GILADA GROUP
Reliable
Remewable
Responsible
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Funding India's Financial Eco-System

27TH ANNUAL REPORT 2021

GILADA FINANCE AND INVESTMENTS LIMITED

BOARD MEMBERS

RAJGOPAL GILADA
Managing Director

SANGEETA SAMPATKUMAR GILADA
Chief Executive Officer

PALLAVI GILADA
CFO

SAMPATKUMAR GILADA
Director

BINDU GILADA
Director

PRABHAKAR VENKOBARAO KOTAKOTE
Independent Director

SRIKANTIAH SHIVASWAMY
(Independent Director up to 05.08.2021)

DODBALLAPUR NARASIMHAMURTHY GOPAL
(Independent Director w.e.f 31.08.2021)

CORPORATE INFORMATION

KEY MANAGERIAL PERSONS:

Rajgopal Shankarlal Gilada
Managing Director

Sangeeta Sampath kumar Gilada
Chief Executive Officer

Pallavi Vaibhav Gilada
Chief Financial Officer

Rajan Iswariya
Company Secretary & Compliance officer

CONNECT TO US

REGISTERED AND ADMIN OFFICE
#105, "R.R. Takt", 37 , Bhoopasandra Main Road, **Bangalore -560094**
Tel : 91-80-40620000
Website : www.giladafinance.com

STATUTORY AUDITORS
M/s. Bennur Nagaraja & Co, Chartered Accountants
No. 21, II Floor,Hospital Road
Near Menaka Theatre,
Bangalore -560053

REGISTRAR & TRANSFER AGENTS
Can Bank Computer Services Ltd.
No.218, J.P Royale, 1st Floor, 2nd Main, Sampige Road, (Near 14th Cross) , Malleshwaram, Bangalore- 560003.
Ph : 080-2349661/62/64/65
E-mail: canbankrta@ccsl.co.in

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VISION

To be a diversified Business group having focus on each business.

MISSION

To put all our values and business acumen in all business activities in order to deliver growth to all our stakeholders.

VALUES

Focus

Quality

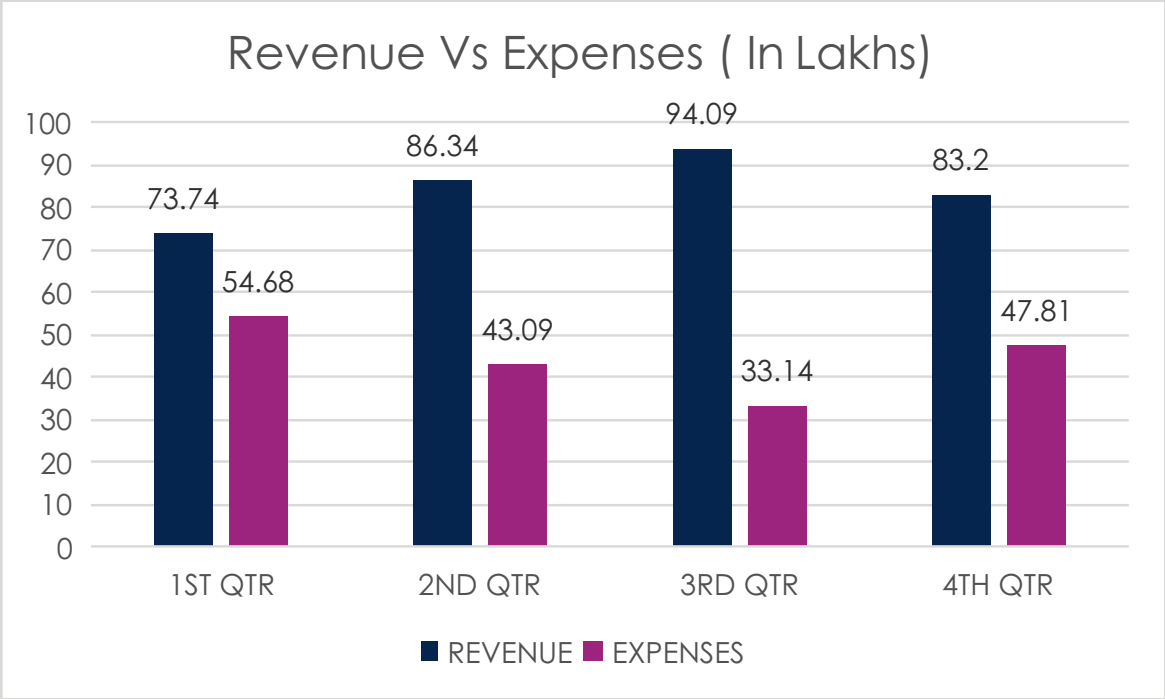
Commitment

Initiative

Speed

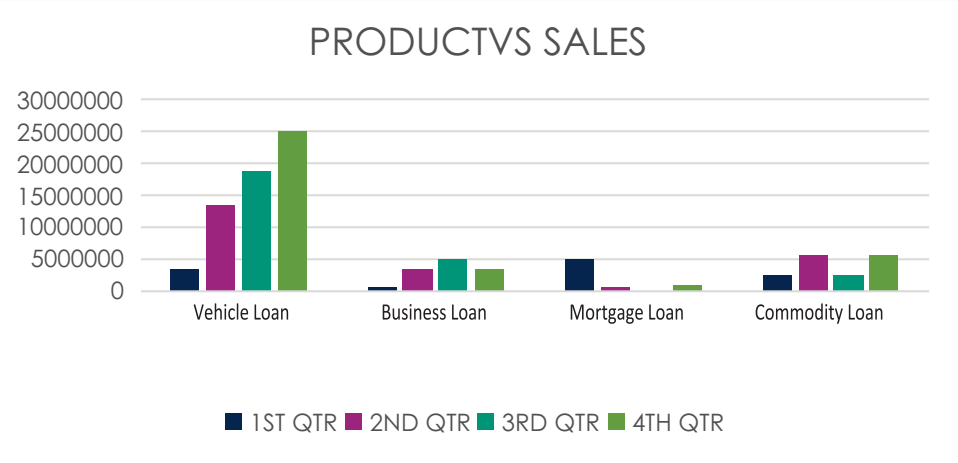
FINANCIAL HIGHLIGHTS

During the Year 2020-21_- REVENUE VS EXPENSE (In Lakhs)



During the Year 2020-21_- PRODUCT VS SALES (IN Rs)

SEGMENT LOANS



OUR PRESENCE

Gilada Finance and Investments Limited

Shop No.18 Chamber complex,
Super Market,
Kalaburgi

8-11-207, Venkatesh Nagar,
Opp. Tagare Yard, Behind Central Bus Stand,
Bidar - 585401.

3rd floor, B/376, 9th Cross, Phase 1,
Peenya Industrial Estate
Bengaluru

NOTICE

To,

The Shareholders,

NOTICE is hereby given that the 27th Annual General Meeting (AGM)of the members of GILADA FINANCE AND INVESTMENTS LIMITED will be held on Thursday, 30th September 2021 at 12:00 Noon, through electronic mode [Video Conferencing ("VC") or other audio visual means ("OAVM")] , to transact the following business:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st March, 2021 including Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss for the period ended 31st March, 2021 and the Cash Flow Statement for the year ended on that date and the reports of the Board of Directors ("the Board") and Auditors thereon.

Item No. 2 – Retirement by Rotation

To appoint a director in place of Mr. Sampathkumar Gilada (DIN: 02144736) who retires by rotation and, being eligible, offers himself for re-appointment.

Item No. 3 – Appointment of Statutory Auditor

To consider and, if thought fit, to pass the following resolution, with or without modification as an Ordinary Resolution:

"RESOLVED THAT pursuant to provisions of Sections 139, 142 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s) or re-enactment thereof) and pursuant to the recommendation of the Audit Committee and the Board of Directors, M/s. BENNUR NAGARAJA & CO, Chartered Accountant (Proprietor Membership No. 024163) Bangalore , who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rule 4 of Companies (Audit and Auditors) Rules, 2014 be and are hereby appointed as statutory auditors of the Company for a period of five (05) years to hold office from the conclusion of the 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors of the Company.

SPECIAL BUSINESS:

Item No. 4 – To approve the overall limit of Managerial Remuneration exceeding eleven percent.

To consider and, if thought fit, to pass the following resolution, with or without modification as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of sections 197 and 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof (for the time being in force)and subject to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulation 2018 and approval of the members be and is hereby accorded to the payment of managerial remuneration exceeding eleven percent of the net profits of the company for the financial year 2021-22.

RESOLVED FURTHER THAT the total Managerial Remuneration payable by the Company to its Directors, including Managing Director and Whole-time Director, in respect of any Financial Year shall not exceed as authorized by the Company in general meeting and subject to the provisions of Schedule V to the Act.

RESOLVED FURTHER THAT the Board of Directors and/or the Nomination and Remuneration Committee of the Company be and is hereby authorized to do all such acts, deeds and things as it may deem necessary and authorize executives of the Company for the purpose of giving effect to this Resolution."

Item No. 5 – To consider and approve the re-appointment of Mr.Rajgopal Gilada (DIN: 00307829) as Managing Director of the Company.

To consider and, if thought fit, to pass the following resolution, with or without modification as a Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and subject to the approval of members and in accordance with the provisions of Sections 196,197,198 and 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any Statutory modification or re-enactment thereof) read with Schedule - V of the Companies Act, 2013 and enabling

provisions of the Articles of Association of the Company , the Board of Directors of the Company be and is hereby accorded to the re-appointment of Mr.Rajgopal Gilada (DIN: 00307829) , as Managing Director of the Company for a period of 5 years with effect from 01st July 2021 to 30th June 2026, with a consolidated salary of Rs 1,00,000 as well as the payment of Salary, Commission and perquisites if any (hereinafter referred to as "remuneration") upon the terms and conditions as detailed shown below under the terms and conditions hereto, which is hereby approved and sanctioned with authority of the Board of Directors to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Rajgopal Gilada.

"RESOLVED FURTHER THAT the Board of Directors of the Company (including any committee thereof), be and is hereby authorised to do all such acts , deeds and things as may be deemed necessary, proper, desirable or expedient to give effect to this resolution including alteration and variation in such terms of remuneration so as to not exceed the limits specified in overall ceiling of the total managerial remuneration as provided under Section 197 read with Schedule- V of the Companies Act, 2013 or such other limits as may be prescribed from time to time".

"RESOLVED FURTHER THAT the Board be and is hereby authorized to execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors or Director(s) to give effect to the aforesaid resolution."

Item No. 6 – Appointment of Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830) as an Independent Director

To consider and, if thought fit, to pass the following resolution, with or without modification as an Ordinary Resolution:

'RESOLVED THAT Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830) who was appointed by the Board of Directors as an additional director in the Board Meeting held on 31.08.2021 under section 161(1) of the Companies Act, 2013 and who vacates his office at this Annual General Meeting and in respect of whom a notice in writing pursuant to section 160 of the Companies Act, 2013, as amended, has been received in the prescribed manner, be and is hereby appointed as an Independent Director of the Company pursuant to section 149 of the Companies Act, 2013 and Rules made thereunder, for a period of five years with effect from 01.10.2021, up to 30.09.2026.

RESOLVED FURTHER THAT pursuant to the provisions of section 149, 197 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Mr DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830) be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits, prescribed or as may be prescribed from time to time.'

By the order of the Board
For **GILADA FINANCE AND INVESTMENTS LIMITED**

Iswariya Rajan
(COMPANY SECRETARY & COMPLIANCE OFFICER)
M. No. : A52673

Date: 31.08.2021
Place: Bengaluru

INFORMATION ON DIRECTORS APPOINTED/ REAPPOINTED AT THIS ANNUAL GENERAL MEETING:

ADDITIONAL INFORMATION IN TERMS OF REGULATION 26 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF DIRECTORS BEING PROPOSED FOR APPOINTMENT/ RE-APPOINMENT

Name	**Sampatkumar Shankarlal Gilada**
DIN	02144736
Age	55 Years
Date of Appointment	08/06/1995
Qualification	B.E and Post Graduate Diploma in Business
Management Expertise in Specific Functional Area	As Director and Partner in various industries, Mr. Sampatkumar Shankarlal Gilada has rich experience in Industrial Management, Technology and Financial Services.
Directorship and Partnership Company	Sri Shakti Land Developers And Constructions Limited Rajvaibhav Enterprises Private Limited Vijayalakshmi Hydro Power Private Limited Shankarlal Gilada & Sons Private Limited SRM Power Private Limited Samrat Wires Private Limited Yash Proteins Private Limited Krishna Valley Power Private Limited Sahyadri Renewable Energy Private Limited Gita Refractories Private Limited Whitefield Refractories Private Limited Siddhi Ferrous Private Limited Suyash Udyog Private Limited Prestress Steel LLP
Chairman/ Membership of Committees in other Indian Public Limited Companies as on 31.03.2021 (i) Audit Committee (ii)Stakeholders Relationship Committee (iii) Nomination and Remuneration Committee	NIL
Number of shares held in the company	1,20,700 shares

Name	**Rajgopal Gilada**
DIN	00307829
Age	57 Years
Date of Appointment	26/07/1994
Qualification	Engineering Graduate in Industrial Management and Post Graduate Diploma in Business Management
Expertise in Specific Functional Area	As a Managing Director and Partner in various industries, Mr. Rajgopal Shankarlal Gilada has rich experience in Industrial Management, Corporate Governance, Compliances, Technology and Financial Services.
	1. Sri Shakti Land Developers And Constructions Company Limited 2. Rajvaibhav Enterprises Private Limited 3. Vijayalakshmi Hydro Power Private Limited 4. Shankarlal Gilada & Sons Private Limited 5. SRM Power Private Limited 6. Krishna Valley Power Private Limited 7. Sahyadri Renewable Energy Private Limited 8. Gita Refractories Private Limited 9. Whitefield Refractories Private Limited 10. Prestress Steel LLP 11. Vikramaditya Renewable Energy Private Limited
Chairman/ Membership of Committees in other Indian Public Limited Companies as on 31.03.2021 (i) Audit Committee (ii)Stakeholders Relationship Committee (iii) Nomination and Remuneration Committee	NIL
Number of shares held in the company	1,52,800 shares

NOTES:

The Statement as required under Section 102 of the Companies Act , 2013 ('the Act") is annexed to the Notice.

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the EGM/AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as voting on the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.giladafinance.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
8. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 22nd September 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 22nd September 2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system"
9. The Meeting shall be deemed to be held at the Registered office of the Company at #105 R R Takt, 37 Bhoopasandra Main Road, Bangalore – 560094.
10. Since the AGM will be held through VC / OAVM, the route map to the venue is not annexed to this Notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on 26th September 2021 at 09:00 A.M. and ends on 29th September , 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22nd September 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22nd September 2021.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding contact securities in demat mode with NSDL	Members facing any technical issue in login can NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website ?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client IDFor example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary IDFor example if your Beneficiary ID is 12********** then your user ID is 12**********
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the companyFor example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5..Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

   d) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

   e) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
7. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
8. Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
9. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
10. Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

11. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

12. Now, you will have to click on "Login" button.

13. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/ OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to sand.associates2016@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to 'Thejas Narasimhamurthy' at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to cs@giladagroup.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to cs@giladagroup.com . If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at cs@giladagroup.com. The same will be replied by the company suitably.
6. The shareholders who wish to register themselves as speaker should register before 22nd September 2021. The shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

In accordance with the provisions of Section 139 of the Companies Act, 2013 ('Act') read with Rule 6 of The Companies (Audit and Auditors) Rules, 2014, every Company shall appoint Statutory Auditors to hold office for one term of five years. The Act further makes it mandatory to rotate the statutory auditors after ten consecutive years, in case of a firm of auditors. Further with regard to rotation of Auditors, wherever necessary, the companies are required to comply with the provisions of Section 139(2) of the Act by the year 2017 i.e. within three years from the date of commencement of the 'Act'.

M/s Bennur Nagaraja & Co (Proprietor Membership No. 024163)Chartered Accountants Bangalore, have been identified for appointment as the Statutory Auditors of the Company. Being eligible for appointment under the provisions of the Companies Act, 2013, they have furnished their consent to act as the Statutory Auditors, in terms of the second proviso to Section 139 of the Act and also provided a certificate to the effect that their appointment, if made, shall be in accordance with the conditions laid down and that they satisfy the criteria provided under Section 141 of the Act. The Board of Directors, on the recommendation of the Audit Committee, at the board meeting held on 01st October ,2020 proposed the appointment of M/s. Bennur Nagaraja & Co as the Statutory Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company. The Board Proposed the re-appointment of M/s. Bennur Nagaraja & Co as the Statutory Auditors of the Company for a period of five years from the conclusion of 27th Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company.

The Board recommends the resolution for approval by the Members of the Company. None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the aforesaid Ordinary Resolution.

This Explanatory Statement together with the accompanying Notice may also be regarded as a disclosure under Regulation 36 of the Listing Regulations.

By the order of the Board

Item No. 4:

Payment of Managerial Remuneration:

The Nomination and Remuneration Committee, in its meeting held on 31.08.2021 recommended and the Board of Directors, in its meeting held on 31.08.2021, approved the payment of managerial remuneration exceeding eleven percent of the net profits of the company for the financial year 2021-22 subject to the approval of the shareholders in the General Meeting.

The Board recommends the Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

Item No. 5:

The following statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

Mr.Rajgopal Gilada (holding DIN: 00307829) who was appointed as Managing Director to hold office upto 30th June 2021, has rich and varied experience in the Industry and has been involved in the operations of the Company over a considerable period of time.

In terms of the Corporate Governance Guidelines of the Company and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company passed a resolution on 30th June 2021 approving re-appointment of Mr.Rajgopal Gilada (holding DIN: 00307829) as Managing Director of the Company for a further period of five years with effect from 01st July 2021 to 30th June 2026. This is subject to the approval of the Shareholders at the 27th Annual General Meeting.

The explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.

The details of remuneration payable to Mr.Rajgopal Gilada are given below:

i. Salary of Rs 1,00,000 /- per Month. Increments/ Variations to be decided by the Nomination and Remuneration Committee (NRC).

ii. Allowances/ Perquisites/ Commission: As may be determined by the NRC.

iii. Contribution to Provident Fund, Superannuation Fund and Gratuity as per rules of the fund/scheme in force from time to time.

iv. Encashment of leave as per rules of the Company in force from time to time.

v. The aggregate remuneration (including salary, allowances, perquisites, incentive / commission and retirement benefits) for any financial year shall be subject to an overall ceiling as prescribed under the Companies Act, 2013 and rules made thereunder.

vi. In the event of absence or inadequacy of profits in any financial year, the remuneration by way of Salary, allowances , perquisites, amenities , facilities , incentive and retirement benefits to Mr.Rajgopal Gilada as may be determined by the Board or NRC, shall not , except with the approval of Central Government, exceed the limits prescribed under the Act and the rules made thereunder or any statutory modification or re-enactment thereof.

vii. Mr. Rajgopal Gilada will be subject to all other service conditions as applicable to any other employee of the Company.

