

GILADA FINANCE AND INVESTMENTS LIMITED

CIN: L65910KA1994PLC015981

Regd Office: #105 R.R Takt, 37 Bhoopasandra Main Road, Bangalore- 560094, Karnataka

Ph:080-40620000(30 Lines) Fax: 080-40620008

E-mail:md@giladagroup.com, Website: www.giladafinance.com

Rs. In lacs

Statement of Audited Results for the Quarter and Year Ended 31 March 2022						
Sl. No.	PARTICULARS	Quarter Ended			Year Ended	
		31-Mar-22 (Audited)	31-Dec-21 (Unaudited)	31-Mar-21 (Audited)	31-Mar-22 (Audited)	31-Mar-21 (Audited)
1	Revenue from Operations	118.24	82.78	81.71	375.09	334.80
2	Other Income	1.28	-	1.49	1.28	2.58
3	Total Income (1+2)	119.52	82.78	83.20	376.37	337.38
4	Expenses					
	(a) Employee benefits expenses	5.44	22.95	28.84	72.09	83.24
	(b) Finance Cost	1.97	1.14	1.49	6.38	6.98
	(c) Depreciation and amortisation Expenses	0.90	0.87	1.24	3.52	3.49
	(d) Impairment of Financial Assets	-66.52	4.50	0.70	-48.02	26.34
	(e) Bad Debts Written off	105.97	9.77	27.44	130.08	27.44
	(d) Other Expenses	12.71	16.31	16.24	50.73	48.11
	Total Expenses	60.47	55.54	75.95	214.78	195.60
5	Profit/(loss) before Exceptional Items & Tax (3-4)	59.05	27.24	7.25	161.59	141.78
6	Exceptional Items	0.00	0.00	0.00	0.00	0.00
7	Profit/(loss) before tax (5+6)	59.05	27.24	7.25	161.59	141.78
8	Tax Expenses					
	a) Current Tax	-0.64	7.50	9.70	28.86	43.57
	b)Deferred Tax			-		-
9	Profit/(Loss) for the period from continuing operations (7-8)	59.69	19.74	(2.45)	132.73	98.21
10	Profit from Discontinued Operations		-	-		
11	Tax Expense of Discontinued Operations		-	-		
12	Profit from Discontinued Operations (after tax) (10-11)		-	-		
13	Profit for the Period (9+12)	59.69	19.74	(2.45)	132.73	98.21
14	Other Comprehensive Income (Net of Tax)		-	-		-
15	Total Comprehensive Income (after tax) (13+14)	59.69	19.74	(2.45)	132.73	98.21
16	Paid up Equity Share Capital (Face Value of Rs. 5/- each) (Previous year - Face Value of Rs 10/- each)	351.23	351.23	351.23	351.23	351.23
17	Earnings Per Share (in rupees) (not annualised):					
	a) Basic	1.70	0.56	(0.07)	3.78	2.80
	b) Diluted	1.53	0.56	(0.07)	3.61	2.80
A	Basic and Diluted EPS is not annualized for quarter					
B	The above financial results have been reviewed by the Audit Committee and were considered and approved by the Board of Directors at their meeting held on 30.05.2022					

For GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA
MANAGING DIRECTOR
DIN: 00307829
PLACE: BANGALORE
DATE: 30.05.2022

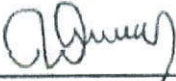


GILADA FINANCE & INVESTMENTS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

Particulars	For the Year ended 31/03/2022	For the Year ended 31/03/2021
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (Loss) before Tax	16159112	14177371
Adjustment For :		
- Depreciation and amortisation	352856	349659
- Finance Costs	638311	698386
- Investment written off	NIL	NIL
	991167	1048045
Operating Profit / (Loss) before Working Capital changes	17150279	15225416
Changes in working capital :		
- (Increase)/Decrease in financial assets	(2413104)	(3909266)
- (Increase)/Decrease in non financial assets	(526725)	(7569976)
- (Increase)/Decrease in non financial liabilities	(2930802)	NIL
- (Increase)/Decrease in financial liabilities	266032	154426
Net change in working capital	(5604599)	(11324816)
Cash generated from operations	11545680	3900600
Net Income tax (Paid) / refunds of current year	(3000000)	3200000
Net Income tax (Paid) / refunds of previous year	(487631)	NIL
Net cash flow from / (used in) operating activities (A)	8058049	700600
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including capital advance	(386261)	(144547)
Net cash flow from / (used in) investing activities (B)	(386261)	(144547)
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from / (Repayment of) short term borrowings	573054	(640029)
- Finance Cost	(638311)	(698386)
Net cash flow from / (used in) financing activities (C)	(65257)	(1338415)
Net increase / (decrease) in cash & cash equivalents (A+B+C)	7606531	(782362)
Cash & cash equivalents of the beginning of the year	424469	1206831
Cash & cash equivalents of the end of the year	8031000	424469
D. RECONCILIATION OF CASH AND CASH EQUIVALENTS WITH THE BALANCE SHEET :		
Cash & cash equivalents as per Balance Sheet	8031000	424469
Less : Bank balances not considered as Cash & Cash equivalents (as defined in IND AS 7 Statement of Cash Flow)	NIL	NIL
Net Cash & cash equivalents (as defined in IND AS 7 Statement of Cash Flows)	8031000	424469
Add : Current investments considered as part of Cash and Cash equivalents (as defined in IND AS 7 Statement of Cash Flows)	NIL	NIL
Cash & cash equivalents of the end of the year	8031000	424469
Comprises :		
(a) Cash in hand	408660	457190
(b) Balances with Banks - in current accounts	7622340	(32721)

