	50.37	50.37
	Auditors' remuneration		
	- For Audit Fees	17.00	15.50
	- For Tax Audit	2.00	2.50
	- For Limited Review	11.50	10.00
	- For Other Services	0.18	0.47
	Recruitment Expenses	271.78	119.70
	Travelling, Boarding & Lodging	840.64	944.92
	Insurance	21.12	26.70
	Rates and taxes	17.50	27.35
	R&D Expense	178.50	149.52
	Loss on property, plant and equipments sold	37.33	3.84
	Provision for Doubtful Debt	93.76	10.95
	Provision for Doubtful receivables and advances	33.47	-
	Miscellaneous Expenses	383.80	422.14
		28,813.69	**28,705.46**

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements
Note 30 Employee Benefit
1) Post Retirement Benefits - Defined Contribution Plan

₹ in Lakhs

Benefit (contribution to)	For the year ended 31st March 2026	For the year ended 31 March 2025
Provident fund	317.22	323.41
National pension scheme	38.52	39.24
Other fund	0.20	0.60
Total included in "Employees Benefit Expenses"	**355.94**	**363.25**

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 present value of defined benefit obligation and related current service cost has been done as per Projected unit credit method. Actuarial Valuation for Gratuity has been done in line with requirements of Ind AS 19 (2015). Below notes sets out in details the assumption used for gratuity valuation.

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

	For the year ended 31st March 2026	For the year ended 31 March 2025
(i) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	282.01	262.37
Current service cost	102.49	93.33
Interest cost	18.42	17.02
Benefit Paid	(90.61)	(34.18)
Plan Amendments: Vested portion at end of period(Past Service)	61.91	
Actuarial (gain)/loss arising due to Change in Financial Assumption	(34.33)	1.25
Actuarial (gain)/loss arising due to Change in Demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustments	(72.22)	(57.78)
Balance at the end of the year	**267.67**	**282.01**
(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	267.67	282.01
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**267.67**	**282.01**
(iv) Expense recognised in Statement of Profit or Loss		
Employee benefit expenses:		
Service cost	102.49	93.33
Plan Amendments: Vested portion at end of period(Past Service)	61.91	-
Finance costs		
- Interest costs	18.42	17.02
- Interest income	-	-
Net impact on profit before tax	**182.82**	**110.35**
(v) Remeasurement losses / (gains) recognised in Other Comprehensive Income		
Actuarial (gain)/loss arising due to Change in Financial Assumption	(34.33)	1.25
Actuarial (gain)/loss arising from Demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustments	(72.22)	(57.78)
Remeasurement losses / (gains) in other comprehensive income	**(106.55)**	**(56.53)**

(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	For the year ended 31st March 2026	For the year ended 31 March 2025
Discount rate (per annum)	7.78%	6.94%
Expected rate of return on plan assets	NA	NA
Salary escalation rate (per annum)	8.00%	8.00%
Withdrawl rate (per annum)	20.00%	20.00%
Expected average remaining working lives of employees (years)	18	19
Mortality	IALM 2012 - 2015 Ultimate	IALM 2012 - 2015 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:

	For the year ended 31st March 2026		For the year ended 31 March 2025	
	Increase	**Decrease**	**Increase**	**Decrease**
(i) Discount Rate (0.5% Movement)	(249.64)	287.45	(262.00)	303.98
(ii) Future Salary (0.5% Movement)	283.49	(253.02)	299.54	(265.94)
(iii) Atrition Rate (0.5% Movement)	(266.43)	268.93	(280.58)	283.46
(iii) Atrition Rate (0.5% Movement)	(267.72)	267.63	(282.00)	282.02

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements
Note 30 Employee Benefit