The Company has received a notice from a member under section 160 of the Companies Act, 2013, along with the requisite deposit, proposing the reappointment of MrRajgopal Gilada as Managing Director. Except Mr.Rajgopal Gilada, Ms. Bindu Gilada and their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested , financially or otherwise in this resolution set out as Item No. 5.

The Board of Directors recommends the resolution in relation to the re-appointment and payment of remuneration to Mr.Rajgopal Gilada for the approval of the Shareholders of the Company.

Item No. 6:

Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830)

Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL ,63, was appointed by the Board of Directors of the Company at its meeting held on 31.08.2021 as an additional director in the capacity of Independent Director with effect from 31.08.2021. He holds office until the ensuing Annual General Meeting under section 161(1) of the Companies Act, 2013.

He has submitted the declaration of Independence, as required pursuant to section 149 (7) of the Companies Act, 2013, stating that he meets the criteria of independence as provided in section 149(6) and regulation 16 of SEBI Listing Regulations, 2015. Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830) is not disqualified from being appointed as a Director in terms of section 164 of the Act.

In respect of the appointment of Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830), a notice in writing in the prescribed manner, as required by section 160 of the Companies Act, 2013 (as amended) and Rules made thereunder, has been received by the Company, regarding his candidature for the office of the director.

According to section 152 of the Companies Act, 2013, read with Schedule IV to the Companies Act, 2013, in the opinion of the Board, the proposed appointment of Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830) as an Independent Director fulfils the conditions specified in the Act and the Rules made thereunder as also the SEBI Listing Regulations, 2015 and that the proposed appointment of Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL (DIN: 09286830) is independent of the Management.

Brief Profile

Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL, possess wide experience and special skill in Accounting and Financial aspect of Banking. He has Extended his services as guest faculty in Training Centres and other private Banks and also in Branches on Banking Operations.Through the skills and traits acquired in his long career in Banking Industry, he can play a very important role in handling challenging tasks independently and succession planning. He has also acquired special skill in managing auditors.

None of the Directors or Key Managerial Personnel or their relatives, except Mr. DODBALLAPUR NARASIMHAMURTHY GOPAL, is directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.

The Board commends this ordinary resolution set out in item No. 6 of the Notice for approval by shareholders.

For **GILADA FINANCE AND INVESTMENTS LIMITED**

Iswariya Rajan
(COMPANY SECRETARY & COMPLIANCE OFFICER)
M. NO. : A52673

DATE: 31.08.2021
PLACE: BENGALURU

DIRECTORS' REPORT

To,

The Members,

The Board has pleasure in presenting the 27thAnnual Report on the business and operations of the Company and the Audited Financial Statements for the Financial Year ended March 31, 2021.

1. **FINANCIAL PERFORMANCE OF THE COMPANY**

The Board's Report shall be prepared based on the standalone financial statements of the company.

Particulars	2020-21 (In Rs)	2019-20 (In Rs)
Total Income	3,37,38,210	3,49,23,094
Total Expenditure	1,41,82,800	1,94,38,272
Profit Before Exceptional and Extraordinary Items and Tax	1,95,55,409	1,54,84,822
Exceptional Item	53,78,038	34,74,058
Profit Before Tax	1,41,77,371	1,20,10,764
Tax Expense:		
Current Tax.	43,56,700	33,44,249 (
Prior Year Tax		1,18,335
Deferred Tax		(79,73,700)
Profit /(Loss) for the period	**98,20,671**	**93,41,880**
Earnings per Equity Share:		
Basic	2.80	2.66
Diluted	2.80	2.66

2. **BUSINESS OVERVIEW**:

During the year under review, your Company has successfully grown its AUM to Rs. 15.26 crores from Rs.14.50 crores as compared to the previous year. The revenues from operations stood at Rs. 3.37 Crores during the financial year 2020-21 as against Rs. 3.49 Crores during the previous year. The net profit after tax improved to Rs. 98 lakhs as compared to Rs. 93 lakhs in the previous year.

The Company will continue its focus on loans to Small & Medium Enterprises (SMEs), Leasing Mortgage loans, Working capital loans and Commodity loans. The Company has its presence in the State of Karnataka though Branches in Bangalore, Gulbarga and Bidar. The Company plans to grow its Loan portfolio by increasing the productivity and with the existing infrastructure. Though the Covid 19 and the consequent lock down has affected the business of your Company to an extent in the first half of the Financial year, it hopes to improve the business volumes in the second half of the year and to achieve the targets set.

3. **SHARE CAPITAL**:

The paid up equity share capital of the company as on 31st March 2021 was Rs. 3.51 Crores

There was no public issue, rights issue, bonus issue or preferential issue, etc. during the year under review. The Company has not issued shares with differential voting rights or sweat equity shares.

4. **TRANSFER TO RESERVES**:

Your Company has transferred a sum of Rs.19.64 lacs to Statutory Reserve as required under the Reserve Bank of India Act, 1934. The Company has not transferred any amount to General Reserve during the year under review.

5. **DIVIDEND:**

With the view to conserve resources, your Directors are unable to declare any dividend for the year under review.

The unclaimed/ unpaid dividend of Rs 33859 is pertaining to the financial year 2017-18.

6. **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT i.e. AFTER 31ST MARCH, 2021 BEFORE DATE OF SIGNATURE OF DIRECTORS' REPORT**:

   There have been no material changes and commitments that affect the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report except the Changes mentioned below.

   a) Ms. Sangeetha Sampathkumar Gilada has been elevated to Chief Executive Officer of the Company w.e.f 30.07.2020

   b Ms. Pallavi Vaibhav Gilada has been appointed as Chief Financial Officer w.e.f 30.07.2020

   c) Ms. Iswariya Rajan has been appointed as the Company Secretary and Compliance officer of the Company w.e.f 02.09.2020.

7. **CHANGE IN THE NATURE OF BUSINESS, IF ANY**.

   There has been no change in the business of the Company during the year under review.

8. **NAMES OF THE COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR ALONG WITH REASONS:**

   The Company has no subsidiaries. Further during the year no joint ventures or associate companies were incorporated.

9. **RBI GUIDELINES:**

   The Company fulfills all the norms and standards applicable to NBFCs as set out by Reserve Bank of India (RBI). Your Company is well capitalized and has a capital adequacy ratio of 94.8% as against the 15% norm prescribed by the Regulator for NBFCs. This high CAR will enable the Company to increase its loan volumes by resorting to higher leveraging of debt.

10. **DIRECTORS AND KEY MANAGERIAL PERSONNEL**:

   (i) Mr. Sampatkumar Shankarlal Gilada (DIN: 02144736) retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for reappointment.

   (ii) Ms. Sangeetha Sampathkumar Gilada has been elevated to Chief Executive Officer of the Company w.e.f 30.07.2020

   (iii) Ms. Pallavi Vaibhav Gilada has been appointed as Chief Financial officer of the Company w.e.f 30.07.2020

   (iv) Ms. Iswariya Rajan has been appointed as the Company Secretary and Compliance officer of the Company w.e.f 02.09.2020.

11. **NUMBER OF BOARD & COMMITTEE MEETINGS:**

   A calendar of Meetings is prepared and circulated in advance to the Directors. During the year Five (5) Board Meetings, Five (5) Audit Committee Meetings, Five (5) Nomination and Remuneration Committee Meetings, one (1)Stakeholders Relationship Committee Meeting,and one(1) Independent Directors Meeting were convened and held, the details of which are furnished in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

12. **EVALUATION OF THE BOARD , ITS COMMITTEES AND INDIVIDUAL DIRECTORS:**

   Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance and of the individual Directors as well as an evaluation of the working of all the Committees of the Board. The Board of Directors was assisted by the NRC. The performance evaluation was carried out by seeking inputs from all the Directors/Members of the Committees, as the case may be.

   The Guidance Note on Board Evaluation ("Guidance Note") issued by SEBI, had encouraged companies which were not covered under Chapter IV of the LODR Regulations to follow the criteria mentioned in the Guidance Note. The Board of the Company followed the said criteria recommended under the Guidance Note for evaluating the performance of the Board as a whole, Committees of the Board, Individual Directors and the Chairman. The criteria for evaluation of the Board as a whole, inter alia, covered parameters such as Structure of the Board, Meetings of the Board, Functions of the Board and Board & Management. The criteria for evaluation of Individual Directors covered parameters such as knowledge and competency, fulfillment of functions, ability to function as a team, etc. The criteria for evaluation of the Board Committees covered areas related to mandate and composition, effectiveness of the committee, structure of the committee and meetings, etc.

The feedback of the Independent Directors on their review of the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company and the assessment of the quality, quantity and timeliness of flow of information between the Company, the Management and the Board was taken into consideration by the Board in carrying out the performance evaluation.

13. **DECLARATION BY AN INDEPENDENT DIRECTOR(S) AND RE- APPOINTMENT, IF ANY:**

The Company has received necessary declaration from each Independent Director of the Company under Section 149 (7) of the Companies Act, 2013 that the Independent Directors of the Company meet with the criteria of their Independence laid down in Section 149 (6).

The Company has not re-appointed any Independent Director after completion of five years.

Mr. K. V. Prabhakar, an Independent Director has successfully qualified the Online Proficiency Self assessment test for Independent Director's Databank on April 14, 2020 as per IICA (Indian Institute of Corporate Affairs) in compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Mr. Srikantiah Shivaswamy, an Independent Director has successfully qualified the Online Proficiency Self assessment test for Independent Director's Databank on April 21, 2020 as per IICA (Indian Institute of Corporate Affairs) in compliance with Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

14. **POLICY ON APPOINTMENT OF DIRECTORS AND REMUNERATION POLICY OF THE COMPANY:**

The NRC develops the competency requirements of the Board based on the industry and the strategy of the Company, conducts a gap analysis and recommends the reconstitution of the Board, as and when required. It also recommends to the Board, the appointment of Directors having good personal and professional reputation and conducts reference checks and due diligence of all Directors before recommending them to the Board. Besides the above, the NRC ensures that the new Directors are familiarized with the operations of the Company and endeavours to provide relevant training to the Directors.

In accordance with the provisions of Section 178 of the Act, the Board of Directors have adopted a Policy on Remuneration Policy.

The Remuneration Policy for Directors, Key Managerial Personnel ("KMP") and all other employees is aligned to the philosophy on the commitment of fostering a culture of leadership with trust. The Remuneration Policy aims to ensure that the level and composition of the remuneration of the Directors, KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to successfully run the Company.

Salient features of the Remuneration Policy, inter alia, includes:

* Remuneration in the form of Sitting Fees and Commission to be paid to Independent Directors and Non-Independent Non-Executive Directors, in accordance with the provisions of the Act and as recommended by the NRC;
* Remuneration to Managing Director / Executive Directors / KMP and all other employees is reasonable and sufficient to attract, retain and motivate them to run the Company successfully and retain talented and qualified individuals suitable for their roles, in accordance with the defined terms of remuneration mix or composition; and
* No remuneration would be payable to Directors for services rendered in any other capacity unless the services are of a professional nature and the NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession and approval of the Central Government has been received, if required, for paying the same.

  The Remuneration Policy of the Company are made available on the Company's website, www.giladafinance.com

The ratio of remuneration of each director to the median of employees' remuneration as per section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of Board's report and shown below. There was no increase in the remuneration payable to the Executive Directors - Mr. Sampathkumar Shankarlal Gilada and Mr. Rajgopal Gilada during the year under review. The variable component of the salary of executive director is linked to the performance targets for the Company in terms of revenue and for other employees; the Company has a defined performance targets linked to the consolidated statement of Profit and Loss, in addition to their performance. The increments in the pay to the employees are in consonance to average Industry standards and requirement to recognize the critical talents. In order to ensure that remuneration reflects company performance, the performance pay to the employees is linked to the organization performance. There are no employees receiving remuneration in excess of the remuneration received by the Executive Directors. The ratio of the remuneration of the executive director to the median remuneration of the employees of the Company for the year ended 31st March, 2021 is given below.

Name of the Director	Remuneration paid during 2020-21	Ratio to Median Remuneration
Mr. Sampat Kumar Gilada, Executive Director	5,75,000	1.71
Mr. Rajgopal Gilada, Managing Director	11,50,000	3.42

15. **AUDITORS:**

The Statutory Auditor of your Company, M/s. Gnanoba& Bhat, Chartered Accountants Bangalore were appointed for a term of 5 (Five) consecutive years at the 24thAnnual General Meeting (AGM) held on 29thSeptember, 2018 to hold office till the conclusion of the 29thAnnual General Meeting of the Company to be held in the year 2023.

M/s. Gnanoba & Bhat, Chartered Accountants Bangalore has tendered their resignation with effect from 13.08.2020 and M/s. BENNUR NAGARAJA & CO, Chartered Accountant (Proprietor Membership No. 024163) Bangalore , who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rule 4 of Companies (Audit and Auditors) Rules, 2014 be and are hereby appointed as statutory auditors of the Company to fill the casual vacancy caused by the resignation of M/s. Gnanoba & Bhat, Chartered Accountants (FRN.: 000939S) to hold office from the conclusion of 26th Annual General Meeting until the conclusion of the 27th Annual General Meeting of the Company at a remuneration as may be decided by the Board of Directors of the Company.

The Auditors' Report for the financial year ended 31st March, 2021 on the financial statements of the Company is a part of this Annual Report.

The observations made in the Auditor's Report of M/s. BENNUR NAGARAJA & CO, Chartered Accountants, read together with relevant notes thereon, are self-explanatory and hence do not call for any comments.

16. **ACCOUNTING STANDARDS FOLLOWED BY THE COMPANY:**

The Financial Statements of the Company have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, notified under Section 133 of the Companies Act, 2013. Further, the Company follows the Directions issued by RBI.

17. **BOARD'S EXPLANATION ON STATUTORY AUDITORS' REPORT:**

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. BENNUR NAGARAJA & CO, Chartered Accountants, Statutory Auditors, in their Reports dated June 30th 2021 on the Financial Statements of the Company for FY 2020-21 except the below.

a) In the ordinary course of business of financing, the company has given loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. All are in the nature of current accounts and repayable on demand. The yearend balance of loan given to such parties was Rs. 228.89 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.

   As in the ordinary course of business of financing, there were 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, there are no irregularities of repayment of principal amount & interest amount by the parties since they are in the nature of current accounts repayable on demand and there are no overdue amounts of loans granted.

b) There is a disputed income tax liability of Rs. 4,71,077/- for AY 06-07, which is under appeal with Commissioner of Income Tax (Appeals)-I, Bangalore. The dispute is on account of disallowability of deduction claimed under section 10(23G) and expenses disallowed u/s 14A and u/s 37 of the I.T.Act. The company had filed application for settlement of this demand under newly launched Vivad Se Vishwas Scheme of the I.T.dept.

c) There is also another disputed income tax liability 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.

18. **DISCLOSURE ABOUT COST AUDIT:**

In view of the same and in terms of the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, the Company is exempt from requirements of cost audit**.**

19. **SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors had appointed CS Varun Nashine, Practising Company Secretary (Membership No. 49574), to undertake the Secretarial Audit of the Company, for FY 2020-21. The Secretarial Audit Report, in the prescribed Form No. MR-3, is annexed as Annexure 'III'.

There are no qualifications, reservations or adverse remarks or disclaimers made by CS Varun Nashine, Practising Company Secretary (Membership No. 49574) in their Secretarial Audit Report dated 02.08.2021 on the secretarial and other related records of the Company, for FY 2020-21 except the below.

* disclosures on Company's website as required under the provisions of Companies Act, 2013 and Listing Agreement entered into by the Company with BSE Limited under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were updated except disclosure required Section 177(10), details of setting up of Vigil Mechanism and Display of information of Independent Directors pursuant to Display of information of Independent Directors.

20. **BOARD'S EXPLANATION ON SECRETARIAL AUDIT REPORT:**

- ⇨ The Company informed that non updation of certain disclosures on Company's website for the above mentioned disclosure is due to some technical glitch.
- ⇨ The Company also informed that received a show cause notice from Registrar of Companies, Bangalore dated 01st June, 2021 pointing out non-compliance of section 185, 42, 92(3), 203, 149, 145, 124(5), 134, 129, 143 of Companies Act, 2013. The Company has submitted its reply letter through Giridhar & Co. Advocates on 30th June, 2021.
- ⇨ Further the Company received second notice from ROC dated 22nd July directing to clarify the compliance of section 21 of the Companies Act, 2013 and the Company has submitted its reply through letter dated 24th July, 2021 within the prescribed time in the letter.
- ⇨ In the ordinary course of business of financing, the company has given loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013. All are in the nature of current accounts and repayable on demand. The yearend balance of loan given to such parties was Rs. 228.89 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.
- ⇨ As in the ordinary course of business of financing, there were 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, there are no irregularities of repayment of principal amount & interest amount by the parties since they are in the nature of current accounts repayable on demand and there are no overdue amounts of loans granted.

21. **INTERNAL FINANCIAL CONTROLS:**

The Board has adopted policies and procedures for ensuring the orderly and efficiently conduct of its business, including adherence to the Company's policies, the safe guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and timely disclosure of financial disclosures.

22. **VIGIL MECHANISM :**

In pursuance to the provisions of section 177(9) & (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for directors and employees to report genuine concerns has been established. The Vigil Mechanism Policy is yet to be uploaded on the website of the Company at www.giladafinance.com under investors/policy documents/ Vigil Mechanism Policy link. The non updation is due to the technical glitch.

23. **RISK MANAGEMENT POLICY**:

The Company has adopted a risk management policy which provides for identification, assessment and control of risks, which in the opinion of the Board of Directors may pose significant losses and may threaten the existence of the Company.

The Company has included the following further steps in its risk management policy to combat the ongoing Covid 19 pandemic. These includes,

i) Following prudent underwriting and credit norms

i i) Efficient collection mechanism aimed at improving the collection efficiency to pre-covid levels

iii) Flexible loan repayment options to customers

iv) Considering multiple scenarios after the covid 1st and Covid 2nd waves the moratorium pattern of the existing loans and the behavior of moratorium customers and collection capacity management

Further during the Financial year ended 2021, the Company enhanced the scope of the risk management policy to cover operational and investment risks. This is in addition to the management of the various existing risks Credit Risk, Liquidity Risk, Interest Rate Risk and Operation Risk. Being cognizant of this fact, the company has robust risk governance and has built an effective risk management framework. The company strongly believes that effective risk management can be a strategic differentiator and hence will remain focused on continuously strengthening its risk management systems.

The Company manages credit risk through stringent credit norms. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles.

Operational risks managed by internal control systems. The Risk Management Committee reviews and monitors these risk at periodical intervals.

24. **EXTRACT OF ANNUAL RETURN:**

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the website of the Company at www.giladafinance.com under Investor Information tab and also as required pursuant to section 92(3) oftheCompaniesAct,2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in **MGT 9** as a part of this Annual Report as **ANNEXURE I.**

25. **DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**:

There are no significant and material orders passed by the Regulators or Courts or Tribunal impacting the going concern status and company's operations in future.