As per our report of even date attached

For **BENNUR NAGARAJA & CO**
CHARTERED ACCOUNTANTS
FR No. 000419S


(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024163



(RAJGOPAL GILADA)
MANAGING DIRECTOR
DIN :00307829

DATE 30.05.2022
PLACE :BANGALORE

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BALANCE SHEET AS AT 31ST MARCH 2022

(In Rupees)

	Particulars	Note No.	Figures as at the end of current reporting period (FY 21-22)	Figures as at the end of the previous reporting period (FY 20-21)
	1		2	3
	ASSETS			
(1)	Financial Assets			
(a)	Cash and cash equivalents	1(a)	7997140.71	390610.06
(b)	Bank Balance other than (a) above	1(b)	33859.00	33859.00
(c)	Derivative financial instruments		NIL	NIL
(d)	Receivables			
	(I) Trade Receivables		NIL	NIL
	(II) Other Receivables	2	3729877.00	3598885.00
(e)	Loans	3	154864267.58	152582155.20
(f)	Investments	4	90000.00	90000.00
(g)	Other Financial assets (to be specified)		NIL	NIL
(2)	Non-financial Assets			
(a)	Inventories		NIL	NIL
(b)	Current tax assets (Net)		493320.00	NIL
(c)	Deferred tax Assets (Net)		1013300.00	1013300.00
(d)	Investment Property	5	39837000.00	39837000.00
(e)	Biological assets other than bearer plants		NIL	NIL
(f)	Property, Plant and Equipment	6(A)	199079.00	310092.00
(g)	Capital work-in-progress		NIL	NIL
(h)	Intangible assets under development		NIL	NIL
(i)	Goodwill		NIL	NIL
(j)	Other Intangible assets	6(B)	292586.00	148168.00
(k)	Other non-financial assets (to be specified)		NIL	NIL
	Total Assets		208550429.29	198004069.26
	LIABILITIES AND EQUITY			
	LIABILITIES			
(1)	Financial Liabilities			
(a)	Derivative financial instruments		NIL	NIL
(b)	Payables			
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		NIL	NIL



	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7	1279491.00	1013459.00
	(II) Other Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		NIL	NIL
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		NIL	NIL
(c)	Debt Securities		NIL	NIL
(d)	Borrowings (Other than Debt Securities)	8	7017530.00	6444476.00
(e)	Deposits		NIL	NIL
(f)	Subordinated Liabilities		NIL	NIL
(g)	Other financial liabilities(to be specified)		NIL	NIL
(2)	Non-Financial Liabilities			
(a)	Current tax liabilities (Net)		NIL	907673.00
(b)	Provisions	9	125769.45	2295989.50
(c)	Deferred tax liabilities (Net)		NIL	NIL
(d)	Other non-financial liabilities(to be		NIL	NIL
(3)	EQUITY			
(a)	Equity Share capital	10	35123000.00	35123000.00
(b)	Other Equity	11	165004638.84	152219471.76
	Total Liabilities and Equity		208550429.29	198004069.26


For BENNUR NAGARAJA & CO
 CHARTERED ACCOUNTANTS
 FR No. 000419S



(BENNUR NAGARAJA)
 PROPRIETOR
 M. No. 024163

Place Bangalore
 Date 30-05-2022






(RAJGOPAL GILADA)
 MANAGING DIRECTOR
 DIN :00307829



BENNUR NAGARAJA & CO
CHARTERED ACCOUNTANTS

Ph : 080-2225 5278
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E-mail: bennurnagaraja@gmail.com

INDEPENDENT AUDITOR'S REPORT TO SHAREHOLDERS

To the Members of GILADA FINANCE & INVESTMENTS LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of "GILADA FINANCE & INVESTMENTS LIMITED", which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit & Loss including comprehensive income, the statement of changes in equity and the Statement of Cash Flow for the year then ended and a notes to financial statement including summary of significant 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 financial statements give the information required by the companies Act 2013, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31st March 2022, and its profit, the changes in equity and cash flows for the year ended as on that date.