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

	For the year ended 31st March 2026	For the year ended 31 March 2025
Within 12 months	2.76	2.58
Between 2 and 5 years	39.66	26.31
Between 6 and 10 years	58.36	56.11
Beyond 10 years	883.99	831.40

b) Leave Enchashment

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

	For the year ended 31st March 2026	For the year ended 31 March 2025
(i) Change in present value of the defined benefit obligation:		
Obligations at the beginning of the year	241.36	228.41
Current service cost	62.79	68.38
Interest cost	13.48	13.22
Benefit paid	(136.12)	(75.78)
Plan Amendments: Vested portion at end of period(Past Service)	60.37	
Actuarial (gain)/loss arising from change in financial assumption	(30.75)	1.10
Actuarial (gain)/loss arising due to Change in Demographic assumption	-	-
Actuarial (gain)/loss arising from experience adjustments	18.78	6.03
Obligations at the end of the year	**229.91**	**241.36**
(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	229.91	241.36
Fair value of plan assets as at the end of the year	-	-
Net liabilities recognized in balance sheet	**229.91**	**241.36**
(iv) Components of net cost charged to the Statement of Profit and Loss		
Employee benefit expenses:		
Service cost	62.79	68.38
Plan Amendments: Vested portion at end of period(Past Service)	60.37	
Actuarial Gain loss Applicable only for last year	(11.97)	7.13
Finance costs		
- Interest costs	13.48	13.22
- Interest income	-	-
Net impact on profit before tax	**124.67**	**88.73**
(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.

	For the year ended 31st March 2026	For the year ended 31 March 2025
Discount rate (per annum)	7.78%	6.94%
Expected rate of return on plan assets	NA	NA
Future compensation Growth (per annum)	8.00%	8.00%
Employee Turnover (per annum)	20.00%	20.00%
Average Expected Future Service (years)	18	19
Mortality	IIAM 2012-2015 Ultimate	IALM 2012 - 2015 Ultimate

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements

Note 30 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:

	For the year ended 31st March 2026	For the year ended 31 March 2025
(i) Reconciliation of present value of defined benefit obligations		
Balance at the beginning of the year	78.78	70.71
Current service cost	29.62	16.14
Interest cost	5.27	5.10
Actuarial (gain)/loss arising from assumption changes	(8.65)	1.94
Plan Amendments: Vested portion at end of period(Past Service)	22.25	
Actuarial (gain)/loss arising from experience adjustments	(15.78)	0.39
Actuarial (gain)/loss on obligations arising due to change in demographic assumptions	0.08	(3.85)
Benefit paid directly by the employer	(23.54)	(11.66)
Benefit Paid from the fund	-	-
Balance at the end of the year	**88.03**	**78.78**
(ii) Reconciliation of fair value of plan assets		
Balance at the beginning of the year	4.15	3.88
Interest Income on Plan Assets	-	0.28
Contribution by employer	-	-
Expected return on plan assets*	-	(0.01)
Benefit Paid from the fund	(4.15)	-
Balance at the end of the year	**-**	**4.15**
(iii) Net defined benefit liabilities / (assets)		
Present value obligation as at the end of the year	88.03	78.78
Fair value of plan assets as at the end of the year	-	(4.15)
Net liabilities recognized in balance sheet	**88.03**	**74.63**
(iv) Expense recognised in Statement of Profit or Loss		
Employee benefit expenses:		
Service cost	29.62	16.14
Plan Amendments: Vested portion at end of period(Past Service)	22.25	-
Finance costs		
- Interest costs	5.27	5.10
- Interest income	-	(0.28)
Net impact on profit before tax	**57.14**	**20.96**
(v) Remeasurement losses / (gains) recognised in Other Comprehensive Income		
Return (differential) on plan assets, excluding interest income (*)	-	0.01
Actuarial (gain)/loss	(24.35)	(1.52)
Remeasurement losses / (gains) in other comprehensive income	**(24.35)**	**(1.51)**
(*) Amount lower than ₹ 1,000.		