26. **DEPOSITS**:

The details relating to deposits, covered under Chapter V of the Act and in term of the disclosure required under section 134(3) read with rule 8(5) of the Companies (Accounts) Rules, 2014, it is hereby stated that:

During the year, the company has not accepted from the public any deposits within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Accepting of Deposits) Rules, 2014. Further as the company has not accepted any deposits from the public, the Company is not required to comply with the directions issued by the Reserve Bank of India under Non-Banking Financial Companies (Reserve Bank) Directions, 1998 with respect to public deposits.

27. **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013**:

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are furnished in the notes to the Financial Statements.

Loans/Investments/Guarantees made to firms and companies under the same management are within the limits prescribed under RBI Directions, 1998 to NBFC's and the limits prescribed under Sections 185 and 186 of the Companies Act, 2013**.**

28. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

During the year, the Company did not enter into any material transaction with related parties, under Section 188 of the Companies Act, 2013. All transactions entered into by the Company with the related parties were in the ordinary course of business and on an arm's length basis. Form AOC-2, as required under Section 134 (3) (h) of the Act, read with Rule 8 (2) of the Companies (Accounts) Rules 2014, is attached as part of this report vide **Annexure II (a)**. Further, the Company's policy on Related Party Transactions is attached as part of this report vide **Annexure II(b)** as required under the Non-Banking Financial Companies – Corporate Governance(Reserve Bank) Directions, 2015.

Your Directors draw attention of the members to Note 11 in heading B- Notes on Accounts to the financial statements which sets out related party disclosures.

29. **CERTIFICATE ON CORPORATE GOVERNANCE REPORT:**

Pursuant to the SEBI Listing Regulations, 2015, a separate chapter titled Corporate Governance has been included in this Annual Report, along with the reports on Management Discussion and Analysis as **Annexure IV & V**.

The Certificate from the Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report as **Annexure VI**.

30. **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report forms part of this Annual Report for the year ended 31stMarch, 2021, has been provided in **ANNEXURE- V** in this Annual Report.

31. **AUDIT COMMITTEE:**

The Details of Audit Committee has been furnished in the Corporate Governance Report.

32. **OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

In order to prevent sexual harassment of women at work place a new act, *The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013* has been notified on 9th December, 2013. Under the said Act every company is required to set up an Internal Complaints Committee to look into complaints relating to sexual harassment at work place of any women employee.

The Company has adopted a policy for prevention of Sexual Harassment of Women at workplace and has set up Committee for implementation of said policy. During the year Company has not received any complaint of harassment.

33. **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**:

The details of conservation of energy, technology absorption, foreign exchange earnings and outgo are as follows:

a**) Conservation of energy**

(i) the steps taken or impact on conservation of energy	Your company's operation do not involve any manufacturing or processing activities, the particulars regarding conservation of energy and technology absorption, are not applicable.
(ii) the steps taken by the company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipment's	
(b) **Technology absorption**	
(i) the efforts made towards technology absorption	Technology absorption is not applicable.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
(a) the details of technology imported	
(b) the year of import;	
(c) whether the technology been fully absorbed	The Company has not incurred any expenditure on research and development during the year under review.
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	

(c) Foreign exchange earnings and Outgo..

a)	Foreign Exchange Earnings	Nil
b)	Foreign Exchange Outgo:	Nil

34. **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

The criteria for setting up Corporate Social Responsibility as prescribed by the notification issued by the Ministry of Corporate Affairs dated 27th February 2014 read with section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 are presently not applicable to the Company.

35. **HUMAN RESOURCES:**

Your Company treats its "human resources" as one of its most important assets. Your Company continuously invests in attraction, retention and development of talent on an ongoing basis. A number of programs that provide focused people attention are currently underway. Your Company thrust is on the promotion of talent internally through job rotation and job enlargement.

36. **DIRECTORS' RESPONSIBILITY STATEMENT:**

The Directors' Responsibility Statement referred to in Sub-clause (c) of Clause (3) of Sub-Section (5) of Section 134 of the Companies Act, 2013, shall state that:—

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

37. **PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section 197 of the Act read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the information in respect of the employees of the Company will be provided upon request. In terms of section 136 of the Act, the report and accounts are being sent to the members and others entitled thereto, excluding the aforesaid information which is available for inspection by the members at the registered office of the Company during business hours on working days of the Company. If any member is interested in obtaining a copy, such member may write to the registered office address of the Company in this regard.

38. **SECRETARIAL STANDARDS:**

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

39. **ACKNOWLEDGEMENTS**:

Your Directors wish to express a deep sense of gratitude for the continued support, co-operation and guidance received from the Central and State Government Departments, Reserve Bank of India, Registrar of Companies –Bangalore, Karnataka, Banks and customers during the year under review. The Directors wish to thank the Company's customers, vehicle manufacturers, vehicle dealers and shareholders for their continued support. The Directors also thank the employees of the Company for their contribution to the company's operations during the year under review.

For and on behalf of the Board of Directors

GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA	**SAMPATKUMAR GILADA**
MANAGING DIRECTOR	DIRECTOR
DIN: 00307829	DIN: 02144736

DATE: 31.08.2021

PLACE: BANGALORE

ANNEXURE - I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2021 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L65910KA1994PLC015981
2.	Registration Date	26/07/1994
3.	Name of the Company	GILADA FINANCE AND INVESTMENTS LIMITED
4.	Category/Sub-category of the Company	Company Limited by Shares/Non-Government Company
5.	Address of the Registered office & contact details	# 105 R RTakt, 37 Bhoopasandra Main Road, Sanjaynagar, Bangalore- 560094, Karnataka & Telephone : 080 - 4062 0000 Fax No. : 080 -4062 0008 Email : cs@giladagroup.com
6.	Whether listed company	Listed
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Canbank Computer Services Limited, # 2018, J P Royale, 1st Floor, 2nd Main, Sampige Road (Near 14th Cross) Malleshwaram, Bangalore- 560 003, Karnataka Telephone No.: 080 – 43469661/ 62/ 64/ 65 Fax No. : 080 – 23469667 E-mail : canbankrta@ccsl.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Other Credit Granting – Financial Services	64920	99.72

III. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2020]				No. of Shares held at the end of the year [As on 31-March-2021]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s	–	–	–	–	–	–	–	–	–
(1) **Indian**	–	–	–	–	–	–	–	–	–
a) Individual/ HUF	1050900	-	1050900	29.92	1050900	-	1050900	29.92	-
b) Central Govt	–	–	–	–	–	–	–	–	–
c) State Govt(s)	–	–	–	–	–	–	–	–	–
d) Bodies Corp.	1013400	-	1013400	28.85	1013400	-	1013400	28.85	-
e) Banks / FI	–	–	–	–	–	–	–	–	–
Total shareholding of Promoter (A)	**2064300**	**-**	**2064300**	**58.77**	**2064300**	**-**	**2064300**	**58.77**	-
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	500	-	500	0.01	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	500	-	500	0.01	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	203202	5000	208202	5.93	203001	5000	208001	5.92	0.00
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 lakh	311510	361591	673101	19.16	345686	361591	707277	20.14	0.98
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	358331	185500	543831	15.48	334272	185500	519772	14.80	0.68
c) Others (Hindu Undivided Families)	13782	-	13782	0.39	6927	-	6927	0.20	0.19
Non Resident Indians	8584	-	8584	0.24	1404	-	1404	0.04	0.20
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	0	-	0	0	4619	0	4619	0.13	0.04
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):- Total Public Shareholding	895409	552091	1447500	41.21	895909	552091	1448000	41.23	0
(B)=(B)(1)+ (B)(2)	**895909**	**552091**	**1448000**	**41.23**	**895909**	**552091**	**1448000**	**41.23**	0
C. Shares held by									
Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2960209**	**552091**	**3512300**	**100**	**2960209**	**552091**	**3512300**	**100-**	

B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Sampath Gilada	5,100	0.145	-	5,100	0.15	-	-
2	Sangeeta S Gilada	1,43,500	4.086	-	1,43,500	4.09	-	-
3	GowrajadeviGilada	91,000	2.591	-	91,000	2.59	-	-
4	ShankarlalGilada	1,70,000	4.84	-	1,70,000	4.84	-	-
5	RajashreeGilada	2,62,900	7.485	-	2,62,900	7.49	-	-
6	Bindu Gilada	1,10,000	3.132	-	1,10,000	3.13	-	-
7	SampathkumarGilada	1,15,600	3.291	-	1,15,600	3.29	-	-
8	RajgopalGilada	1,52,800	4.35	-	1,52,800	4.35	-	-
9	Shankarlal Gilada& Sons Pvt. Ltd	10,13,400	28.85	-	10,13,400	28.85	-	-
	Total	**20,64,300**	**58.77**	**-**	**20,64,300**	**58.77**	**-**	

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year	20,64,300	58.774	20,64,300	58.774
Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
At the End of the year	20,64,300	58.774	20,64,300	58.774

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
At the beginning of the year				
MALU PLANTATION & RESORTS LIMITED	201000	5.72	201000	5.72
KAMLABAI M.SONI	62000	1.77	62000	1.77
MADANLAL SONI	52300	1.49	52300	1.49
GOVIND JOSHI	52000	1.48	52000	1.48
RANIBEN H RAJDEV	48500	1.38	48500	1.38
MEENA SUNIL RAJDEV	47355	1.35	47355	1.35
SUNIL HUKUMAT RAJDEV	46386	1.32	46386	1.32
NAMRATA MALU	45945	1.31	45945	1.31
HANUMANDAS JOSHI	35700	1.02	35700	1.02
BHARAT H SHAH	35640	1.01	35640	1.01
BHURAT KUSUM	35500	1.01	35500	1.01
TOTAL	662326		662326	

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	383500	10.92	383500	10.92
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NA	NA	NA	NA
	At the End of the year	383500	10.92	383500	10.92

V. Indebtness

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	40,93,005	29,91,500	–	70,84,505
ii) Interest due but not paid	–	–	–	–
iii)Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**40,93,005**	**29,91,500**	**–**	**70,84,505**
Change in Indebtedness during the financial year				
* Addition	–	–	–	–
* Reduction	1,22,729	–	–	1,22,729
Net Chang	**1,22,729**	**–**	**–**	**1,22,729**
Indebtedness at the end of the financial year				
i) Principal Amount	39,70,276	–	–	39,70,276
ii) Interest due but not paid	–	–	–	–
iii)Interest accrued but not due	–	–	–	–
Total (i+ii+iii)	**39,70,276**	**29,91,500**	**—**	**39,70,276**

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Rajgopal Gilada	Sampat kumar Gilada	
1	Gross salary	11,50,000	5,75,000	17,25,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–
2	Stock Option	–	–	–
3	Sweat Equity	–	–	–
4	Commission - as % of profit	–	–	–
5	**Others, please specify**	-	-	-
	Total (A)	**11,50,000**	**5,75,000**	**17,25,000**
	Ceiling as per the Act	REMUNERATION WITHIN LIMITS PRESCRIBED BY THE ACT		

B. Remuneration to other directors: Nil

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO Prashant Banerjee	CS Iswariya Rajan	CFO Sangeetha Gilada	Total
1	Gross salary	–	3,45,544	5,06,000	8,51,544
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	–	–	–	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	–	–	–	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	–	–	–	
2	Stock Option	–	–	–	
3	Sweat Equity	–	–	–	
4	Commission - as % of profit	–	–	–	
5	**Others, please specify**	-	-	-	
	Total (A)	**–**	**3,45,544**	**5,06,000**	**8,51,544**

XII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made ,if any (give Details)
A. COMPANY					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
B. DIRECTORS					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–
C. OTHER OFFICERS IN DEFAULT					
Penalty	–	–	–	–	–
Punishment	–	–	–	–	–
Compounding	–	–	–	–	–

For and on behalf of the Board of Directors

GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA
MANAGING DIRECTOR
DIN: 00307829

SAMPATKUMAR GILADA
DIRECTOR
DIN: 02144736

DATE: 31.08.2021

PLACE: BANGALORE

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE II (A)

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

a)	Name(s) of the related party and nature of relationship	NIL
(b)	Nature of contracts/arrangements/ transactions	NIL
(c)	Duration of the contracts / arrangements/transactions	NIL
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	NIL
(e)	Justification for entering into such contracts or arrangements or transactions	NIL
(f)	date(s) of approval by the Board	NIL
(g)	Amount paid as advances, if any:	NIL
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

2. Details of material contracts or arrangement or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Details are provided Note 11 in heading B- Notes on Accounts of the financial statements to the financial statements as at 31st March, 2021.
(b)	Nature of contracts/arrangements/ transactions	The transactions entered into by the Company during the year with related parties on an arm's length basis were not material in nature. Details are provided Note 11 to the financial statements as at 31st March, 2021.
(c)	Duration of the contracts / arrangements/transactions	Based on the agreements /mutual business arrangements entered into from time to time.
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Based on the agreements /mutual business arrangements entered into from time to time.
(e)	Date(s) of approval by the Board, if any:	The related party transactions are at arm's length basis, accordingly necessary approvals have been obtained, wherever applicable.

For and on behalf of the Board of Directors

GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA
MANAGING DIRECTOR
DIN: 00307829

SAMPATKUMAR GILADA
DIRECTOR
DIN: 02144736

DATE: 31.08.2021

PLACE: BANGALORE

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE II (B)

Policy on Related Party Transactions

(As per Regulation 23(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Company shall enter into transactions with related parties only on arm's length basis, supported by agreement or formal letter. If the transaction is not on arm's length basis, then, necessary compliances under Companies Act, 2013 and / or Listing Agreement will be adhered to.

For the purpose of the above clause, transaction with a related party shall be considered material if the transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company.

For and on behalf of the Board of Directors

GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA
MANAGING DIRECTOR
DIN: 00307829

SAMPATKUMAR GILADA
DIRECTOR
DIN: 02144736

DATE: 31.08.2021

PLACE: BANGALORE

ANNEXURE - III

FORM NO. MR-3

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March 2021

To,

The Members,
Gilada Finance And Investments Limited
 # 105, R R Takt 37 Boopasandra Main Road
Bangalore KA 560094 IN

Dear Sirs,

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Gilada Finance And Investments Limited (hereinafter called the company) CIN No (L65910KA1994PLC015981). The Company is a listed Public Limited Company incorporated under the Companies Act 1956. The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts, statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

(i) The Companies Act, 2013 (the Act) and the rules made there under.

(ii) Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)and Section 118(10) of the Companies Act, 2013.

(iii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under.

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.

(v) The following regulations and Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

(c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(d) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996;

(e) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under with regard to maintenance of minimum public shareholding and compliance under clause 35 of the Listing Agreement.

(f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.

(g) The Listing Agreement entered into by the Company with BSE Limited under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(v) The Non Banking Financial Company (NBFC) norms and standards as identified by Reserve Bank of India Act, 1934 as applicable to the Company.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31stMarch 2021, and report that:

1. the company has maintained statutory registers and documents and had done necessary entries therein.

2. the Company has, in my opinion, complied with the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder and with the Memorandum and Articles of Association of the Company.

3. the Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

3.1 during the period under review Mrs. Pallavi Vaibhav Gilada appointed as CFO with effect from 30/07/2020 and designation of Mrs. Sangeeta Sampathkumar Gilada changed to CEO from CFO with effect from 30/07/2020, Mrs. Rajan Iswariya appointed as Company Secretary with effect from 02/09/2020.

3.2 during the period under review casual vacancy of Chartered accountant arose on 13/08/2020 due to the resignation of Gnanoba & Bhat and Bennur Nagaraja Chartered Accountant appointed as statutory auditor in the annual general meeting dated 07/12/2020 to fill the casual vacancy.

4. According to the management representation letter received by the Company adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system found to exist for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

5. decision was carried through while the system permits the views of dissenting member views could be captured and recorded as part of the minutes.

6. the Company has duly filed forms/returns required to be submitted with the Registrar of Companies.

7. the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other companies and interests in other entities;

8. According to the management representation letter received the Directors have complied with the disclosure requirements in respect of their eligibility of appointment, being independent and compliance with the Code of Business Conduct and Ethics for Directors and Management Personnel;

9. the Company has obtained all necessary approvals under the various provisions of the aforesaid Acts and rules made there under, to the extent applicable and the company has complied the applicable regulations of Listing Agreement entered into by the Company with BSE Limited under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *except regulation 6 relating appointment of Compliance Officer:*

9.1 *the Company received notice from the Stock Exchange (BSE) dated 04th August, 2020 for Non-compliance with Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 imposing fine of Rs. 1,07,380 and was directed to pay the aforesaid fine within 15 days from the date of notice. The Company in its reply has pleaded for waiver of fine in its reply letter dated18/08/2020 through email.*

9.2 *In response to the said waiver request by the Company, Stock Exchange (BSE) had reduced the fine amount to Rs. 56,640(including GST) vide email dated 23rd April, 2021 and had given 10 days time to pay the said fine. However the Company has again pleaded for full waiver of fine vide email dated 26th April, 2021. As per representation received from the Company's Management in its Management letter, response from Stock Exchange (BSE) for the aforesaid plea dated 26th April, 2021 is not being received till the date of this report. Further Company has not deposited fine till the date of this report.*

10. *during the period under Audit it was found that the Company received a show cause notice from Registrar of Companies, Bangalore dated 01st June, 2021 pointing out non compliance of section 185, 42, 92(3), 203, 149, 145, 124(5), 134, 129, 143 of Companies Act, 2013.*

10.1 *the Company has submitted its reply letter through Girdhar & Co. Advocates on 30th June, 2021.*

10.2 *Further the Company received second notice from ROC dated 22nd July directing to clarify the compliance of section 21 of the Companies Act, 2013 and the Company has submitted its reply through letter dated 24th July, 2021 within the prescribed time in the letter.*

11. *during the period under Audit it was found that the company had shown Rs. 3.85 Cr as inventories. The inventories shown as Stock in trade (land at Gulbarga).*

12. *during the period under Audit it was found that as per 3(b) of Annexure-A to the Auditor's Report 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. It is further mentioned that 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.*

13. *during the period under Audit it was found the Company has not prepared financial statements as per the exact format prescribed in Division III of Schedule III of Companies Act, 2013.*

14. *during the period under Audit it was found disclosures pursuant provisions of Section 134(3)(e) and Section 178(3) of the Companies Act, 2013, in the Directors' Report 2019-20 has not been made.*

15. during the period under review we found that disclosures on Company's website as required under the provisions of Companies Act, 2013 and Listing Agreement entered into by the Company with BSE Limited under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 were updated except disclosure required Section 177(10), details of setting up of Vigil Mechanism and Display of information of Independent Directors pursuant to Display of information of Independent Directors and as per Management's explanations the non updation is due to some technical glitch and website of the company is under the process of updation.