Basis For Opinion

We conducted our audit in accordance with the standards on auditing specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the auditor's responsibilities for the audit of the 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 opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Reporting of key audit matters as per SA 701 :- The Company's investment in property at Vijayapur, Karnataka is not revalued as on 31/03/2022 from registered valuer under Companies Act, 2013 as required under amended Schedule III – Division III.

Emphasis of Matter

We draw attention to point no.17 of Note 18 relating to impact of COVID-19 pandemic in the financial statements in which the management has described the probable impact on the company and the environment in which it operates. This note also indicates that uncertainties exist and it is currently not possible to reasonably estimate the future impact. The measures taken to deal with these circumstances were explained by the management.

Our opinion is not modified in respect of this matter.

Other Matters

Even after lifting lockdown restrictions situation have not become normal. This has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures as per the standards on Auditing prescribed by the Institute of Chartered Accountants of India (ICAI).

As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. This has been carried out based on the advisory on "Specific Considerations while conducting Distance Audit/ Remote Audit/ Online Audit under current Covid-19 situation" issued by the Auditing and Assurance Standards Board of ICAI. We have been represented by the management that the data provided for our audit purposes is correct, complete, reliable and are directly generated by the accounting system of the company without any further manual modifications.

We bring to the attention of the users that the audit of the financial statements has been performed in the aforesaid conditions.

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

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the standalone financial statements and our auditor's report thereon.

The Boards Report is expected to be made available to us after the date of this Auditors Report.

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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read Boards Report, If we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

Responsibilities of Management and those charged with Governance for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian accounting standards (Ind AS) specified under section 133 of the Act, read with Companies (Ind AS) Rules, 2015 & 2016. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and

completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The board of directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

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

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 companies Act, we give in the Annexure - 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 purpose of our audit;
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement, the statement of changes in equity, dealt with by this Report are in agreement with the books of account.
- d) In our opinion, except for the matter described in "Emphasis Matter paragraph" the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of written representations received from the directors as on March 31, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure – B and our report expresses an unmodified opinion on the adequacy and operating effectiveness of company's internal control over financial reporting.
- g) With respect to the other matters to be included in the Auditors Report in accordance with the requirements of Section 197(16) of the Act as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 18 (B) (5) (A) to the financial statements;

(ii) The Company did not have any long-term contracts including derivative contracts, for which there were no material foreseeable losses provision is required.

(iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For BENNUR NAGARAJA & CO
CHARTERED ACCOUNTANTS
FR No. 0004195



(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024163



Place : Bangalore
Date : 30.05.2022



BENNUR NAGARAJA & CO

CHARTERED ACCOUNTANTS

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Mob: 98454 80725

No. 21, Second Floor, Hospital Road, Near Menaka Theatre, Bangalore - 560 053

E-mail: bennurnagaraja@gmail.com

GILADA FINANCE AND INVESTMENTS LIMITED **ANNEXURE –A TO THE AUDITOR’S REPORT**

1. (a) The Company has maintained proper records showing full particulars including quantitative details & situation of the property, plant & equipment and intangible assets.

(b) All the fixed assets have been physically verified by the management during the year under audit, and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company & the nature of its fixed assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of immovable property is held in the name of the Company.

(d) The Company has not revalued its property, plant & equipment by the registered valuer during the year under audit.

(e) We are informed by the Management any kind of proceedings have not been initiated against the Company for holding any benami property under the benami transactions (Prohibition) Act, 1988 and rules made there under.
2. (a) The nature of the Company’s business / activities during the year does not involve inventories. Accordingly clauses (II)(a) of paragraph 3 of the Companies (Auditors Report) order 2020 is not applicable to the Company.

(b) Since the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate during the year under audit, our comments on details submitted in quarterly returns to banks or financial institutions not required.
3. (a) In the ordinary course of business of financing, the company has given loans to few related parties covered in the register maintained under section 189 of the Companies Act, 2013 on the basis of oral agreement since the

Companies are under the same management. The maximum amount involved during the year was not determined by the management, since they are in the nature of current accounts and repayable on demand. The yearend balance of loan given to such parties was Rs. 300.89 lakhs, which is within the maximum limits prescribed under section 185 & 186 of the Companies Act 2013 and under RBI Directions to Non Banking Financial Companies (NBFC-ND-NSI) and not prejudicial to the Company's interest.

(b) There are no written terms & conditions on which loans are granted to Companies, Firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013, However, no irregularities of repayment of principal amount & interest amount by the parties were noticed, Since they are in the nature of current accounts repayable on demand.

(c) Since there are no written terms & conditions on which loans are granted to Companies, firms / other parties listed in the register maintained under section 189 of the Companies Act, 2013, and since they are in the nature of current accounts repayable on demand, there are no overdue amounts of loans granted.