(b) Leave encashment (Non funded)

Leave encashment: Defined benefit obligation	**32.11**	**41.93**

(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	**For the year ended 31st March 2026**	**For the year ended 31 March 2025**
Discount rate (per annum)	7.87%	6.55%
Expected rate of return on plan assets	NA	6.55%
Salary escalation rate (per annum)	8.00%	7.00%
Withdrawl rate (per annum)	20.00%	20.00%
Expected average remaining working lives of employees (years)	22	24
Mortality	IIAM 2012-2015 Ultimate	IALM(2012-14) Urban

(vii) 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:

	For the year ended 31st March 2026		For the year ended 31 March 2025	
	Increase	Decrease	Increase	Decrease
(i) Discount Rate (1% Movement)	(6.69)	7.42	(2.90)	3.16
(ii) Future Salary (1% Movement)	7.34	(6.69)	3.11	(2.92)
(iii) Atrition Rate (1% Movement)	(0.34)	0.35	(0.47)	0.49

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements

Note 30 Employee Benefit

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

	For the year ended 31st March 2026	For the year ended 31 March 2025
Within 12 months	2.11	12.31
Between 2 and 5 years	5.32	43.74
Between 6 and 10 years	30.07	31.51
11 years and above	360.05	18.40

The expected contribution in the next year is ₹ 137.91 lakhs (31 March 2025: 45.69 lakhs)

The impact of plan amendments relating to the Labour Code has been considered under exceptional items for the year ended 31 March 2026. Refer Note No. 38 for details.

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.

GUILTFREE INDUSTRIES LIMITED

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

Notes forming part of Consolidated Financial Statements
Note: 31 : 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
Entities under Common Control	Spencer's Retail Limited CESC Limited RPSG Ventures Advisory LLP Natures Basket Limited PCBL Chemical Limited
Fellow Subsidiary	Quest Properties India Limited Serene Vibes Pvt Ltd Herbolab India Private Limited RPSG Sports Pvt Limited
Key Management Personnel	Mr. Rohit Garg ,Whole Time Director and Chief Financial Officer (till 08th May,2025) Mr. Vikas Jain,Whole Time Director and Chief Financial Officer(w.e.f 09th May,2025) Ms. Arya Shaw (w.e.f 25th September,2024) Mr. Manish Kumar Singh (till 21st May,2024)
Non-Executive Directors	Ms.Shreya Agarwal (w.e.f 18th March,2026) Mr.Srikanth Ramachandra Murthy Gopishetty (w.e.f 30th March,2026) Mr.Sudhir Langer (till 31st March,2026) Ms. Saumyapriya Bose(till 20th March,2026)

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

₹ in Lakhs

Nature of Transactions	Holding Company		Entities Under Common Control and Fellow Subsidiary		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			**195.57**	**168.87**					**195.57**	**168.87**
			(269.54)	(133.30)					(269.54)	(133.30)
CESC Limited			**1.04**	-					**1.04**	-
			(0.41)	-					(0.41)	-
Natures Basket Limited			**15.89**	**19.40**					**15.89**	**19.40**
			(7.77)	(5.18)					(7.77)	(5.18)
Serene Vibes Pvt Ltd			**3.19**	**3.17**					**3.19**	**3.17**
			(0.57)	(0.56)					(0.57)	(0.56)
Herbolab India Pvt Ltd			-	**3.76**					-	**3.76**
			(0.24)	-					(0.24)	-
Purchase of Property Plant and Equipment										
Herbolab India Pvt Ltd			**1.24**	-					**1.24**	-
			-	-					-	-
Purchase of Capital Work in Progress										
RPSG Ventures Ltd			**10.29**	-					**10.29**	-
			-	-					-	-
Interest income on Loan										
Herbolab India Pvt Ltd			**1,729.54**	-					**1,729.54**	-
			(1,274.21)	-					(1,274.21)	-
Purchase of stock in trade /Consumables / Office Equipment										
Natures Basket Limited			-	-					-	-
			(5.12)	-					(5.12)	-
Spencer's Retail Limited			-	-					-	-
			(2.17)	-					(2.17)	-