We further report that, based on the information provided on http://www.bseindia.com 3512300 equity shares of Gilada Finance & Investments Limited (Scrip Code: 538788) are listed with BSE Limited (Bombay Stock Exchange) and admitted to dealings on the Exchange in the list of 'T' Group Securities effective from November 19, 2014.

We further report that there were adequate systems and processes in the company commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The company had deputed proper persons to ensure the timely compliances of laws applicable to the Company.

There were no other specific events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Further to the continuous spreading of COVID -19 across India which has resulted in restriction on physical visit to the client locations and the need for carrying out alternative audit procedures. As a result of the above, the entire audit was carried out based on remote access of the data as provided the management. We have relied on the representations made by the Company, its Officers and Reports of the Statutory Auditor for the systems and mechanism framed by the Company for compliances under other Acts, Laws and Regulations applicable to the Company.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Place: Pune
Date: 02/08/2021

For **SAND & Associates**
Practicing Company Secretaries

(Varun Nashine)
Partner
C.P. No. 17975 | M. No. 49574
Udin: A049574C000725931

Annexure 'A' to Secretarial Audit Report of
GILADA FINANCE AND INVESTMENTS LIMITED
dated 02nd August, 2021

To,
The Members,
Gilada Finance And Investments Limited
Corporate Identity Number:L65910KA1994PLC015981
Registered Office: # 105, R RTakt
37 Boopasandra Main Road, Bangalore-560094

The Secretarial Audit Report of even date is to be read alongwith this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on the audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company and relied on the opinion of the Statutory Auditors.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 02/08/2021

For **SAND & Associates**
Practicing Company Secretaries

(Varun Nashine)
Partner
C.P. No. 17975 | M. No. 49574
Udin: A049574C000725931

ANNEXURE - IV

CORPORATE GOVERNANCE REPORT FOR THE YEAR ENDED ON 31ST MARCH 2021

The Company recognizes its role as a corporate citizen and endeavours to adopt the best practices and the highest standards of corporate governance through transparency in business ethics, accountability to its customers, investors, regulators and other stakeholders. The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better these practices by adopting best practices.

1. Company's Philosophy:

Our Corporate Governance principles are a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. The Board of Directors ("Board") helps to ensure that we have appropriate governance in place, to both support our operations and protect our Members' interest. As a good corporate citizen, The Company believes that governance practices enable the Management to direct and control the affairs of the Company in an efficient manner and to achieve the Company's goal of maximizing value for all its stakeholders. The Company will continue to focus its resources, strengths and strategies to achieve its vision, while upholding the core values of transparency, integrity, honesty and accountability. The Company is committed to the highest standards of Corporate Governance in all its activities and processes. We continue to believe that good corporate Governance is essential to achieve long-term corporate goals and to enhance stockholders value.

The requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") mandated by the Securities and Exchange Board of India ("SEBI") have been fully complied with. A report on compliance with the SEBI Listing Regulations as prescribed by SEBI is given below.

2. **Board of Directors:**

Composition :

The Company's day-to-day affairs are managed by the Managing Director, assisted by a competent management team, under the overall supervision of the Board. The Company has in place an appropriate risk management system covering various risks that the Company is exposed to, including fraud risks, which are discussed and reviewed by the Audit Committee and the Board every quarter.

The Board has been constituted in a manner as per Regulation 17 of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 (the Act). The Board has an appropriate mix of executive / non-executive and independent directors, including a woman director to ensure proper governance and management. The Board comprises of five members, of which three are Non-Executive Directors including a Woman Director. Not less than one-third of the total strength of the Board comprises of Independent Directors. The Company has two Independent Directors. None of the Directors on the Company's Board is a member on more than ten (10) Committees and Chairman of more than five (5) Committees across all the companies in which he is a Director. All the Directors have made necessary disclosure regarding committee positions occupied by them in other companies. The composition of the Board is in conformity with the listing requirements.

All the Directors possess requisite qualifications and experience in general corporate management, banking, finance, economics, marketing, digitization, analytics and other allied fields that allow them to contribute effectively by actively participating in the Board and Committee Meetings, providing valuable guidance and expert advice to the Board and the Management and enhancing the quality of Board's decision making process..

During the financial year 2020-21, the Company did not have any material pecuniary relationship or transactions with its Non- Executive Directors.

Code of Conduct for Directors and Senior Management: The Company has adopted the code of conduct for directors and Senior Management and the Company received the annual affirmations with regard to the adherence to the code of conduct for the financial year 2020-21.

3. Board Meetings:

The Board meets at regular intervals to discuss and decide on policy of the Company / business and strategy apart from other Board business. The Board of Directors formulates the business strategies and operational policies concerning the Company's operations.

The Board periodically reviews the matters required to be placed before it and inter alia reviews and approves the quarterly financial statements, corporate strategies, business plan, annual budgets and capital expenditures. It monitors the overall performance and reviews other matters, which require Board's

attention. The Board also takes on record the declarations and confirmations made by the Chairman and Managing Director regarding compliances of all laws on a quarterly basis.

The Board of Directors duly met Five (5) times respectively on 30th July 2020; 29th August 2020; 01st October 2020; 06th November 2020, and 11th February 2021, in respect of which meetings proper notices were sent and the proceedings were properly recorded and signed in accordance with the provisions of the Companies Act, 2013 and rules made there under. The requisite information as enumerated in Annexure I to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is made available to the Board of Directors for discussion and consideration at Board Meetings.

The composition of the Board of Directors, attendance of Directors at the Board Meetings and at the last Annual General Meeting and the number of Directorships and Committee Memberships held by the Directors in other public companies are given below:

Name of Director (Designation)	Category	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorship in other companies *	No. of memberships in Committees of Directors in other companies
Mr. Rajgopal Gilada (Managing Director)	Professional & Executive Director	5	YES	11	NIL
Mr. Sampat Kumar Gilada (Director)	Professional & Executive Director	5	YES	13	NIL
Ms. Bindu Rajgopal Gilada	Non--Executive Woman Director	5	YES	4	NIL
Mr. K. V. Prabhakar (Director)	Independent & Non- Executive Director	5	YES	1	1
Srikantiah Shivaswamy	Independent Non- Executive Director	5	YES	-	NIL

* For the purpose of directorship / committee membership, all private companies and section 8 companies have been considered.

\# Only chairmanship / membership of audit committee, credit committee and stakeholders relationship committee have been considered.

The Independent Directors of the Company provide an annual certificate of independence in accordance with section 149(7) of the Act, to the Company, which is taken on record by the Board.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and that of the Articles of Association of the Company, Mr. Sampatkumar Shankarlal Gilada will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offers himself for re-appointment. Information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on the details of the Directors seeking appointment / re-appointment in the forthcoming Annual General Meeting is annexed to the Notice of the Annual General Meeting.

4. **Familiarization Programme for Independent Directors**:

Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, requires listed companies to familiarize the Independent Directors with the Company their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc., through various programmes. Accordingly the Company has a familiarization programme for independent directors with regard to their roles, rights, responsibilities in the Company; nature of the industry in which the Company operates, the business model of the Company, etc. and the same is available on the website of the Company.

5. Separate Meeting of Independent Directors:

During the year under review, in line with Regulation 25(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with provisions of the Companies Act, 2013, the independent directors had a separate meeting on 19thOctober 2020 without the presence of the management team and the non-independent directors of the Company.

6. Committees of the Board:

The Board has constituted various committees to support the Board in discharging its responsibilities. There are four committees constituted by the Board - Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Risk Management Committee.

(i) Audit Committee:

The Company has an independent Audit Committee constituted in terms of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Committee exercises the powers and discharges the functions as stipulated Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 177 of the Companies Act, 2013 and rules made there under. The Members of the Audit Committee possess adequate knowledge of accounts, audit, finance, etc.

Terms of Reference:

The Committee acts as a link between the Board, the statutory auditors and the internal auditors. The role of the Audit Committee includes overseeing the financial reporting process and disclosure of financial information, review of financial statements, adequacy of internal financial control and risk management systems, findings of internal audits / investigations, whistle blower policy, monitoring the usage of funds from issue proceeds, to grant approvals for related party transactions which are in the ordinary course of business and on an arm's length basis, scrutiny of inter-corporate loans and investments, besides recommending the appointment / removal of the statutory auditors, the internal auditors and fixing their remuneration and review of the effectiveness of audit process, periodic review of statutory compliances and overseeing other matters specified for the review by Audit Committee under the Listing Agreement.

The Audit Committee also undertakes and reviews such other matters as may be delegated by the Board from time to time.

Composition and Meeting:

As at 31st March, 2021, the Audit Committee Comprised of:

Sl. No.	Name	Particulars	No. of meetings attended	Remarks
1.	Mr. K. V. Prabhakar	Non-Executive Independent Director	5	-
2.	Mr. Sampat Kumar Gilada	Executive Promoter Director	5	-
3.	Mr. Srikantiah Shivaswamy	Non-Executive Independent Director	0	

The Committee met 5 times during the financial year 2020-21. There are no recommendations of the Audit Committee which have not been accepted by the Board.

(ii) Nomination and Remuneration Committee:

Terms of Reference

The role of the committee is to determine the company's policy on specific remuneration packages for executive directors including periodic increments in salary.

The committee further considers and recommends persons who are qualified for board positions, evaluate directors performance prior to recommendation for re-appointments, persons who are qualified to be in senior management, formulate the criteria for determining qualifications, positive attributes and independence of a director and devising a policy on board diversity. Decisions for selecting a director is based on the merit, qualification, competency and the Company's business requirements. The recommendations of the committee are placed before the Board for its approval.

Composition and Meeting:

As at 31st March, 2021 the Nomination and Remuneration Committee Comprised of-

Composition and Meeting:

As at 31st March, 2020, the Audit Committee Comprised of:

Sl. No.	Name	Particulars	No. of meetings attended	Remarks
1.	Mr. K. V. Prabhakar	Non-Executive Independent Director	5	-
2.	Mr. Rajgopal Gilada	Executive Promoter Director	5	
3.	Mr. Srikantiah Shivaswamy	Non-Executive Independent Director	0	

Majority of the members of this committee comprise of independent directors.

The nomination and remuneration committee is responsible for identifying persons for initial nomination as directors and evaluating incumbent directors for their continued service. The committee has formulated a charter in terms of the provisions of the Act and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia, deals with the personal traits, competencies, experience, background and other fit and proper criteria. These attributes shall be considered for nominating candidates for board positions /re-appointment of directors.

The nomination and remuneration committee is responsible for identifying persons who are qualified to be appointed in senior management. The committee has formulated the charter in terms of the provisions of the Act and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which inter alia, deals with the criteria for identifying persons who are qualified to be appointed in senior management. These attributes shall be considered for nominating candidates for senior management position.

The Committee met Five (5) times during the financial year 2020-21.

Performance evaluation:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Board Evaluation Policy has been framed and approved by the Nomination and Remuneration Committee (NRC) and by the Board.

The Board carried out an annual performance evaluation of its own performance, the Independent Directors individually as well as the evaluation of the working of the Committees of the Board. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company etc.

The Directors expressed their satisfaction with the evaluation process.

Details of Remuneration paid to the Directors:

The Company has in place a remuneration policy which is guided by the principles and objectives as enumerated in section 178 of the Companies Act, 2013.

a. **Executive Directors:**

All elements of remuneration package i.e. salary, benefits; bonuses etc paid to Executive Directors during the financial year 2020-21 are detailed herein below-

Name of Director	Salary	Perquisites & Allowances	Total
Mr. Sampat Kumar Gilada	5,75,000	-	5,75,000
Mr. RajgopalGilada	11,50,000	-	11,50,000

Notes:

(i) No commission is payable to Executive Directors;

(ii) No sitting fee is paid to Executive Directors for attending the meetings of the Board of Directors of the Company and committees thereof;

(iii) There is no separate provision for payment of severance fees;

(iv) The Company does not have any Stock Option Scheme.

(iii) Stakeholders Relationship Committee:

Terms of Reference

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Shareholders and Investors Grievance Committee of the Company was renamed as the "Stakeholders Relationship Committee".

The Board has modified the scope of the Committee to align it with the revised Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is as follows:

(i) To review the reports submitted by the Registrar and Share Transfer Agent of the Company at half yearly intervals.

(ii) To interact periodically with the Registrar and Share Transfer Agent to ascertain and look into the quality of the Company's Shareholders/ Investors grievance redressal system and to review the report on the functioning of the said Investor grievances redressal system.

(iii) To follow-up on the implementation of suggestions for improvement.

(iv) To periodically report to the Board about serious concerns, if any.

(v) To consider and resolve the grievances of the shareholders of the company.

The Committee approves transfer of shares, consolidation/sub-division of shares, issue of duplicate shares and other allied matters. The Committee also looks into the shareholders' grievances pertaining to share transfers, dematerialization of shares, issue of duplicate shares and all other matters concerning shareholders/investors and gives direction from time to time for effective settlement of investors' grievances.

Composition and Meeting:

As at 31st March, 2021 the Stakeholders Relationship Committee Comprised of:

SL. No	Name	Particulars	No. of Meeting attended
1.	Mr. Srikantiah Shivaswamy	Non-Executive Independent Director	0
2.	Mr. K. V. Prabhakar	Non-Executive Independent Director	1
3.	Mr. Rajgopal Gilada	Executive Promoter Director	1

The Committee met once during the financial year 2020-21

The minutes of the Committee Meetings are circulated to the Board, discussed and taken note of. The Company has been receiving various correspondences from the shareholders and the required information/ documents are promptly furnished to the shareholders. No complaints were received from the shareholders during the financial year 2020-21.

7. General Body Meeting:

(i) Details of location, time and date of last three Annual General Meetings of the Company are provide below:

Year	Location	Date	Time
2017-18	Hotel Kanishka, No.2, II Main Road, Gandhinagar, Bangalore- 560 009	29th September, 2018	11:00 A.M
2018-19	Hotel Kanishka, No.2, II Main Road, Gandhinagar, Bangalore- 560 009	30th September, 2019	11:00A.M
2019-20	Video Conferencing	07th December 2020	11:00 AM

8. **Code of Conduct**:

The Board has laid down a "Code of Conduct" for all the Board Members and the senior management of the company and the code of conduct has been posted on the website of the company. Annual declaration confirming compliance of the code is obtained from every person covered by the code of conduct. A declaration to this effect signed by Mr. Rajgopal Gilada, Managing Director is attached to this report.

9. **Auditors Certificate on Corporate Governance:**

The auditors' certificate on compliance of corporate governance norms has been shown in **ANNEXURE- VI** to this Annual Report.

10. Vigil Mechanism:

As Required by the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Your Company has established a mechanism called **'Vigil Mechanism'** for directors and employees to report to the appropriate authorities of unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The policy permits all the directors and employees to report their concerns directly to the Chairman of the Audit Committee of the Company. The policy with the name and address of the Chairman of the Audit Committee has been communicated to the employees. The 'Vigil Mechanism Policy' is not uploaded on the website of the Company due to some technical glitches. The Company further affirms that during the year, no personnel have been denied access to the audit committee.

11. Disclosures:

- Related Party Transactions:

  All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no material transactions with related parties i.e., transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of company at large.

Suitable disclosures as required in compliance with accounting standards with related parties are disclosed in Note 11 in heading B- Notes on Accounts of the financial statements in the annual report.

- Compliance with Statutory / legal requirements:

There are no non-compliances by the company and no penalties, imposed on the Company by the Stock Exchanges, Securities and Exchange Board of India and other statutory authorities, on any matters relating to Capital Markets during the last three years except the below .

a) The Company received notice from the Stock Exchange (BSE) dated 04th August, 2020 for Non-compliance with Regulation 6(1) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 imposing fine of Rs. 1,07,380 and was directed to pay the aforesaid fine within 15 days from the date of notice. The Company in its reply has pleaded for waiver of fine in its reply letter dated18/08/2020 through email.

In response to the said waiver request by the Company, Stock Exchange (BSE) had reduced the fine amount to Rs. 56,640(including GST) vide email dated 23rd April, 2021 and had given 10 days time to pay the said fine. However the Company has again pleaded for full waiver of fine vide email dated 26th April, 2021. As per representation received from the Company's Management in its Management letter, response from Stock Exchange (BSE) for the aforesaid plea dated 26th April, 2021 is not being received till the date of this report. Further Company has not deposited fine till the date of this report.

b) the Company received a show cause notice from Registrar of Companies, Bangalore dated 01st June, 2021 pointing out non compliance of section 185, 42, 92(3), 203, 149, 145, 124(5), 134, 129, 143 of Companies Act, 2013 for which the Company has submitted its reply letter through Giridhar & Co. Advocates on 30th June, 2021.

Further the Company received second notice from ROC dated 22nd July directing to clarify the compliance of section 21 of the Companies Act, 2013 and the Company has submitted its reply through letter dated 24th July, 2021 within the prescribed time in the letter.

- Compliance with Accounting Standards:

Your Company confirms that it has complied with all the applicable Indian Accounting Standards issued by the Institute of Chartered Accountant of India.