(d) The Company had invested Rs.0.90 lakhs in the shares of other companies who are not subsidiaries, joint ventures & associates and the investments made are not prejudicial to the Company's interest.

4. In our opinion & according to informations and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, with respect to loans and investment made.
5. Since no deposits have been accepted from public, in our opinion & according to the information & explanations given to us, the company is not required to comply with the directions issued by Reserve Bank of India under Non Banking Financial Companies (Reserve Bank) Directions, 1998, with respect to public deposits, No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal.
6. The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act, 2013 for the nature of business of the Company, Since the Company is not into manufacturing activity.
7. (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, Goods & Service Tax, cess & other material statutory dues applicable to it. However, we are informed that the provisions of the Employees Provident Fund & Employees State Insurance Scheme are not yet applicable to the Company.

According to the information & explanations given to us, no undisputed amounts payable in respect of provident fund, employees state Insurance income tax, sales tax, service tax, customs duty, excise duty, value added tax, Goods & Service Tax, cess & other material statutory dues were in arrears, as at 31-3-2022 for a period of more than 6 months from the date they became payable.

(b) According to the information & explanations given to us, except income tax, there is no dues of sale tax, customs duty, service tax, excise duty, value added tax, Goods & Service Tax & cess which have not been deposited on account of any dispute.

(1) The disputed income tax liability of Rs. 4,71,077/- for AY 06-07, was settled by filing application under newly launched Vivad Se Vishwas Scheme of the I.T.dept.

(2) There is a another disputed incometax liablilty of Rs.20,51,022/- for A Y 2017-18 which is under appeal with commissioner of Income Tax (Appeals)-I Bangalore. The Dispute is on account of additions made u/s 68 for cash deposited in Banks during demonetization period.

8. We are informed by the management that any kind of transactions not recorded in the books of account have not been surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961.

9. (a) In our opinion & according to the information & explanations given to us, the company had not defaulted in repayment of dues to any Financial Institution, Bank or debenture holders.

(b) We are informed by the management of the company that the company is not declared wilful defaulter by any bank or financial institution or other lender

(c) Since no additional term loans were obtained during the year under audit our comments on its application is not required.

(d) No funds raised on short term basis have been utilised for long term purposes.


(e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures

(f) Since the company do not have any subsidiaries, joint ventures or associate companies, the question of company raising any loans on the pledge of securities does not arise.

- 10.(a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Paragraph 3 (X) of the order is not applicable.
- (b) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit.
- 11.(a) According to the information & explanations given to us, no fraud by the Company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (b) We have not filed any report under subsection 12 of Section 143 of the Companies Act in Form ADT4 as prescribed under rule 13 of the Companies (Audit & Auditors) Rules, 2014 with the Central Government.
- (c) We are informed by the management of the company that any kind of complaints from whistle blower had not been received by the company during the year under audit.
12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi Company. Accordingly paragraph 3(xii)(a) and (b) of the order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of the Act, wherever applicable and details of such transactions has been disclosed in the financial statements as required by the applicable accounting standards.
14. (a) The company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditors for the period under audit were considered by us.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the order is not applicable.

16. (a) According to the information and explanations given to us, the Company has obtained registration under section 45-IA of the Reserve Bank of India Act, 1934.
(b) The company has conducted Non-Banking Financial activities with a valid certificate of Registration (COR) from the Reserve Bank of India.
(c) The company is not a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India.
(d) We are informed by the management of the company that the group it belongs has only one core investment company (CIC).
17. The company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year under audit.
19. On the basis of financial ratios ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is 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,
- 20.(a) Section 135(5) second proviso of the Companies Act, 2013 in respect of other than ongoing projects does not apply to the company.
(b) Section 135(6) of the Companies Act, 2013 in respect of ongoing projects does not apply to the company.
21. Since, the company not required to prepare consolidated financial statements, our comments on the matters as required by this clause is not required.

For BENNUR NAGARAJA & CO
CHARTERED ACCOUNTANTS
FR No. 000419S


(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024.163



DATE : 30.05.2022
PLACE : BANGALORE



BENNUR NAGARAJA & CO
CHARTERED ACCOUNTANTS

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GILADA FINANCE AND INVESTMENTS LIMITED
ANNEXURE –B TO THE AUDITOR’S REPORT

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 financial statements over financial reporting of Gilada Finance & Investments Ltd as of 31st March, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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



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Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential component of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accounts of India.

For **BENNUR NAGARAJA & CO**
CHARTERED ACCOUNTANTS
FR No. 0004195

(**BENNUR NAGARAJA**)
PROPRIETOR
M. No. 024163



PLACE: BANGALORE
DATE : 30.05.2022