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

GUILTFREE INDUSTRIES LIMITED ★

Nature of Transactions	Holding Company		Entities Under Common Control and Fellow Subsidiary		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Expense Incurred										
Spencer's Retail Limited			**103.22**	-					**103.22**	-
			(107.67)	-					(107.67)	-
Quest Properties Limited			**43.69**	**226.04**					**43.69**	**226.04**
			(159.96)	(176.64)					(159.96)	(176.64)
CESC Limited			**21.56**	-					**21.56**	-
			(1.06)	(0.63)					(1.06)	(0.63)
RPSG Ventures Ltd			-	-					-	-
			(9.55)	-					(9.55)	-
Herbolab India Private Limited			**0.22**	**0.31**					**0.22**	**0.31**
			-	-					-	-
Natures Basket Limited			-	-					-	-
			(5.62)	-					(5.62)	-
PCBL Chemical Limited			**7.89**	-					**7.89**	-
			(4.06)	-					(4.06)	-
RPSG Sports Private Ltd			**200.00**	-					**200.00**	-
			(125.00)	-					(125.00)	-
Reimbursement of Expense										
RPSG Ventures Ltd			**16.96**	-					**16.96**	-
			-	-					-	-
RPSG Ventures Advisory LLP			**0.31**	-					**0.31**	-
			(3.47)	(0.24)					(3.47)	(0.24)
Herbolab India Private Limited			**2.17**	-					**2.17**	-
			(15.20)	(4.07)					(15.20)	(4.07)
Sudhir Langer										
Reimbursement of Expense							**1.36**	-	**1.36**	-
							(1.25)	-	(1.25)	-
Rajeev Ramesh Chand Khandelwal										
Reimbursement of Expense							**0.14**	-	**0.14**	-
							(2.27)	-	(2.27)	-
Remuneration to Key Managerial Personnel (Employee Benefit Expenses)										
Vikas Jain										
Short Term Employee Benefits							**186.32**	-	**186.32**	-
							-	-	-	-
Retirement Benefits							**19.30**	-	**19.30**	-
							-	-	-	-
Reimbursement							**0.15**	-	**0.15**	-
							-	-	-	-
Rohit Garg										
Short Term Employee Benefits							**41.19**	-	**41.19**	-
							(138.97)	-	(138.97)	-
Retirement Benefits							**0.74**	-	**0.74**	-
							(5.75)	-	(5.75)	-
Reimbursement							**0.10**	-	**0.10**	-
							(0.37)	-	(0.37)	-
Arya Shaw										
Short Term Employee Benefits					**10.04**	-			**10.04**	-
					(4.88)	-			(4.88)	-
Retirement Benefits					**0.57**	-			**0.57**	-
					(0.21)	-			(0.21)	-
Reimbursement					**0.17**	-			**0.17**	-
					(0.09)	-			**(0.09)**	-
Manish Kumar Singh										
Short Term Employee Benefits					-	-			-	-
					(1.46)	-			(1.46)	-
Retirement Benefits					-	-			-	-
					(0.06)	-			(0.06)	-
Reimbursement					-	-			-	-
					(0.06)	-			(0.06)	-

Nature of Transactions	Holding Company		Entities Under Common Control and Fellow Subsidiary		Key Management Personnel		Directors & Relatives of KMP		Total	
	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding	Transaction Value	Balance Outstanding
Advance Taken										
CESC Ltd			-	0.57					-	0.57
			-	(0.56)					-	(0.56)
Loan given										
Herbolab India Pvt Ltd			9,235.00	19,330.00					9,235.00	19,330.00
			(5,300.00)	(13,095.00)					(5,300.00)	(13,095.00)
Loan received back										
Herbolab India Pvt Ltd			3,000.00	-					3,000.00	-
			(2,800.00)	-					(2,800.00)	-
Interest Expense on Loan										
RPSG Ventures Ltd	504.33	-							504.33	-
	(297.04)	-							(297.04)	
Loan Taken										
RPSG Ventures Ltd	3,800.00	3,350.00							3,800.00	3,350.00
	(17,300.00)	(9,000.00)							(17,300.00)	(9,000.00)
Loan Repaid										
RPSG Ventures Ltd	9,450.00	-							9,450.00	-
	(12,300.00)	-							(12,300.00)	-
Share application money Recevied / Pending for Allotment										
RPSG Ventures Limited	19,000.00	-							19,000.00	-
	-	-							-	-
Share issued (includes premium)										
RPSG Ventures Limited	19,000.00	-							19,000.00	-
	-	-							-	-

Note 31 (B). (i) Figure disclosed above are net value (excluding GST amount) where ever Input GST considered.