- Compliance of mandatory requirements:

The Company has complied with all the mandatory requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

12. Means of Communication:

1	Half yearly report sent to each household of shareholders	Since the unaudited quarterly/ half- yearly results are published in the newspapers, the same were not sent to each household of shareholders.
2	Quarterly results sent to each household of shareholders	No, published in newspapers
3	In which newspaper the results are normally published in?	The Business Standard (English) and the Sanjevani (Kannada)
4	Any website, where results are displayed?	Yes
5	Whether it also displays official news releases and the presentations made to institutional investors or to the analysts	Yes
6	Whether Management Discussion & Analysis is part of the Annual Report	Yes
7	Whether shareholders' information forms part of Annual Report	Yes

13. General Shareholders' Information:

a. Annual General Meeting;

Financial Year	Venue	Date	Time
2020-21	VIDEO CONFERENCING	30.09.2021	12:00 Noon

b. Dividend Payment Date: Not applicable since no dividend has been declared.

c. Date of Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23rd September, 2021 to Thursday, 30th September, 2021 (both days inclusive).

d. Tentative Financial Calendar 20221-22:

Unaudited results for quarter ending 30th June 2021	First week of August 2021
Unaudited results for quarter ending 30th September 2021	Last week of October 2021
Unaudited results for quarter ending 31st December 2021	Last week of January 2022
Audited results for ending 31st March 2022	Last week of May 2022
Annual General Meeting for year ended 31.03.2022	August-September 2022

e. Listing on Stock Exchange:

Sl. No.	Name of Stock Exchange	Address of the Stock Exchange
1.	BSE Limited (Bombay Stock Exchange)	P.J. Tower, Dalal Street, Fort, Mumbai- 400 001

f. Stock Code:

Effective from November 19, 2014, the equity shares of Gilada Finance & Investments Limited (Scrip Code: 538788) are listed at BSE Limited (Bombay Stock Exchange) and admitted to dealings on the Exchange in the list of XT Group Securities.

g. Registrar & Share Transfer Agent of the Company:

Canbank Computer Services Limited
#218, J P Royale, 1st Floor, 2nd Main, Sampige Road (Near 14th Cross)
Malleshwaram Bangalore - 560003
Ph: 080-23469661/62/64/65
E-mail id: canbankrta@ccsl.co.in

h. Share Transfer System:

Physical Share Transfers lodged for transfer are processed and the share certificates are generally returned within a period of 15 days from the receipt if the documents are clear in all aspects. The authority for share transfers etc. is Stakeholders Relationship Committee which meets to consider and approve the transfer of shares.

i. Shareholding pattern as on 31st March 2021:

The distribution of shareholding as on 31.03.2021 is as under**:**

Cate -gory Code	Category of Shareholder	No. of Share-holders	Total No. of shares	No. of shares held in demat form	Total Shareholding as a percentage of total number of shares		No. of Shares underlying outstanding convertible securities		Shares pledged or otherwise encumbered	
(I)	(II)	(III)	(IV)	(V) No of	As a % As a of (A + B) (VI)	As a % of (A+B+C) (VII)	(VIII)	% hol-ding (IX)	Shares (XI)	% (Xi)
(A)	**Promoter and Promoter Group**									
1	Indian									
(a)	Individuals/HUF	8	1050900	1050900	29.92	29.92	0	0	0	0
(b)	Central Government /State Governments)	0	0	0	0	0	0	0	0	0
a.	Bodies Corporate	1	1013400	1013400	28.85	28.85	0	0	0	0
(d)	Financial Institutions /banks	0	0	0	0	0	0	0	0	0
(e)	Any Others (specify)									
	Person Acting Concert	0	0	0	0	0	0	0	0	0
	Directors & their r									
	elatives	0	0	0	0	0	0	0	0	0
	Partnership Firms	0	0	0	0	0	0	0	0	0
	Reserve Bank of India	0	0	0	0	0	0	0	0	0
	Employees									
	Welfare Fund	0	0	0	0	0	0	0	0	0
	ESOP/ESOS	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Sub-Total(A)(I)	9	2064300	2064300	58.77	58.77	0	0	0	0
2	Foreign									
(a)	Individual(Non-Resident Individuals /Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Bodies Corporate	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(e)	Any Others (specify) Directors & their relatives	0	0	0	0	0	0	0	0	0
	Partnership Firms	0	0	0	0	0	0	0	0	0
	Employees									
	Welfare Fund	0	0	0	0	0	0	0	0	0
	ESOP/ESOS	0	0	0	0	0	0	0	0	0
	Trusts	0	0	0	0	0	0	0	0	0
	Sub Total(A)(2)	0	0	0	0	0	0	0	0	0
	Total Share holding of Promoter and Promoter Group									
	(A)=[A(I) + (A(2)]	9	2064300	2064300	58.77	58.77	0	0	0	0

Cate -gory Code	Category of Shareholder	No. of Share-holders	Total No. of shares	No. of shares held in demat form	Total Shareholding as a percentage of total number of shares		No. of Shares underlying outstanding convertible securities		Shares pledged or otherwise encumbered	
(I)	(II)	(III)	(IV)	(V) No of	As a % As a of (A + B) (VI)	As a % of (A+B+C) (VII)	(VIII)	% hol-ding (IX)	Shares (XI)	% (Xi)
(B)	Public Shareholdings									
(B)	Public Shareholdings									
1	Institutions								NA	NA
(a)	Mutual Funds/UTI	0	0	0	0	0	0	0	-	-
(b)	Financial Institutions /Banks	0	0	0	0	0	0	0	-	-
(c)	Central Government /state Governments	0	0	0	0	0	0	0	-	-
(d)	Venture Capital Funds	0	0	0	0	0	0	0	-	-
(e)	Insurance Companies	0	0	0	0	0	0	0	-	-
(f)	Foreign Institutional Investors	0	0	0	0	0	0	0	-	-
(g)	Foreign venture Capital	0	0	0	0	0	0	0	-	-
(h)	Qualified Foreign Investor	0	0	0	0	0	0	0	-	-
(i)	Any Others (specify)	0	0	0	0	0	0	0	-	-
	Foreign Financial Institutions	0	0	0	0	0	0	0	-	-
	TOTAL (FFI)	0	0	0	0	0	0	0	-	-
	Foreign Mutual Funds	0	0	0	0	0	0	0	-	-
	Foreign Financial Institutions/ Banks	0	0	0	0	0	0	0	-	-
	Stressed Assets Stabilization Fund	0	0	0	0	0	0	0	-	-
	State Finance Corporation	0	0	0	0	0	0	0	-	-
	Sub-Total (B)(1)	0	0	0	0	0	0	0	-	-
2	Non Institutions									
(a)	Bodies Corporate	6	208001	203001	5.92	5.92	0	0	-	-
(b)	Individuals									
	i) Individual Share holders holding nominal share capital up to Rs. 2 lakh	1061	707277	345686	20.14	20.14	0	0	-	-
	ii) Individual Share-holders holding nominal share capital in excess of Rs. 2lakh	12	519772	334272	14.8	14.8	0	0	-	-

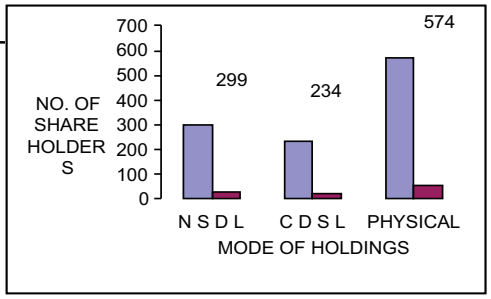
Cate -gory Code	Category of Shareholder	No. of Share-holders	Total No. of shares	No. of shares held in demat form	Total Shareholding as a percentage of total number of shares		No. of Shares underlying outstanding convertible securities		Shares pledged or otherwise encumbered	
(I)	(II)	(III)	(IV)	(V) No of	As a % As a of (A + B) (VI)	As a % of (A+B+C) (VII)	(VIII)	% hol-ding (IX)	Shares (XI)	% (Xi)
(c)	Qualified Foreign Investor	0	0	0	0	0	0	0	-	-
(d)	Any other (Specify)									
	Trust	0	0	0	0	0	0	0	-	-
	TOTAL (Trust)	0	0	0	0	0	0	0	-	-
	Director and their relatives	0	0	0	0	0	0	0	-	-
	Foreign Nationals	0	0	0	0	0	0	0	-	-
	Escrow Account	0	0	0	0	0	0	0	-	-
	Market maker	0	0	0	0	0	0	0	-	-
	Non-resident Indian	2	1404	1404	0.04	0.04	0	0	-	-
	O.C.Bs	0	0	0	0	0	0	0	-	-
	Societies	0	0	0	0	0	0	0	-	-
	Clearing members	6	4619	4619	0.13	0.13	0	0	-	-
	Shares in transit	0	0	0	0	0	0	0	-	-
	Hindi Undivided Family	11	6927	6927	0.2	0.2	0	0	-	-
	Foreign Corporate Bodies	0	0	0	0	0	0	0	-	-
	Partnership Firm	0	0	0	0	0	0	0	-	-
	Custodian of Enemy Property	0	0	0	0	0	0	0	-	-
	Foreign Collaborators	0	0	0	0	0	0	0	-	-
	ESOPs/ESOS/ESPS/ Employee Share holders	0	0	0	0	0	0	0	-	-
	Sub-Total (B)(2)	1098	1448000	895909	41.23	41.23	0	0	-	-
	Total Public Shareholding B=(B)(1)+(B)(2)	1098	1448000	895909	41.23	41.23	0	0	-	-
	Sub-Total (A+B)	1107	3512300	2960209	100	100	-	0	-	-
(c)	Shares held by Custodian against Depository receipt have been issued									
1	Promoter and Promoter Group	0	0	0	0	0	0	0	-	-
2	Public	0	0	0	0	0	0	0	-	-
	Grand Total (A+B+C)	1107	3512300	2960209	100	100	-	0	-	-

. **Dematerialization of shares and liquidity:**

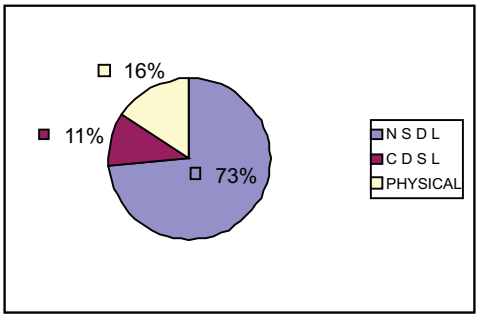
The trading in the Company's equity shares is permitted only in Demat form. The Company has entered into an agreement with National Securities Depository Limited (NSDL) and Central Depository Service Limited (CDSL) for maintaining and facilitating transaction of the Company's shares in electronic mode. The ISIN No. allotted to the Company's equity shares is INE918C01011.

The details of dematerialization of shares are as specified hereunder:

CATEGORY	No. OF HOLDERS	%
NSDL	299	27.01
CDSL	234	21.14
DEMAT	**533**	**48.15**
PHYSICAL	**574**	**51.85**
TOTAL	**1107**	**100.00**



CATEGORY	No. OF SHARES	%
NSDL	2580168	73.46
CDSL	380041	10.82
DEMAT	**2960209**	**84.28**
PHYSICAL	**552091**	**15.72**
TOTAL	**3512300**	**100.00**



The Company had submitted an application for listing of 3512300 equity shares under direct listing with BSE Limited (Bombay Stock Exchange). Based on the information provided on http://www.bseindia.comthe equity shares of Gilada Finance & Investments Limited (Scrip Code: 538788) are listed and admitted to dealings on the Exchange in the list of XT Group Securities effective from November 19, 2014.

K. Financial Year:

The Financial Year of the Company is from **1st April to 31st March**.

l. Outstanding GDRs:

Not Applicable. There are no outstanding GDRs/ADRs as on 31.03.2021.

m. Plant Locations:

The Company has no Plants.

n. Address for correspondence:

Registered Office: #105 R R Takt, 37,Bhoopasandra Main Road, Sanjay nagar, Bangalore- 560094.

Non-Mandatory Requirements:

The Company has not adopted any of the non-mandatory requirements as enumerated in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

Green initiative in Corporate Governance:

The Companies Act, 2013 and the underlying rules permit companies to send various documents including the financial statements through electronic mode to the shareholders. To support the green initiative and to receive all documents, notices, including annual reports and other communications of the company, investors are requested to register the e-mail ID with the Depository Participant, if the holding is in electronic mode. If shares are held in physical mode, the shareholders may give a positive consent in writing to RTA for receiving by electronic mode.

For and on behalf of the Board of Directors

GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA	**SAMPATKUMAR GILADA**
MANAGING DIRECTOR	DIRECTOR
DIN: 00307829	DIN: 02144736

DATE: 31.08.2021

PLACE: BANGALORE

ANNEXURE-V
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

❖ INDUSTRY AND ECONOMIC SCENARIO :

Non-Banking Financial Companies ("NBFCs"), are one of the most critical pillars for financial services in India. They play an important role in reaching out to a hitherto under/unserved and thereby broad-basing the formal lending ecosystem, and at the same time, bringing the benefits of formalization to the 'Bharat' we know. NBFCs cater to the needs of both retail as well as commercial sectors and, at times, develop strong niches with their specialized credit delivery models that even larger players including banks have found hard to match. They play a critical role in supporting economic growth across income levels, sectors as well as geographies, and in doing so, leading to more employment opportunities and greater wealth creation.

NBFCs have become important constituents of the financial sector and have been recording higher credit growth than scheduled commercial banks (SCBs) over the past few years. NBFCs are continuously leveraging their superior understanding of regional dynamics, well-developed collection system and personalised services to expedite financial inclusion in India. Lower transaction costs, quick decision making, customer orientation and prompt provision of services have typically differentiated NBFCs from banks. Considering the reach and expanse of NBFCs, these are well-suited for bridging the financing gap. Systemically important NBFCs have demonstrated agility, innovation and frugality to provide formal financial services to millions of Indians.

Over the last decade, NBFCs have witnessed phenomenal growth. From being around 12% of the balance sheet size of banks in 2010, these are now more than a quarter of the size of banks.

NBFCs are the largest net borrowers of funds from the financial system with gross payables of ' 9.37 lakh crore as of 30 September 2020. HFCs are the second largest borrowers of funds from the financial system with gross payables of around ' 6.20 lakh crore as at 30 September 2020.

Given their large interconnection with the financial system and the importance of the NBFC in credit intermediation, the RBI has been enhancing the regulatory oversight of large NBFCs. Keeping in mind potential systemic risks that NBFCs might pose to the financial system, the RBI in its 'Discussion Paper on Revised Regulatory Framework for NBFCs: A Scale-Based Approach' (12 January 2021) seeks to balance regulatory arbitrage in favour of NBFCs and the recent growth trajectory of NBFCs by adopting a new approach towards regulating NBFCs.

The disruption in business was most severe for NBFCs and HFCs who registered a negative growth of 25% on a year-on-year basis for the period ended December 2020 versus a growth of 47% for the period ended December 2019.

On 27 March 2020, the RBI had announced a moratorium for EMIs / payments falling due from 1 March 2020 till 31 May 2020. This moratorium was further extended on 23 May 2020 for all EMIs / payments falling due up to 31 August 2020.

Approximately 40.4% of total outstanding loans of financial institutions as on 31 August 2020 were under moratorium covering approximately 45.6% of customers (Source: RBI Report on Trend and Progress of Banking in India).

To provide further relief to distressed customers, the RBI in its notification dated 6 August 2020, allowed banks, NBFCs and HFCs to undertake one-time restructuring of stressed loans on account of COVID-19 pandemic. NBFCs and HFCs were more impacted than banks as these entities had to provide moratorium to their customers, without getting similar relief on their liabilities.

To provide additional relief, the Government of India announced ex-gratia payment to lenders for waiving off compound interest for loans up to ' 2 crore for some category of borrowers.

Recently, the Honourable Supreme Court has directed all banks and financial institutions to refund compound interest, interest on interest or penal interest collected during the moratorium period irrespective of the loan amount and category of borrowers. The Supreme Court also lifted the ban it had imposed on declaring accounts of borrowers as non-performing assets.

Customer servicing and debt recovery was already envisaged as a challenge during the pandemic induced stress. Individuals were losing their livelihoods and businesses were struggling to overcome disruptions while facing demand-supply constraints.

To provide succour to customers, the authorities went all out to offer relief by announcing equated monthly interest (EMI) moratoriums, Emergency Credit Line Guarantee Scheme for the SME sector, relief on compound interest and a resolution framework for COVID-19 related stress.

Thus, the business model of the NBFC sector was severely tested in FY2021. This was the fourth large external stress that the sector has faced in the last few years, namely, (i) demonetisation, (ii) GST implementation, (iii) failure of a large NBFC, and (iv) the pandemic. The fact that many NBFCs have managed to overcome these severe stresses without significant impact is a testimony to their resilience. With superior capital adequacy, better margins, frugal cost management and lower non-performing assets

(NPAs), the NBFC sector is well poised to seize the opportunity provided in the post-pandemic revival cycle. The revised regulatory framework proposed by the RBI intends to make the NBFC sector more resilient.

❖ **MACRO ECONOMIC ENVIRONMENT :**

The World Economic Situation and Prospects 2021, produced by the United Nations Department of Economic and Social Affairs (UN DESA), said the world economy was hit by a once-in-a-century crisis a Great Disruption unleashed by the Covid-19 pandemic in 2020. The report observed that in 2020, the world economy shrank by 4.3%, over two and half times more than during the global Financial crisis of 2009 and the modest recovery of 4.7% expected in 2021 would barely offset the losses of 2020. The World Bank in its recent report expects the Indian economy to contract by 8.5% in FY21 and estimates that growth for FY 21-22 at 10.1%. It also stated that given the significant uncertainty pertaining to both epidemiological and policy developments, real GDP (gross domestic product) growth for FY21-22 can range from 7.5 to 12.5%, depending on how the ongoing vaccination campaign proceeds, whether new restrictions to mobility are required and how quickly the world economy recovers. With sustained policy support and a faster rollout of vaccines, India can be well-equipped to fight the second wave effectively.

❖ **NEW RISK MANAGEMENT FRAMEWORK**

The Company has adopted a risk management policy which provides for identification, assessment and control of risks, which in the opinion of the Board of Directors may pose significant losses and may threaten the existence of the Company.

The Company has included the following further steps in its risk management policy to combat the ongoing Covid 19 pandemic. These includes,

i) Following prudent underwriting and credit norms
ii) Efficient collection mechanism aimed at improving the collection efficiency to pre-covid levels
iii) Flexible loan repayment options to customers
iv) Considering multiple scenarios after the covid 1st and Covid 2nd waves the moratorium pattern of the existing loans and the behavior of moratorium customers and collection capacity management

Further during the Financial year ended 2021, the Company enhanced the scope of the risk management policy to cover operational and investment risks. This is in addition to the management of the various existing risks Credit Risk, Liquidity Risk, Interest Rate Risk and Operation Risk. Being cognizant of this fact, the company has robust risk governance and has built an effective risk management framework. The company strongly believes that effective risk management can be a strategic differentiator and hence will remain focused on continuously strengthening its risk management systems.

The Company manages credit risk through stringent credit norms. Liquidity risk and interest rate risk arising out of maturity mismatch of assets and liabilities are managed through regular monitoring of the maturity profiles.

Operational risks managed by internal control systems. The Risk Management Committee reviews and monitors these risk at periodical intervals.

❖ **COVID-19 IMPACT ON THE NBFC SECTOR**

Consequent to the outbreak of the COVID-19 pandemic, the Indian Government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the Government. With the second wave which has seen sudden increase in the number of cases, regional lockdowns continue. The impact of COVID-19, including changes in customer behavior and pandemic fear, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets. The COVID-19 pandemic and the long-drawn lock-down has resulted in a significant decrease in the economic activities globally as well as across our country. The extent of impact of COVID-19 on economic growth of the country is difficult to predict and will mainly depend on the future developments in containment of COVID-19 and the actions taken for resumption of operations, which is highly uncertain. In response, Governments across the world have taken massive fiscal measures to protect the economic activity. Regulators too have initiated multiple monetary and regulatory measures.

India's non-banking financial companies grew at a slower pace in second and third quarters of financial year 2020-21 on annual basis due to COVID-19-led disruptions and muted demand but continued to disburse credit. Retail financing industry, which was one of the key drivers of credit growth, will be impacted for at least two quarters, as the demand for housing assets, consumer goods and working capital financing will get hit due to general slowdown in economic activity. Uncertainty on the potential credit loss in portfolios will result in lower securitization deals thus impacting the fund-raising ability of NBFCs. NBFCs will have to strike the right balance between continuity of repayment of cash flows vis-à-vis extending the three-month moratorium to the eligible borrowers. The actual impact is still difficult to predict, and it will depend upon the time frame required to curb the pandemic and the various relief measures, which the government is expected to roll out. The NBFC/ HFC sector, which has managed to sustain amid a challenging funding scenario by taking various mitigating steps, will now have to weather the COVID-19 disruption.