Note 31 (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 31 (B). (iii) Figure disclosed above in bracket are related to previous year .

Note 31 (B). (iv) Related party transactions entered into during the year were carried out in the ordinary course of business and on arm's length basis.

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

GUILTFREE INDUSTRIES LIMITED ★

Notes forming part of Consolidated Financial Statements ₹ in Lakhs

32	Contingent liabilities and Capital commitments	As at 31 March 2026	As at 31 March 2025
	(i) Contingent liabilities:		
	Bank guarantees	95.10	94.34
	GST matters (refer note a below)	31.89	31.89
	Income Tax -AY 2021-22*	-	2.00
		126.99	**128.23**
	*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	22.04	76.34
		22.04	**76.34**

(a) Disputes pertain to ineligible inputs claimed for various years. The subsidiary is contesting these demands raised by authorities at various forums. Based on the grounds of appeal and advice from independent legal counsel, the management believes there is a strong likelihood of succeeding before the various forums. Accordingly, pending decision from various forums, no provision has been made in the financial statements

(b) A motor accident claim was filed against the Company in connection with a road accident dated 15 November 2021 involving the Company's vehicle, wherein a pedestrian succumbed to injuries. The Motor Accident Claims Tribunal (MACT), Surendranagar, Gujrat awarded compensation of INR 10.15 lakhs along with interest at 9% per annum and held the driver, owner, and insurer jointly and severally liable.
Subsequently, the insurance company, IFFCO-Tokio General Insurance Company Limited, filed a recovery petition before the Hon'ble Gondal Court against the Company. The Company has challenged the said order before the Hon'ble High Court through First Appeal No. 2814 of 2025, and the Hon'ble Court has stayed the recovery proceedings initiated by the Gondal Court. The matter is currently pending for final disposal.
Based on the present status of the case, the potential liability is estimated at approximately ₹13 lakhs, which has been deposited with the Gondal Court. Pending final adjudication, no provision has been made in the financial statements.

33	Tax expenses	As at 31 March 2026	As at 31 March 2025
	A. Amount recognised in Statement of Profit & Loss		
	Current tax	-	-
	Tax for earlier years	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	(96.31)	(67.38)
	Tax Expense/ (credit)	**(96.31)**	**(67.38)**
	B. Amount recognised in Other Comprehensive Income		
	Current tax	-	-
	Deferred tax:		
	- Deferred tax (credit)/ charge	(6.33)	0.39
	Tax Expense/ (credit) relating to OCI items	**(6.33)**	**0.39**
33(a	**Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:**		
	Accounting Loss before tax	**(32,508.47)**	**(32,200.53)**
	Enacted tax rates in India (%)	26%	26%
	Computed expected tax expense	**(8,452.20)**	**(8,372.14)**
	Tax impact on Expenses Disallowed	-	-
	Tax expense of earlier years	-	-
	Deferred Tax assets reversed	-	-
		8,452.20	8,372.14
	Unrecognised deferred tax Assets		
	Unrecognised deferred tax on account of consolidation	(67.28)	(67.61)
	Tax impact of Others adjustment	(29.03)	0.23
	Income tax expense reported in Statement of Profit and Loss	**(96.31)**	**(67.38)**
33(b	**Details of income tax assets / (liabilities)**		
	Non-current:		
	Taxes deducted at source recoverable (net of provision)	207.54	164.25
		207.54	**164.25**
	Current:		
	Taxes deducted at source recoverable (net of provision)	-	-
		-	-
	Net income tax assets / (liabilities)	**207.54**	**164.25**

34 Pursuant to the notification by the Ministry of Labour & Employment on 21 November 2025 in respect of the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively referred to as "the Labour Codes"), the group has carried out a preliminary assessment of the consequential impact on employee benefit obligations.
Based on such assessment, the group has recognized an incremental provision towards past service cost relating to gratuity and Leave Encashment amounting to Rs.147.81 lakhs for the year ended 31 March 2026 which has been charged under "Exceptional Items" in the Statement of Profit and Loss, based on information available up to the date of authorisation of the financial statements. Given that the matter is evolving and the final Central and State Rules are yet to be notified, the group will continue to monitor developments and will recognise any further impact as and when required, based on future notifications and clarifications.

35 The holding company has received a Demand Order dated 03 February,2025 from the Additional Commissioner, CGST & Central Excise, Palghar Commissionerate amounting to Rs. 3,914.14 lakhs (excluding interest and an equivalent amount of penalty) pursuant to a show cause notice dated 30 September,2023 issued by the Joint Director, DGGI, Kolkata Zonal Unit, in respect of a rate classification issue relating to certain products of the Company.

The holding company has been previously advised by its legal counsel that the said products were correctly classified and, consequently, the appropriate GST has been discharged on supplies of such products. The Company has filed a Writ Petition before the Hon'ble Bombay High Court, inter alia challenging the validity of Circular No. 189/01/2023-GST dated 13.01.2023, Circular No. 200/12/2023-GST dated 01.08.2023 and Circular No. 235/29/2024-GST dated 11.10.2024, and has also challenged the legality of Order-in-Original No. 66/PLG/ADC/VKA/DGGI/Guiltfree/DGGI/2024-25 dated 03.02.2025 passed by the Additional Commissioner, CGST, Palghar.

By an order dated 23 February 2026, the Hon'ble Bombay High Court has directed that no coercive steps for recovery of the demand in question under the impugned order shall be taken forward by the respondents until the parties are heard after filing of the reply affidavit. The matter is listed before the Hon'ble Court, and the respondents have been directed to serve the reply affidavit on the Company well in advance.

36 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.

A. Information about products and services **₹ in Lakh**

Particilars	31 March 2026	31 March 2025
Sale of Product	53,768.27	53,413.63
Sale of Services	-	-

BATLIBOI PUROHIT & DARBARI 7, Waterloo Street, Kolkata 700 Chartered Accountants

GUILTFREE INDUSTRIES LIMITED

B. Information about geographical areas

₹ in Lakhs

	Sale of Goods	Non current operating assets
Year ended 31 March 2026		
India	53,752.01	51,162.69
Outside India	16.26	-
Total	**53,768.27**	**51,162.69**
Year ended 31 March 2025		
India	53,413.63	52,638.05
Outside India	-	-
Total	**53,413.63**	**52,638.05**

C. Notes

1) The business of the group comprise of only one reportable segment i.e. FMCG. The management monitors the operating results of this segment for the purpose of resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

2) Segment revenue in the geographical segments considered for disclosure are as follows:
   a) Revenue within India includes sales to customers located within India.
   b) Revenue outside India includes sales to customers located outside India.

3) The Group does not have any customer, with whom revenue from transactions is more than 10% of Company's total revenue

4) Non current operating assets for this purpose consist of property, plant and equipment, capital work-in-progress, investment property, investment property under development, intangible assets and intangible assets under development.

37 **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 2026	As at 31 March 2025
Long Term Borrowing (including current maturities of long term debt)	1,14,642.53	1,14,893.74
Short Term Borrowing	23,404.43	17,849.14
Less: Cash and cash equivalents	(111.57)	(14,688.29)
Total Borrowing (Net)	**1,37,935.39**	**1,18,054.59**
Total equity	(77,743.44)	(65,023.29)
Total Capital (Equity+Net Debt)	**60,191.95**	**53,031.29**

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 2026	As at 31 March 2025
Trade receivables		
- Domestic	3,427.69	2,002.14
- Export	3.38	-
	3,431.07	**2,002.14**

Movement in the allowance for impairment in trade

Particulars	As at 31 March 2026	As at 31 March 2025
Opening balance	278.30	265.06
Provisions made during the year (net of reversals)	93.76	13.24
Net remeasurement of loss allowance	372.06	278.30

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 2026 and 31 March 2025.