While the sector remains fairly well capitalized, the trend in delinquencies in retail asset classes will be a key factor to monitor for the sector over the next few quarters, along with resource mobilization capabilities.

❖ **OUTLOOK OF GILADA FINANCE AND INVESTMENTS LIMITED:**

Your Company will focus on increasing the AUM besides maintaining good asset quality. To improve the business volumes and the impending need for raising resources, it will resort to borrowings from the Financial Institutions as the gearing is low. However, this will be carried out in phases as the economy is expected to return to normalcy after the covid 19 imposed lock downs. The Company will continue to concentrate on lending to MSMEs and in particular the secured loan segment where the collection efficiency is better. It will also aim at improving the business volumes of Vehicle Finance products. The Company is expected to achieve reasonable growth in loan volumes with the above strategy in the current Financial year.

All the above shall give the Company a decent growth for the year.

❖ **OPPORTUNITIES AND THREATS:**

NBFCs have played an important role by providing funding to the unbanked sector by catering to the diverse financial needs of the customers. Further, such companies play a critical role in participating in the development of an economy by providing a fillip to transportation, employment generation, wealth creation, bank credit in rural segments and to support financially weaker sections of the society. Emergency services like financial assistance and guidance is also provided to the customers in the matters pertaining to insurance. In the current year, the challenges for NBFCs have moved from liquidity to asset quality with the COVID-19 outbreak and the impact on customers repayment capacity to repay loans. Liquidity covers of the NBFCs are largely dependent on the repayments that they receive from their customers. In order to revive the economy, the RBI had announced numerous measures to inject liquidity and keep the cost of funds benign to increase credit offtake and promote economic growth. The regulator increased credit offtake to both Micro, Small & Medium enterprises and consumer segments.

In first half of FY 2020-21, collections were impacted, due to the announcement of lock down and rescheduling of payments as per the COVID-19 - Regulatory Package announced by the regulator on repayments between March 1, 2020 to August 31, 2020. With the increase in economic activity, post partial lockdowns being lifted, collection efficiencies across the lending entities have improved post September 2020.

The second wave of COVID-19 and its potential impact has now raised questions on the economic growth and credit offtake in India. Imposition of sudden lock downs / delay in vaccination program, could result in a deeper economic recession in near future posing threats for our lending business and may impact disbursals and consequent growth in the portfolio. The pressure on asset quality is expected to mount due to lockdown coupled with cash flow and liquidity issues for retail and MSME segments.

SEGMENT-WISE PERFORMANCE:

There is no separate reportable segment as per IND AS 108 on "Operating Segments" in respect of the Company.

❖ **RISKS AND CONCERNS:**

The customers' profile is an important aspect for the business of the Company. The Credit Bureaus have helped to a certain extent in identifying the risk associated with a customer and improving the asset quality of the Company thereby reducing credit risk. Additionally, as mentioned above the due diligence parameters of the borrowers have been made more stringent and industry specific exposures are also being regulated.

Dealers play a big role in directing customers to financiers. Our Company makes reasonable incentive payments to the dealers and our prompt services have rendered us a financier of choice for the dealers. Our Company has been financing vehicles only of selected manufacturers available in the market.

Any increase in interest rates may result in increasing cost of borrowings which in turn will adversely affect our profitability.

A Company's growth is directly linked to its strong and committed workforce. With the training and development activities, better incentive schemes, etc., the Company has been trying to control employee attrition. Despite increased competition, the Company has been able to retain its loyal work force, which contributes in a big way towards maintaining a positive culture, which in turn aids in ensuring that the negative effects of troublesome macro environment do not affect the overall growth plans of the Company.

Further, change in regulatory requirements for NBFCs from time to time, can have a bearing on the running of the Company. The overall economic slowdown and its impact on service sector is also a cause of concern.

The Company has put in place a Risk Management Policy to ensure that all the current and future material risk exposures of the Company are identified, assessed, quantified, appropriately mitigated, minimized and managed.

The main objective of this policy is to ensure sustainable business growth with stability and to promote a proactive approach in reporting, evaluating and resolving risks associated with the business. In order to

achieve the key objective, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. In the opinion of the Board there exists no risks, which may threaten the existence of the Company.

❖ **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Effective internal controls are necessary for building up an efficient organization. Our Company has adequate internal control systems in place to ensure accuracy, transparency and accountability in its operations.

The company has framed a compliance policy to effectively monitor and supervise the compliance function in accordance with the statutory requirements.

The company has appointed M/s. E and A Associates, Chartered Accountants, to conduct internal audit covering all areas of operations. The reports are placed before the audit committee of the Board. The audit committee reviews the performance of the audit and compliance functions.

Any internal control weaknesses, non-compliance with statutes and suggestions on improvements in existing practices form part of internal audit report. A quarterly report of the various compliances is also placed before the Audit Committee. The Audit Committee reviews the internal audit report and the compliance report and ensures that observations pointed out in these reports are addressed in a timely and structured manner by the Management. The internal audit report is reviewed by the Statutory Auditors while performing audit functions to confirm that there are no transactions conflicting with the interests of the Company and regulatory stipulations.

❖ **FINANCIAL PERFORMANCE:**

During the financial year under review, your company has made substantial disbursements and was able to report positive returns. Detailed financial performance has been given in Director's Report.

❖ **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES:**

The Company being in the growth trajectory requires more manpower to carry on its operations. Our Company has always been able to attract and retain good talent. The majority of the recruitments during the year under review have been for executives at collection and sales levels. The Company has reasonable salary structure and attractive incentives to retain talent and help the employees to build a career in the Company. To maintain competency and to improve the analytical abilities of employees for gearing them to face challenges, proper training and development is imparted by the Company before the employee takes up any responsibility. The company continues to place high importance on its human resources and enjoys cordial relationships at all levels.

❖ **CAUTIONARY STATEMENT:**

The statements made in this report describe the Company's objectives and projections that may be forward looking statement within the meaning of applicable laws and regulations. The actual result might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors which are beyond the control of the Company. The Company is not under any obligation to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

For and on behalf of the Board of Directors
GILADA FINANCE AND INVESTMENTS LIMITED

RAJGOPAL GILADA	**SAMPATKUMAR GILADA**
MANAGING DIRECTOR	DIRECTOR
DIN: 00307829	DIN: 02144736

DATE: 31.08.2021
PLACE: BANGALORE

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, 2021, 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 2021, 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 :- We have nothing to report as key audit matters.

Emphasis of Matter

We draw attention to point no.17 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

Further to the continuous spreading of COVID-19 across India, the Karnataka Government announced a strict 15 days lockdown on March 28, 2021, which was further extended till June 21, 2021 across the Karnataka to contain the spread of the virus. 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, 2016 ("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, 2021, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a director in terms of section 164(2) of the Act;

   f) With respect to the adequacy of the internal financial 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. 419S

(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024163

Place : Bangalore
Date : 30.06.2021
UDIN : 21024163AAAACH1138

ANNEXURE –A TO THE AUDITOR'S REPORT

1. (a) The Company has maintained proper records showing full particulars including quantitative details & situation of the fixed 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 held as stock in trade and other immovable property is held in the name of the Company.

2. The nature of the Company's business / activities during the year does not involve inventories. Accordingly clauses (II) of paragraph 3 of the Companies (Auditors Report) order 2016 is not applicable to the Company.

3. (a) In the ordinary course of business of financing, the company has given loans to three parties covered in the register maintained under section 189 of the Companies Act, 2013 on the basis of oral agreement being Companies 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. 228.89 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.

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, the provisions of the Employees Provident Fund & Employees State Insurance Scheme are not 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 31-3-2021 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, 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) There is a disputed income tax liability of Rs. 4,71,077/- for AY 06-07, which is under appeal with Commissioner of Income Tax (Appeals)-I, Bangalore. The dispute is on account of disallowability of deduction claimed under section 10(23G) and expenses disallowed u/s 14A and u/s 37 of the I.T.Act. The company had filed application for settlement of this demand 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. In our opinion & according to the information & explanations given to us, the company had generally not defaulted in repayment of dues to a Financial Institution, Bank or debenture holders.
9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, Paragraph 3 (IX) of the order is not applicable.
10. 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.
11. According to the information & explanation given to us and based on our examination of the records of the Company, the Company had obtained requisite approval for managerial remuneration paid or provided is in accordance with the provisions of Sec.197 read with Schedule V of the Act.
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) 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. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of Shares or fully or partly convertible debentures during the year under review, Accordingly the provisions of clause 3(XIV) of the order are not applicable.
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. 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.

For B**ENNUR NAGARAJA & CO**
CHARTERED ACCOUNTANTS
FR No. 419S

Place : Bangalore
Date : 30.06.2021
UDIN : 21024163AAAACH1138

(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024163

AUDITOR'S REPORT ON CASH FLOW STATEMENT

To
The Board of Directors
Gilada Finance & Investments Limited
Bengaluru

We have examined the attached Cash Flow Statement of Gilada Finance & Investments Limited for the year ended 31 / 3 / 2021. The statement has been prepared by the Company in accordance with the requirements of Listing Agreements executed with the stock exchange where the shares of the company are listed and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report dated to the members of the Company.

For B**ENNUR NAGARAJA & CO**
CHARTERED ACCOUNTANTS
FR No. 419S

Place : Bangalore
Date : 30.06.2021
UDIN : 21024163AAAACH1138

(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024163

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, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

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. 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.

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, 2021, 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 B**ENNUR NAGARAJA & CO**
CHARTERED ACCOUNTANTS
FR No. 419S

Place : Bangalore
Date : 30.06.2021
UDIN : 21024163AAAACH1138

(BENNUR NAGARAJA)
PROPRIETOR
M. No. 024163

BALANCE SHEET AS AT MARCH 31, 2021

Amounts in Rs.

	Note No.	Figures as at the end of current reporting period (FY 20-21)	Figures as at the end of Previous reporting period (FY 19-20)
I. ASSETS			
Non-current financial assets			
(a) Property, Plant & Equipment	1	3,10,092.00	4,00,373.00
(b) Capital work in progress		NIL	NIL
(c) Intangible assets		1,48,168.00	2,62,999.00
(d) Intangible assets under development		NIL	NIL
(e) Non-current investments	2	14,27,000.00	14,27,000.00
(f) Deferred tax assets (net)		10,13,300.00	10,13,300.00
(g) Long-term loans and advances	3	15,25,82,155.20	14,50,12,179.00
(h) Other non-current assets		NIL	NIL
Current financial assets			
(a) Current investments		NIL	NIL
(b) Inventories	4	3,85,00,000.00	3,85,00,000.00
(c) Trade receivables		NIL	NIL
(d) Cash and cash equivalents	5	4,24,469.06	15,25,163.00
(e) Short-term loans and advances	6	35,98,885.00	3,43,071.00
(f) Other current assets		NIL	NIL
(g) Current Tax Assets (Net of provisions)		NIL	1,84,915.00
TOTAL		**19,80,04,069.26**	**18,86,69,000.00**
II. EQUITY AND LIABILITIES			
Equity			
(a) Share capital	7	3,51,23,000.00	3,51,23,000.00
(b) Other Equity	8	15,22,19,471.76	14,23,98,800.00
Liabilities			
(1) Non-Current financial liabilities			
(a) Long-term borrowings		NIL	NIL
(b) Trade Payables		NIL	NIL
(c) Deferred tax liabilities (Net)		NIL	NIL
(d) Other Long term liabilities		NIL	NIL
(e) Long-term provisions	8A	18,06,579.00	18,06,579.00
(2) Current Financial liabilities			
(a) Short-term borrowings	9	64,44,476.00	70,84,505.00
(b) Trade payables	10	10,13,459.00	15,00,493.00
(c) Other current liabilities		NIL	NIL
(d) Short-term provisions	11	4,89,410.50	7,55,623.00
(e) Current Tax liablities (Net of provisions)		9,07,673.00	NIL
Total Equity & Liabilities		**19,80,04,069.26**	**18,86,69,000.00**

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For BENNUR NAGARAJA & CO
Chartered Accountants
Firm Registration No. 419S

BENNUR NAGARAJA
Propritor
M No. 024163

Rajgopal Gilada
Managing Director
DIN - 00307829

Sampath Kumar Gilada
Whole Time Director
DIN - 02144736

Place: Bengaluru
Date: 30-06-2021
UDIN :21024163AAAACH1138

Ishwarya Rajan
Company Secretary
PAN :ABTPI9119A

Sangeeta Gilada
Chief Executive Officer
PAN :AIDPG1236B

Pallavi Gilada
Chief Financial Officer
PAN :BGDPM7347E

PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Amounts in Rs.

		Note No.	Figures for the current reporting period (FY 20-21)	Figures for the previous reporting period (FY 19-20)
I.	Revenue from operations	12	3,35,88,334.00	3,45,70,948.00
II.	Other income	13	1,49,876.00	3,52,146.00
III.	**Total Income (I + II)**		**3,37,38,210.00**	**3,49,23,094.00**
IV.	Expenses:			
	Cost of materials consumed		NA	NA
	Purchases of Stock-in-Trade		NA	NA
	Changes in inventories of finished goods / work-in-progress and Stock-in-Trade		NA	NA
	Employee benefits expense	14	82,93,575.00	1,19,70,778.00
	Finance costs	15	6,98,386.00	7,13,834.00
	Depreciation and amortization expense	6	3,49,659.00	4,12,058.00
	Other expenses	16	48,41,180.40	63,41,602.00
	Total expenses(IV)		**1,41,82,800.40**	**1,94,38,272.00**
V.	Profit before exceptional items and tax (III-IV)		1,95,55,409.60	1,54,84,822.00
VI.	Exceptional items	17	53,78,038.38	34,74,058.00
VII.	Profit (Loss) before tax (V- VI)		1,41,77,371.22	1,20,10,764.00
VIII	Tax expense:			
	(1) Current tax		43,56,700.00	33,44,249.00
	(2) Deferred tax		NIL	-7,93,700.00
	(3) Prior Year tax		NIL	1,18,335.00
IX	Profit (Loss) for the period from continuing operations (VII-VIII)		98,20,671.22	93,41,880.00
X	Profit/(loss) from discontinuing operations		NIL	NIL
XI	Tax expense of discontinuing operations		NIL	NIL
XII	Profit/(loss) from Discontinuing operations (after tax) (X-XI)		NIL	NIL
XIII	Profit (Loss) for the period (IX + XII)		98,20,671.22	93,41,880.00
XIV	**Other Comprehensive Income**			
	A(i) Items that will not be reclassified to profit or loss		NIL	NIL
	A(ii) Income tax relating to items that will not be reclassified to profit or loss		NIL	NIL
	B(i) Items that may be reclassified to profit or loss		NIL	NIL
	B(ii) Income tax relating to items that may be reclassified to profit or loss		NIL	NIL
XV	Total Comprehensive Income for the period (XIII+ XIV)		98,20,671.22	93,41,880.00
XVI	Earnings per equity share: (for discountinued & Countinued operations)			
	(1) Basic		2.80	2.66
	(2) Diluted		2.80	2.66

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For BENNUR NAGARAJA & CO
Chartered Accountants
Firm Registration No. 419S

BENNUR NAGARAJA
Propritor
M No. 024163

Rajgopal Gilada
Managing Director
DIN - 00307829

Sampath Kumar Gilada
Whole Time Director
DIN - 02144736

Place: Bengaluru
Date: 30-06-2021
UDIN :21024163AAAACH1138

Ishwarya Rajan
Company Secretary
PAN :ABTPI9119A

Sangeeta Gilada
Chief Executive Officer
PAN :AIDPG1236B

Pallavi Gilada
Chief Financial Officer
PAN :BGDPM7347E

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

Amounts in Rs.

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit (Loss) before Tax	1,41,77,371.00	1,20,10,764.00
Adjustment For :		
- Depreciation and amortisation	3,49,659.00	4,12,059.00
- Finance Costs	6,98,386.00	8,27,721.00
- Investment written off	NIL	5,00,000.00
	10,48,045.00	17,39,780.00
Operating Profit / (Loss) before Working Capital changes	**1,52,25,416.00**	**1,37,50,544.00**
Changes in working capital :		
- (Increase)/Decrese in Current financial assets	-39,09,266.00	-1,39,62,704.00
- (Increase)/Decrese in non Current financial assets	-75,69,976.00	17,66,120.00
- (Increase)/Decrese in non Current financial liabilities	NIL	6,72,607.00
- (Increase)/Decrese in Current financial liabilities	1,54,426.00	-21,120.00
Net change in working capital	-1,13,24,816.00	-1,15,45,097.00
Cash generated from operations	39,00,600.00	22,05,447.00
Net Income tax (Paid) / refunds	32,00,000.00	-12,69,379.00
Net cash flow from / (used in) operating activities (A)	**7,00,600.00**	**9,36,068.00**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including		
- Capital advance	-1,44,547.00	-1,71,763.00
Net cash flow from / (used in) investing activities (B)	**-1,44,547.00**	**-1,71,763.00**
C. CASH FLOW FROM FINANCING ACTIVITIES		
- Proceeds from / (Repayment of) short term borrowings	-6,40,029.00	-6,92,855.00
- Finance Cost	-6,98,386.00	-8,27,721.00
Net cash flow from / (used in) financing activities (C)	**-13,38,415.00**	**-15,20,576.00**
Net increase / (decrease) in cash & cash equivalents (A+B+C)	**-7,82,362.00**	**-7,56,271.00**
Cash & cash equivalents of the beginning of the year	12,06,831.00	19,63,103.00
Cash & cash equivalents of the end of the year	4,24,469.00	12,06,832.00
D. Reconcilation of Cash and cash equivalents with the Balance sheet :		
Cash & cash equivalents as per Balance Sheet	4,24,469.00	12,06,832.00
Less : Bank balances not considered as Cash & Cash equivalents (as defined in IND AS 7 Statement of Cash Flow)	NIL	NIL

CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021 (contd..)

Amounts in Rs.