₹ in Lakhs

Particulars	Carrying amount	Contractual cash flows		
		Less than 1 year	1 -5 years	More than 5years
As at 31 March 2026				
Current Financial liabilities				
Trade payables	12,084.26	12,084.26	-	-
Financial liabilities	1,991.49	1,991.49	-	-
Borrowings	54,287.98	54,287.98	-	-
Lease Liabilities	680.80	680.80	-	-
Non- Current Financial liabilities				
Borrowings	83,758.98	-	78,508.99	5,249.99
Financial liabilities	215.13		215.13	-
Lease Liabilities	2,061.47	-	2,061.47	-
	1,55,080.11	**69,044.53**	**80,785.59**	**5,249.99**
As at 31 March 2025				
Current Financial liabilities				
Trade payables	9,866.92	9,866.92	-	-
Financial liabilities	1,710.69	1,710.69	-	-
Borrowings	37,871.25	37,871.25	-	-
Lease Liabilities	571.46	571.46	-	-
Non- Current Financial liabilities				
Borrowings	94,871.64	-	84,480.34	10,391.30
Financial liabilities	179.39		179.39	-
Lease Liabilities	2,760.42	-	2,760.42	-
	1,47,831.77	**50,020.32**	**87,420.15**	**10,391.30**

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

GULTFREE INDUSTRIES LIMITED

(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 2026	As at 31 March 2025
Total borrowings (including current maturities)	1,38,046.96	1,32,742.88
	1,38,046.96	**1,32,742.88**

(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 2026	31 March 2025
Interest Rates - Increase by 50 basis points (50 bps)	(690.23)	(663.71)
Interest Rates - Decrease by 50 basis points (50 bps)	690.23	663.71

(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, 2026			
(i). Financial assets			
Investments	-	-	-
Trade receivables	3,431.07	-	-
Cash and cash equivalents	111.57	-	-
Bank Balances other than Cash and cash equivalent	-	-	-
Loan	19,330.00	-	-
Other financial assets	237.32	-	-
Total financial assets (Non-current and Current)	**23,109.96**	-	-
(ii). Financial liabilities			
Borrowings	1,38,046.96	-	-
Lease Liabilities	2,742.27	-	-
Trade payables	12,084.26	-	-
Other financial liability	2,206.62	-	-
Total financial liabilities (Non-current and Current)	**1,55,080.11**	-	-
As at 31st March, 2025			
(i). Financial assets			
Investments	-	-	-
Trade receivables	2,002.14	-	-
Cash and cash equivalents	14,688.29	-	-
Bank Balances other than Cash and cash equivalent	-	-	-
Loan	13,095.00	-	-
Other financial assets	806.95	-	-
Total financial assets (Non-current and Current)	**30,592.38**	-	-
(ii). Financial liabilities			
Borrowings	1,32,742.88	-	-
Lease Liabilities	3,331.88	-	-
Trade payables	9,866.92	-	-
Other financial liability	1,890.08	-	-
Total financial liabilities (Non-current and Current)	**1,47,831.76**	-	-

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.

38 Lease Disclosure

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

Particulars	As at 31 March 2026	As at 31 March 2025
Current Lease Liability	680.80	571.46
Non Current Lease Liability	2,061.47	2,760.42
Total	**2,742.27**	**3,331.88**

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

Particulars	As at 31 March 2026	As at 31 March 2025
Opening Balance	3,331.88	3,357.17
Add: Addition during the year (net of reversal)	90.01	1,166.97
Add: Finance cost accrued during the year	299.00	329.80
Less: Deletions	89.16	636.32
Less: Gain/(loss) due to lease modification	12.68	36.97
Less: Payment of lease liabilities	876.78	848.77
Closing balance	**2,742.27**	**3,331.88**

(iii) Contractual maturities of lease liabilities as at 31st March, 2026 on an undiscounted basis:

Particulars	Less than 1 year	1 -5 years	More than 5years
Lease payable	888.06	3,269.89	-

GUILTFREE INDUSTRIES LIMITED

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

(iv) The group incurred ₹ 132.56 Lakhs (March 31, 2025 ₹ 71.45 Lakhs) towards expenses relating to short-term/Low value leases.

39 Net Debt Reconciliation:

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

Particluars	Non-current borrowings	Current borrowings	Total
Net debt as at 1 April, 2025	**1,14,893.74**	**17,849.15**	**1,32,742.89**
Repayment of non-current borrowings	(20,672.71)	-	(20,672.71)
Amortization of processing fees	667.52	-	667.52
Proceed/Repament of current borrowings	-	5,555.28	5,555.28
Proceed from non-current borrowings	19,753.99	-	19,753.99
Net debt as at 31 March, 2026	**1,14,642.54**	**23,404.43**	**1,38,046.96**
Net debt as at 1 April, 2024	**69,804.52**	**16,907.54**	**86,712.06**
Repayment of non-current borrowings	(16,659.61)	-	(16,659.61)
Proceed/Repament of current borrowings	-	941.61	941.61
Proceed from non-current borrowings	61,748.83	-	61,748.83
Net debt as at 31 March, 2025	**1,14,893.74**	**17,849.15**	**1,32,742.89**

40 Other statutory information:

(i) The group do not have any Benami property, where any proceeding has been initiated or pending against The group for holding any Benami property.
(ii) The group do not have any transactions with companies struck off.
(iii) The group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
(iv) The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
(v) The group 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 group (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
(vi) The group 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 group 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 group 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) The group has not been declared as any wilful defaulter from any bank or financial institution where from The group has taken loan and overdraft facilities.
(ix) The group 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
(x) The group is maintaining its books of aaccounts in electronic mode and books of accounts are accessible in India at all times with server being physically located in India, the back-up of the books of account has been kept in servers physically located outside India on a daily basis.

41 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 2026	As at 31 March 2025
Net profit/(loss) attributable to equity shareholders (₹)	(31,839.33)	(31,523.40)
Weighted average number of equity shares in calculating basic and diluted EPS	10,650.51	10,081.65
Nominal value of equity share (₹)	10	10
Basic and diluted earning per share (₹)	**(2.99)**	**(3.13)**

42 Going concern

The Group has incurred a net loss after tax of Rs (32,287.58) lakhs for the year ended 31 March 2026 and accumulated loss stand at Rs. (2,17,205.80) lakhs.In response, the group continues to receive financial support from its holding company to meet its financial obligations, as and when required. The group also has access to unutilized credit facilities from its bankers. Further, the group is undertaking initiatives to enhance its operating cash flows, with a focus on improving margins. Considering the financial strength of the holding company and the approved business projections for the forthcoming year, which incorporate expected margin improvements and cost optimization measures, the management is confident in its ability to meet its financial obligations. Accordingly, the financial statements have been prepared on a going concern basis.

43 The Ministry of Corporate Affairs (MCA) has prescribed a requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules, 2021 requiring companies, which uses accounting software for maintaining its books of account, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The holding company and its subsidiary is using SAP ERP for maintaining its books of account which has a feature of audit trail (edit log) facility and the same was enabled and operated throughout the year for all relevant transactions recorded in the software. However, the company has enabled the audit trail feature at database level of the said accounting software on 12th May 2025 to log any direct data changes. Further, the Company has not enabled the audit trail (edit log) feature at database level for one specific users with direct database access of the accounting software to log any direct data changes due to technical reasons. Further, no instances of audit trail features being tempered with, was noted in respect of the these accounting software.
The audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

GUILTFREE INDUSTRIES LIMITED

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

45 Prior period comparatives

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

46 The financial statements are approved for issue by the Board of Directors in its meeting held on 11th May,2026

As per our report of even date

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

Hemal Mehta
Partner
Membership no: 063404

Place:Kolkata
Date: 11/05/2026

For and on behalf of Board of Directors

Vikas Jain
Whole-time Director and CFO
DIN: 11082395

Srikanth Ramachandra Murthy Gopishetty
Director
DIN: 07383622

Arya Shaw
Company Secretary
Membership no: A53188

Place:Kolkata
Date: 11/05/2026

GUILTFREE INDUSTRIES LIMITED

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