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Net Cash & cash equivalents (as defined in IND AS 7 Statement of Cash Flows)	**4,24,469.00**	**12,06,832.00**
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	**4,24,469.00**	**12,06,832.00**
Comprises :		
(a) Cash in hand	4,57,190.00	88,091.00
(b) Balances with Banks - in current accounts	-32,721.00	11,18,740.00

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For BENNUR NAGARAJA & CO
Chartered Accountants
Firm Registration No. 419S

BENNUR NAGARAJA
Propritor
M No. 024163

Rajgopal Gilada
Managing Director
DIN - 00307829

Sampath Kumar Gilada
Whole Time Director
DIN - 02144736

Place: Bengaluru
Date: 30-06-2021
UDIN :21024163AAAACH1138

Ishwarya Rajan
Company Secretary
PAN :ABTPI9119A

Sangeeta Gilada
Chief Executive Officer
PAN :AIDPG1236B

Pallavi Gilada
Chief Financial Officer
PAN :BGDPM7347E

STATEMENT OF CHANGES IN EQUITY
FOR THE YEARS ENDED MARCH 31, 2020 AND MARCH 31, 2021

A) Equity share capital

Particulars	Amount
Balance as at March 31, 2020	3,51,23,000
Changes in equity share capital during the year	–
Balance as at March 31, 2021	3,51,23,000

B) Other equity

Particulars	Reserves and Surplus			Items of other comprehensive income	Total
	Statutory Reserve	Capital Reserve	Retained earnings	Re -measurement of the defined benefit liabilities / (assets)	
Balance as at March 31, 2020	**2,24,92,797**	**5,05,33,294**	**6,92,76,285**	**96,425**	**14,23,98,801**
Profit/loss for the year	-	-	78,56,537	-	78,56,537
Transfer to statutory reserve	19,64,134	-	-	-	19,64,134
Other comprehensive income for the year (net of tax)	-	-	-	-	-
Balance as at March 31, 2021	**2,44,56,931**	**5,05,33,294**	**7,71,32,822**	**96,425**	**15,22,19,472**

See accompanying notes forming part of the Financial Statements

As per our report of even date attached

For and on behalf of Board of Directors

For BENNUR NAGARAJA & CO
Chartered Accountants
Firm Registration No. 419S

BENNUR NAGARAJA
Propritor
M No. 024163

Rajgopal Gilada
Managing Director
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Chief Executive Officer
PAN :AIDPG1236B

Pallavi Gilada
Chief Financial Officer
PAN :BGDPM7347E

Notes forming part of the financial statements

NOTE No. 1:

PROPERTY, PLANT & EQUIPMENT & DEPRECIATION & INTANGIBLE ASSETS

	Gross Block			Depreciation				Net Block	
Particulars of the Fixed Assets	**As at 31-03-2020**	**Additions (Deletions)**	**As at 31-03-2021**	**Upto 31-03-2020**	**Rate**	**For the year**	**Up to 31-03-2021**	**As at 31-03-2021**	**As at 31-03-2020**
A) Tangible Assets									
I. Plant and Machinery									
1. Office Equipments	10,62,092	87,346	11,49,438	9,77,597	0.60	55,821	10,33,418	1,16,020	84,495
2. Computer Systems	14,46,426	33,500	14,79,926	14,32,579	0.78	14,292	14,46,871	33,055	13,847
3. Vehicles	6,69,909	71,701	7,28,610	5,11,414	0.92	1,49,047	6,60,461	68,149	1,58,495
		(13,000)							
II. Furniture & Fixtures									
1. General	16,18,197		16,18,197	14,74,661	0.35	50,668	15,25,329	92,868	1,43,536
	47,96,624	1,79,547	49,76,171	43,96,251		2,69,828	46,66,079	3,10,092	4,00,373
B) Intangible Assets									
1. Software A/c	6,64,125	(35,000)	6,29,125	4,01,126	0.34	79,831	4,80,957	1,48,168	2,62,999
TOTAL	**54,60,749**	**1,44,547**	**56,05,296**	**47,97,377**		**3,49,659**	**51,47,036**	**4,58,260**	**6,63,372**
Previous year	52,88,986.00	1,71,763.00	54,60,749.00	43,85,318.00		4,12,059.00	47,97,377.00	6,63,372.00	9,03,658.00

Notes forming part of the financial statements

Amounts in Rs.

Particulars	As on 31-Mar-21	As on 31-Mar-20
NOTE NO. 2 :		
NON CURRENT INVESTMENTS :		
Other Investments		
a) Investment in Property (At cost)	13,37,000.00	13,37,000.00
(Land and residential building at Vijaypura)		
b) Investment in Equity Instruments / Preference Shares /	90,000.00	90,000.00
Govt /Trust /Securities /Debentures /Bonds / Mutual Funds		
Amount of impairment in value of investments	NIL	NIL
Total Quoted Investments	NIL	NIL
Share Application Money	NIL	NIL
Market Value of Quoted Investments	NIL	NIL
Details of Total Unquoted Investments	90,000.00	90,000.00

		As on 31/03/2021		As on 31/03/2020	
Sl. No.	Name of the Company	No.of Shares	Amount	No. of Shares	Amount
1	Mahesh Vidyabhavan Shares @10/-	5000	50,000.00	5000	50,000.00
2	Maheshwari Souhardha Credit				
	Co-Operative Ltd @ 5000/-	8	40,000.00	8	40,000.00
			90,000.00		90,000.00
	TOTAL			14,27,000.00	14,27,000.00

NOTE NO. 3 :		
LONG TERM LOA*NS AND ADVANCES* :		
(a) Loans and Advances to related parties		
(Unsecured, considered good)		
Rajvaibhav Enterprises Pvt Ltd	*50,00,000.00*	*50,00,000.00*
Presstress Steel LLP	*NIL*	*62,65,306.00*
Gita Refractories (P) Ltd	*1,78,89,208.20*	*1,83,53,492.00*
TOTAL (a)	*2,28,89,208.20*	*2,96,18,798.00*
(b) Loans and Advances to others		
Mortagaged Land Loans		
(Secured, considered good)	*1,15,30,148.00*	*63,33,541.00*
Hypothecated Vehicle Loans		
(Secured, considered good)	*9,33,17,348.00*	*8,48,06,411.00*
Business Loans (Unsecured, Considered good)	*2,42,15,674.00*	*2,59,89,748.00*
Commodity Hypothecated Loans		
(Secured, Considered good)	*80,00,000.00*	*30,00,000.00*
	13,70,63,170.00	*12,01,29,700.00*
Less : Unearned Interest Income		
Less : Provision for Bad & Doubtful debts	*73,70,223.00*	*47,36,319.00*
TOTAL (b)	*12,96,92,947.00*	11,53,93,381.00
TOTAL (a + b)	15,25,82,155.20	14,50,12,179.00

Amounts in Rs.

Particulars	As on 31-Mar-21	As on 31-Mar-20
NOTE NO. 4 :		
INVENTORIES :		
Stock in Trade (Land at Gulbarga held as stock in trade	3,85,00,000.00	3,85,00,000.00
TOTAL	**3,85,00,000.00**	**3,85,00,000.00**
NOTE NO. 5 :		
CASH & CASH EQUIVALENTS :		
Cash in Hand	4,57,190.17	88,091.00
Balances with Banks in current A/c's	-66,580.11	8,60,698.00
Balances with Banks in FD's	NIL	3,18,332.00
Earmaked Bank Balance for Dividend Payment	33,859.00	2,58,042.00
TOTAL	**4,24,469.06**	**15,25,163.00**
NOTE NO. 6 :		
SHORT TERM LOANS AND ADVANCES :		
(a) Other Loans & Advances		
Sundry Deposits & Advances	35,98,885.00	3,43,071.00
TOTAL	**35,98,885.00**	**3,43,071.00**
NOTE NO. 7 :		
SHARE CAPITAL :		
AUTHORISED :		
6000000 Equity shares of Rs.10/- each	6,00,00,000.00	6,00,00,000.00
SSUED, SUBSCRIBED AND PAID UP		
35,12,300 Equity Shares of Rs. 10/- each with voting rights	3,51,23,000.00	3,51,23,000.00

A. Details of shareholders holding more than 5% of total paid up capital

		As on 31/03/2021		As on 31/03/2020	
Sl. No.	Name of the Shareholder	No. of Shares	% of Shares	No. of Shares	% of Shares
1	Malu Plantation and Resorts Ltd.	2,01,000.00	5.72	2,01,000.00	5.72
2	Smt.Rajashree Gilada	2,62,900.00	7.49	2,62,900.00	7.49
3	Shankarlal Gilada & Sons (P)Ltd.	10,13,400.00	28.85	10,13,400.00	28.85
	TOTAL	14,77,300.00	42.06	14,77,300.00	42.06

B. Shareholding of promoters and changes, if any :

Shares held by promoter at the end of the year				% Change during the year
Sl No	Promoters Name	No. of shares	% of total shares	
1	Sampath Gilada	5100	0.15	NIL
2	Sangeeta S Gilada	143500	4.09	NIL
3	Gowrajadevi Shankarlal Gilada	91000	2.59	NIL
4	Shankarlal Gilada	170000	4.84	NIL
5	Rajashree Gilada	262900	7.49	NIL
6	Bindu Rajgopal Gilada	110000	3.13	NIL
7	Sampathkumar Gilada	115600	3.29	NIL
8	Rajgopal Gilada	152800	4.35	NIL
9	Shankarlal Gilada & Sons Pvt Ltd (Promoter Group)	1013400	28.85	NIL
	Total	2064300	58.77	0

Amounts in Rs.

Particulars	As on 31-Mar-21	As on 31-Mar-20
NOTE NO. 8 :		
OTHER EQUITY :		
A) Capital Reserve		
(a) Revaluation Reserve (On Revaluation of Capital Asset (Land at Gulbarga) into Stock in trade)	3,81,58,293.54	3,81,58,293.00
(b) Forfeiture of Share Warrants issued on in f y 2019-2020	1,23,75,000.00	1,23,75,000.00
TOTAL (A)	**5,05,33,293.54**	**5,05,33,293.00**
B) Statutory Reserve (Under RBI Act)		
Opening Balance	2,24,92,797.00	2,06,24,421.00
Add : Transferred during the year	19,64,134.24	18,68,376.00
TOTAL (B)	**2,44,56,931.24**	**2,24,92,797.00**
C) SURPLUS IN PROFIT AND LOSS ACCOUNT		
Opening Balance	6,92,76,285.00	6,18,02,781.00
Add : Net Profit after Tax during the year	98,20,671.22	93,41,880.00
Less : Transferred to Statutory Reserve Fund (20%)	19,64,134.24	18,68,376.00
TOTAL (C)	**7,71,32,821.98**	**6,92,76,285.00**
D) Other Comprehensive Income		
Opening Balance	96,425.00	NIL
Add(Loss) Other comprehensive Income for the year	NIL	96,425.00
Add(Loss) Tax Impact on above	NIL	NIL
TOTAL (D)	**96,425.00**	**96,425.00**
TOTAL (A)+(B)+(C)+(D)	**15,22,19,471.76**	**14,23,98,800.00**
NOTE NO. 8A :		
LONG TERM PROVISIONS		
Provision for Gratuity Payable (upto 31/03/2019)	18,06,579.00	18,06,579.00
TOTAL	**18,06,579.00**	**18,06,579.00**

Amounts in Rs.

Particulars	As on 31-Mar-21	As on 31-Mar-20
NOTE NO. 9 :		
1. SHORT TERM BORROWINGS - SECURED :		
(a) Loans repayable on demand from others		
1. Life Insurance Corporation	NIL	29,91,500.00
(Demand Loan on Security of Key man Insurance Policies)		
2. Maheshwari Souhardha Credit Co-Operative Ltd	39,70,276.00	40,93,005.00
(Secured against charge created on the hypothecated assets of the company & on personal guarantees of Directors) Tenure of Repayment : 12 months from the date of disbursement/renewal		
Amount and period of default : NIL		
Loan Amount : Rs.40 lakhs		
Rate of Interest : 15% p.a.monthly rests		
TOTAL (A)	**39,70,276.00**	**70,84,505.00**
2. SHORT TERM BORROWINGS - UNSECURED :		
(1) Loans and Advances from related parties		
From Directors :	24,74,200.00	NIL
From Others : Intercorporate Deposits / Loans	NIL	NIL
TOTAL (B)	**24,74,200.00**	-
TOTAL (A + B)	**64,44,476.00**	**70,84,505.00**
NOTE NO. 10 :		
TRADE PAYABLES :		
Total outstanding dues to MSME	NIL	NIL
Total outstanding dues to other than MSME's	10,13,459.00	15,00,493.00
TOTAL	**10,13,459.00**	**15,00,493.00**
NOTE NO. 11 :		
SHORT TERM PROVISIONS :		
Others		
GST Payable	54,633.00	10,234.00
TDS Payable	1,08,075.00	62,872.00
Dividend Payable(Unclaimed) realting to FY 2017-2018	33,859.50	2,58,042.00
Bonus Payable	2,92,843.00	4,24,475.00
TOTAL	**4,89,410.50**	**7,55,623.00**

Amounts in Rs.

Particulars	As on 31-Mar-21	As on 31-Mar-20
NOTE NO. 12 :		
REVENUE FROM OPERATIONS		
Interest on Loans and Advances of all kinds	3,02,61,182.00	3,21,93,974.00
Processing Fees / Service Charges & Other Charges	32,19,152.00	22,76,974.00
Babdebts Written off Recovered	1,08,000.00	1,00,000.00
TOTAL	**3,35,88,334.00**	**3,45,70,948.00**
NOTE NO. 13 :		
OTHER INCOME		
Interest on I.T.Refund	1,31,690.00	NIL
Interest on F.D. with Bank	18,186.00	21,543.00
Profit on Sale of Seized Vehicles	NIL	3,30,603.00
TOTAL	**1,49,876.00**	**3,52,146.00**
NOTE NO. 14 :		
EMPLOYEES BENEFITS		
Office Salaries/Bonus	65,24,575.00	1,01,48,778.00
Director's Salary	17,25,000.00	18,00,000.00
Director's Meeting Fees	44,000.00	22,000.00
TOTAL	**82,93,575.00**	**1,19,70,778.00**
NOTE NO. 15 :		
FINANCE COSTS		
Interest to Others	6,98,386.00	7,13,834.00
TOTAL	**6,98,386.00**	**7,13,834.00**

Amounts in Rs.

Particulars	As on 31-Mar-21	As on 31-Mar-20
NOTE NO. 16 :		
OTHER EXPENSES		
Advertisement Expenses	2,02,350.00	1,25,080.00
Amortisation of Pre-Operative Expenditure	NIL	18,23,232.00
Auditor's Remuneration	1,60,000.00	1,25,000.00
Bank Commission & Charges	60,933.60	1,13,887.00
Brokerage & Commission Charges	20,248.00	22,500.00
Business Promotion A/c	17,000.00	NIL
Computer Maintenance	2,17,840.00	1,75,832.00
Deepawali Pooja Expenses	86,665.00	NIL
Electricity Expenses	41,645.00	59,721.00
Internal audit fees	40,000.00	NIL
Investment Written off	NIL	5,00,000.00
Legal Expenses	6,05,000.00	2,51,000.00
Miscellaneous Expenses	1,95,124.50	6,49,898.00
Office Rent and Maintenance	4,65,892.24	5,78,818.00
Postage and Telegraph Expenses	13,215.00	NIL
Printing and Stationery	63,828.00	1,28,167.00
Professional & Consultancy Charges	4,39,451.56	5,51,029.00
Prompt Payment Discount 2%	78,800.00	NIL
Rates & Taxes(Including ineligible Input GST)	5,38,974.88	4,85,737.00
ROC Filing Fees	6,000.00	NIL
Share Listing and Share Transfer Expenses	3,00,000.00	3,24,925.00
Telephone Expenses	1,54,186.12	NIL
Travelling and Conveyance	3,45,829.50	2,43,747.00
Vehicle Maintenance	1,40,069.00	1,83,029.00
Collection Expenses A/c	1,27,076.00	NIL
Seizing Expenses	1,28,737.00	NIL
Professional Tax	5,000.00	NIL
Staff welfare	74,045.00	NIL
Loss on Sale of Seized Vehicles	3,13,270.00	NIL
TOTAL	**48,41,180.40**	**63,41,602.00**
NOTE NO. 17:		
EXCEPTIONAL ITEMS		
Bad Debts written off	27,44,134.38	18,25,477.00
Provision for Bad & doubtful debts under RBI Directions & under Ind AS for impairment of Assets	26,33,904.00	16,48,581.00
TOTAL	**53,78,038.38**	**34,74,058.00**

NOTE 18

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information :

Gilada Finance & Investments Limited is a public Company incorporated in India under the provisions of the erstwhile Companies Act, 1956 on 26/07/1994. Its shares are listed on National Stock Exchange & Bombay Stock Exchange. The Company is Non-Banking Financial Company which is registered with Reserve Bank of India (RBI). The Company engaged in the business of lending and primarily deals in vehicle financing, small business loans and mortgage loans.

Company is registered as Non-Banking Financial Company (NBFC) and is adhering the regulatory and disclosure standards as applicable to NBFC-ND-NSIs. The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS).

2. Accounting Policies :

1. Basis of preparation :

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as per the Companies Rules 2015 as amended and notified under section 133 of the Companies Act, 2013 (the Act), in conformity with the accounting principles generally accepted in India and other relevant provisions of the Act. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

2. Basis of Measurement :

The financial statements have been prepared on the historical cost basis.

3. Use of Estimates :

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based on its assumptions and estimates on parameters available when the financial statements were issued. Existing circumstances and assumptions about future developments, however, may change due to circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur. Areas that involved a higher degree of estimate and judgment or complexity in determining the carrying amount of some assets and liabilities are mentioned below.

a. Effective Interest Rate Method (EIR) :

The Company recognizes interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected life of the loans given / taken. This estimation, by nature, requires an element of judgment regarding the expected behavior and life cycle of the instruments, as well as expected changes to other fee income / expense that are integral parts of the instrument.

b. Impairment of Financial Assets :

The measurement of impairment losses on loan assets and commitments, requires judgment, in estimating the amount and timing of future cash flows and recoverability of collateral values while determining the impairment losses and assessing a significant increase in credit risk.

The Company's Expected Credit Loss (ECL) calculation is the output of a complex model with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL model that are considered accounting judgments and estimates include :

- The Company's criteria for assessing if there has been a significant increase in credit risk.
- The segmentation of financial assets when their ECL is assessed on a collective basis.

- Development of ECL model, including the various formula and the choice of inputs.
- It is company's policy to regularly review its model in the context of actual loss experience and adjust when necessary.

c. Provisions and other contingent liabilities :

The reliable measure of estimates and judgments pertaining to litigations and the regulatory proceedings in the ordinary course of the Company's business are disclosed as contingent liabilities.

Estimates and judgments are constantly evaluated and are based on historical experience and other factors, including expectations of future events, that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4. Revenue Recognition :

a. Interest Income on Loans :

Interest income is recognized in Statement of profit and loss using the effective interest method for all financial instruments measured at amortised cost. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument.

The calculation of the effective interest rate includes transaction costs and fees that are an integral part of the contract. Transaction costs include incremental costs that are directly attributable to the acquisition of financial asset.

The Company calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired, the Company calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset, If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

b. Fee and Commission Income :

Fee based income are recognized when they become measurable and when it is probable to expect their ultimate collection. Commission and brokerage income earned for the services rendered are recognized as and when they are due.

c. Interest Income on Investments :

Interest income from investments is recognized when it is certain that the economic benefits will flow to the Company and the amount of Income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

d) Investments :

(a) The Company changed its accounting policy in respect of Investment in property during financial year 2011-12. Investment in Capital Asset (i.e Land at Gulbarga in Karnataka) revalued and held as stock in trade effective 31st March, 2012, on the basis of valuation report given by approved valuer. This change in accounting policy resulted into creation of revaluation reserve to the extent of Rs.381/58 lakhs.

(b) Long term unquoted / quoted investments in shares are stated at cost & provision for diminution in the value of Long Term Investments is made only if, such decline is other than temporary, in the opinion of the management.

(c) Investment in Land & Building at Vijayapura in Karnataka, acquired against partial settlement of dues from commission agent at Vijayapura is treated as long term investment and stated at cost.

4. Property, Plant & Equipment :

Property, Plant and Equipment are stated at cost of acquisition including incidental expenses, less accumulated depreciation and accumulated impairment loss, if any, All costs directly attributable to bringing the asset to the working condition for its intended use including financing costs are also capitalized.

Depreciation is provided on WDV method on the basis of useful life under Schedule II to the Companies Act, 2013 are as under :

a. Office Equipments	:	5
b. Computer hardware	:	3
c. Furniture & Fixtures	:	10
d. Vehicles	:	10

Property, Plant & Equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset is recognized in other income / netted off from any loss on disposal in the Statement of profit and loss in the year the asset is derecognized.

5. Intangible Assets :

Intangible Assets are stated at cost less accumulated amortization and accumulated impairment loss, if any. Intangible assets comprises of computer software which is amortized over the estimated useful life. The amortization period is lower of license period or 5 years which is based on management's estimates of useful life. Amortisation is calculated using the straight line method to write down the cost of intangible assets over their estimated useful lives.

6. Financial Instruments :

a. Recognition and Initial measurement :

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities of FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in Statement of profit and loss.

b. Classification and Subsequent measurement of financial assets :

On initial recognition, a financial asset is classified as measured at

- Amortised cost
- FVOCI – debt instruments
- FVOCI – equity instruments
- FVTPL

Amortised Cost :

The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios being the level at which they are managed. The financial asset is held with the objective to hold financial asset in order to collect contractual cash flows as per the contractual terms that give rise on specified dates to cash flows that are solely payment of principal and interest (SPPI) on the principal amount outstanding. Accordingly, the Company measures Bank balances, Loans, Trade receivables and other financial instruments at amortised cost.

FVOCI – debt Instruments :

The Company measures its debt instruments at FVOCI when the instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial asset meet the SPPI test.

FVOCI – equity Instruments :

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity instruments at FVOCI, when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments and are not held for trading. Financial assets are not reclassified subsequent to their initial recognition, except if and in the period of the Company changes its business model for managing financial assets. All financial assets not classified as measured at amortised cost or FVOCI are measured at FVTPL. This includes all derivative financial assets.

Subsequent measurement of financial assets :

Financial assets at amortised cost are subsequently measured at amortised cost using effective interest method. The amortised cost is reduced by impairment losses. Interest Income, foreign exchange gains and losses and impairment are recognized in statement of profit and loss. Any gain and loss on derecognition is recognized in Statement of profit and loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in Statement of profit and loss. Other net gains and losses are recognized in OCI. On depreciation, gains and losses accumulated in OCI are reclassified to Statement of profit and loss.

For equity investments, the Company makes an election on an instrument-by-instrument basis to designate equity investments as measured at FVOCI. These elected investments are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the reserves. The cumulative gain or loss is not reclassified to statement of profit and loss on disposal of the investments. These investments in equity are not held for trading. Instead, they are held for strategic purpose. Dividend income received on such equity investments are recognized in Statement of profit and loss.

Equity investments that are not designed as measured at FVOCI are designated as measured at FVTPL and subsequent changes in fair value are recognized in Statement of profit and loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in Statement of profit and loss.

c. Financial liabilities and equity instruments :

Classification as debt or equity :

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments :

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Company are recognized at the proceeds received. Transaction costs of an equity transaction are recognized as a deduction from equity.

Financial Liabilities :

Financial Liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in Statement of profit and loss. Any gain or loss on derecognition is also recognized in Statement of profit and loss.

d. De-recognition :

Financial Assets :

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset 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 recognized on its balancesheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial Liabilities :

A financial liability is derecognized when the obligation in respect of the liability is discharged, cancelled or expires. The difference between the carrying value of the financial liability and the consideration paid is recognized in Statement of profit and loss.

e. Impairment of Financial Instruments :

Equity instruments are not subject to impairment under Ind AS 109, on financial instruments.

The Company recognizes lifetime expected credit losses (ECL) when there has been a significant increase in credit risk since initial recognition and when the financial instrument is credit impaired. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12 month ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition. 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

When determining whether credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, including on historical experience and forward looking information.

The Company recognizes lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss expenses, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in OCI and carrying amount of the financial asset is not reduced in the Balance Sheet.

7. Finance Costs :

Finance Costs include interest expense computed by applying the effective interest rate on respective financial instruments measured at Amortised cost. Financial instruments include bank term loans, non-convertible debentures, fixed deposits mobilized, commercial papers, subordinated debts and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Finance costs are charged to the Statement of profit and loss.

8. Cash & Cash Equivalents :

Cash and Bank balances include Cash in hand, Bank Balances, Bank Deposits and Corporate deposits, if any.

9. Cash Flow Statement :

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

10. Taxes on Income :

Tax expenses comprise current tax, deferred taxes and prior period taxes. Current income tax at the amount expected to be paid to the tax authorities in accordance with Income Tax Act.

Deferred income taxes reflect the impact of the current year timing differences between taxable income and accounting income for the year Deferred tax is measured based on current tax rates.

11. Provisions & Contingencies :

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events, it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. The Company does not provide for a contingent liability but discloses its existence in the financial statement.

12. Earnings per equity share :

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, sub-division of shares etc., that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders is divided by the weighted average number of equity shares outstanding during the period, considered for deriving basic earnings per share and weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

13. Employee Benefits :

(a) ESI & EPF Contribution : In the opinion of the Management, the Provisions of ESI & EPF Act is not yet applicable to the Company.

(b) Provision for Retirment Benefits : Since the management of the Company does not provide any kind of post retirement benefits like gratuity etc to any of its employees, provision for retirement benefits like gratuity etc is not made by the Company.

14. Impairment of Assets :

The carrying values of assets/ cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

15. Repossessed Hypothecated Stock :

The repossessed stock has been valued at yearend at market value & accounted in the books of accounts of the Company. The Company maintained separately a Seized Vehicles Register, recording the date of seizure of vehicle, release of vehicle and sale of Seized Vehicle & accounted profit /loss on sale of seized vehicles, wherever applicable.

1. The outstanding balances of Debtors, Creditors, Loans and Advances given / taken are subject to confirmation from the parties.

2. Auditors remuneration includes the following :

	As on 31/3/2021	As on 31/3/2020
Statutory Audit Fees	50000.00	50000.00
Tax Audit and Tax matters	50000.00	25000.00
Company Law matters	30000.00	25000.00
Other services	30000.00	25000.00
TOTAL	160000.00	125000.00

3. During the year, as and when required, Loans and advances are given to and taken from the Directors / Companies/ firms and other parties, in which Directors are interested. Since the accounts were operated as current accounts, repayable on demand, it is impossible for the Management to quantify the maximum amount of unsecured loans given and taken. However, Balance outstanding at the yearend together with security of immovable property given against loan taken by a company under the same management does not exceeds the limit prescribed under section 185 & 186 of the Companies Act, 2013 & under RBI Directions to NBFC's.

4. Previous year's figures have been regrouped / recast / rearranged / reclassified, wherever required.

5. Contingent Liabilities & Commitments (to the extent not provided for)

A. Contingent Liabilities

a. Claims against the Company not acknowledged as debt : -

1. Disputed Income Tax Liability for AY 06/07 - Rs. 4,71,077/- (On account of disallowance of deduction claimed u/s 10 (23G) and expenses disallowed u/s 14A and u/s 37 of the I.T. Act.

2. Disputed Income Tax Liability for A.Y.2017-18 Rs.20,51,022/- (on account of addition u/s 68 on deposit of cash in Bank during demonetisation period)

b.Guarantees : - NIL

c. Other Money for which the Company is contingently liable : - NIL

B. Commitments

a. Estimated amount of contacts remaining to be executed on capital account and not provided for : - NIL

b. Un called liability on shares and other investments partly paid : - NIL

c. Other Commitments : - NIL

6. In the opinion of the management, there is no diminution in the value of investments made in Immovable Properties / Unquoted shares, held as Long term investments.

7. In the opinion of the Board, the realisable value of the Current Assets, Loans and Advances, in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet.

8. Loans/Investments / Guarantees / Securities taken together to single group of parties i.e. Firms & Companies under the same management are within the limit prescribed under RBI Directions, 1998 to NBFC's and the limits prescribed under section 185 & 186 of the Companies Act, 2013.

9. Earnings per share

Particulars	31/03/21	31/03/20
Net Profit after tax	9820671	9341880
Weighted average number of equity shares (Nos)	3512300	3512300
Earnings/(Loss) per share (INR)	2.88	2.66
Nominal Value of Equity Shares (INR)	10	10

10. As per Indian Accounting Standard-12 on "Income Taxes" issued by the Institute of Chartered Accountants of India, no amount has been provided against deferred tax Asset / Liability, in view of amount involved is not material.

11. Related Party Disclosures :-

Party where the control Exists	Name of Related Party
1. Key Managerial Personnel	
Managing Director	Rajgopal Gilada
Whole Time Director	Sampath Kumar Gilada
Chief Executive Officer	Sangita Gilada
Chief Financial Officer	Pallavi Gilada
Company Secretary	Ishwarya Rajan (from Aug., 2020)
2. Enterprises owned / significantly influenced by KMP	1. Gita Refractories Pvt Ltd 2. Rajvaibhav Enterprises Pvt Ltd 3. Sahyadri Renewable Energy Pvt Ltd 4. Prestress Steel LLP 5. Whitefield Refractories Pvt Ltd 6. Vijayalakshmi Hydro Power Pvt Ltd 7. Shankarlal Gilada & Sons Pvt Ltd 8. Krishna Valley Power Pvt Ltd 9.Srisakthi Land Developers & Constructions Pvt Ltd 10. Abhinandan Apex Securities Pvt Ltd 11. Vikramaditya Renewal Energy Pvt Ltd 12. SRM Power Pvt Ltd13. Gilada Industrial Enterprise LLP

Sl No	Related Party	Nature of Transaction	31/03/21	31/03/20
1	Rajgopal Gilada	Remuneration	1150000	120000
2	Sampath Kumar Gilada	Remuneration	575000	600000
3	Prashant Benerjee	Salary	NIL	2499996
4	Sangita Gilada	Salary	506000	568000
5	Monica Gandhi	Salary	NIL	288181
6	Ishwarya Rajan	Salary	345544	NIL
7	Gita Refractories Private Limited	Unsecured loan outstanding Interest Received	17889208/- Dr 2223060	18353492/- Dr. 1313998
8	Prestress Steel LLP	Unsecured loan outstanding Interest Received	NIL 397294	6265306/-Dr. 1381644
9	Rajvaibhav Enterprises Private Limited	Unsecured loan outstanding Interest Received	5000000/- Dr 700000	5000000/- Dr. 700000

12. A separate schedule to the Balance sheet as required under NBFC (RBI) Directions, 1998 is given in Annexure – A.

13. Reconcilation of Movement in Borrowings to cashflows from financing activity

Borrowings	31/03/21	31/03/20
Opening Balalnce	7084505	7704723
Cash flows (Net)	(640029)	(771989)
Amortisation of loan origination costs	NIL	NIL
Closing Balance	6444476	6932734

14. Financial risk management objectives and policies

The company's principal financial assets/liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial assets/liabilities is to finance and support company's operations. The company's principal financial assets include loans other receivables, cash and cash equivalents and refundable deposits/ Investment in property that derive directly from its operations.

The company is exposed to market risk, credit risk and liquidity risk. The company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

a) 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 price. Market risk comprises two types of risk. Interest rate risk & other price risk such as commodity risk. Financial instruments affected by market risk include loans & borrowings & refundable deposits. The sensitivity analysis in the following sections relate to the position as at March 31st, 2021 & March 31st 2020. The sensitivity analysis have been prepared on the basis that the amount of net debt & the ratio of fixed to floating interest rates of debt. The sensitivity of the relevant profit or loss item in the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31st, 2021 & March 31st 2020.

b) Interest rate risk

Interest rate sensitivity on fixed and floating rate assets and liabilities with defining maturity profiles is measured by using the duration gap analysis. The same is computed monthly and sensitivity of the market value of equity assuming varied changes in interest rates are presented and monitored by management.

c) Credit Risk

Credit risk is the risk that the company will incur a loss because its customers fail to discharge their contractual obligations . The company has a comprehensive framework for monitoring credit quality of its all kinds of loans primarily based on days past due monitoring, at period end. Repayment by individual customers and portfolio is tracked regularly and required steps for recovery are taken through follow ups and legal recourse.

In assessing the impairment of financial loans under expected credit loss (ECL) model, the assets have been segmented into three stages. The three stages reflect the general pattern of credit deterioration of a financial instrument. The differences in accounting between stages, relate to the recognition of expected credit losses and the measurement of interest income.

The company applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for trade advances. The company has computed expected credit losses based on a provision matrix which uses historical credit loss experience of the company

The table below summarises the gross carrying values and the associated allowances for expected credit loss (ECL) stage wise for loan portfolio :

Particulars	31/03/2021		
	Std Assets	Sub-Std Assets	Doubtful & Loss Assets
Gross carrying Value	116940100	15885998	5750265
Allowance for ECL	467760	2382241	5507283
ECL Coverage Ratio	0.40%	15%	96%

Particulars	31/03/2020		
	Std Assets	Sub-Std Assets	Doubtful & Loss Assets
Gross carrying Value	128998161	11057576	7219615
Allowance for ECL	515993	1105758	3114569
ECL Coverage Ratio	0.40%	10.00%	43.14%

15. Loans written off as Bad debts

The gross carrying amount of a financial asset is written off when there is no realistic prospect of further recovery. This is generally the case when the company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss statement.

16. Capital Management

The company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of March 31, 2021 and March 31, 2020 was as follows:

Particulars	31/03/2021	31/03/2020
Total equity attributable to the equity share holders of the company	136809178	126988507
As a percentage of total capital	95.50%	94.72%
Borrowings	6444476	7084505
As a percentage of total capital	4.50%	5.28%
Total capital (equity and borrowings)	143253654	134073011

17. COVID -19 Impact Assessment

Covid-19, a global pandemic has spread across our country and created an unprecedented level of disruption. The Government of India declared a nation wide lockdown effective March 25, 2020 which was in force till May 31, 2020. Even after lifting lockdown restrictions, situation have not become normal. These developments are likely to impact the company's business operations. RBI announced the Covid-19 regulatory package following which the company has offered the option of moratorium for instalments falling due between March 1, 2020 and August 31, 2020 to all eligible borrowers. Few borrowers have opted for moratorium and restructuring as on 31st March, 2021 and hence company is required to make additional provision for the year, as per RBI, Directions.

SCHEDULE TO THE BALANCE SHEET OF A NBFC

(Net of Schedule to the Balance Sheet of a Non.deposit taking Non.Banking Financial Company (as required in terms of Paragraph 13 of Non Banking Financial (Non.Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007)

(Rs. In lakhs)

Sl. No.	Particulars	Amount Outstanding	Amount Overdue
	Liabilities Side :		
1.	Loans & Advances availed by the NBFC's inclusive of interest accrued thereon but not paid :		
	(a) Debenture : Secured	NIL	
	: Unsecured (Other than falling within the meaning of public deposits)	NIL	
	(b) Deferred Credits	NIL	
	(c) Term Loans	39.70	
	(d) Inter corporate loans & borrowing	NIL	
	(e) Commercial Paper	NIL	
	(f) Other Loans (specify nature)		
	Loan from Directors	24.74	
	Agents Deposits	NIL	

Sl. No.	Particulars	Amount
	Assets Side :	
2.	Break.up of Loans & Advances including bills receivables (Other than those included in (3) below) :	
	(a) Secured	115.3
	(b) Unsecured	228.89
3.	Break.up of leased Assets & stock on hire and other assets counting towards AFC activities	
	(i) Lease assets including lease rentals under sundry debtors :	
	(a) Financial lease	NIL
	(b) Operating lease	NIL
	(ii) Stock on hire including hire charges under sundry debtors :	
	(a) Assets on hire	NIL
	(b) Repossessed Assets	23.77
	(iii) Other loans counting towards AFC activities	
	(a) Loans where assets have been repossessed	NIL
	(b) Loans other than (a) above	1231.55
4.	Break.up of Investments :.	
	Current Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures & Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

2.	Unquoted :	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures & Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	Long Term Investments :	
	1. Quoted :	
	(i) Shares : (a) Equity	NIL
	(b) Preference	NIL
	(ii) Debentures & Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL
	2. Unquoted :	
	(i) Shares : (a) Equity	0.90
	(b) Preference	NIL
	(ii) Debentures & Bonds	NIL
	(iii) Units of mutual funds	NIL
	(iv) Government Securities	NIL
	(v) Others (please specify)	NIL

5. Borrower group.wise classification of assets financed as in (2) and (3) above :

	Amount (Net of provisions)		
Category	Secured	Unsecured	Total
1. Related Parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	228.89	228.89
(c) Other related parties	NIL	NIL	NIL
2. Other than related parties	1054.78	242.15	1296.93
TOTAL	1054.78	471.04	1525.82

6. Investor group.wise classification of all investments (current & long term) in shares & securities (both quoted & unquoted) :

Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
2. Other than related parties	0.90	0.90
TOTAL	0.90	0.90

8. Other Information :

Particulars	Amount
(i) Gross Non.Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	216.36
(ii) Net Non.Performing Assets	
(a) Related parties	NIL
(b) Other than related parties	126.97
(iii) Assets acquired in satisfaction of debt	NIL

ANNEXURE - VI

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,
Gilada Finance and Investments Ltd
105 R R Takt, 37 Bhoopasandra Main Road,
Sanjaynagar, Bangalore- 560094,

We, **BENNUR NAGARAJA & CO**, Chartered Accountants (Firm's Registration No.: 000419S), as Statutory Auditors of GILADA FINANCE AND INVESTMENTS LIMITED ("The Company"), having its Registered office at # 105 R RTakt, 37 Bhoopasandra Main Road, Sanjaynagar, Bangalore- 560094, have examined the compliance of conditions of Corporate Governance by the Company for the financial years ended March 31, 2021 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchange(s).

We have been requested by the management of the Company to provide a certificate on Compliance of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For BENNUR NAGARAJA & CO
Chartered Accountants
Firm's Registration No. 000419S

BENNUR NAGARAJA
PROPRIETOR

Date: 31.08.2021
Place: Bangalore

MNo.024163
UDIN:21024163AAAACX3053

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Gilada Finance and Investments Limited
 # 105, R R Takt 37 Boopasandra Main Road
Bangalore KA 560094 IN

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Gilada Finance And Investments Limited having CIN L65910KA1994PLC015981 and having registered office at # 105, R R Takt 37 Boopasandra Main Road Bangalore KA 560094 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature
Name: Varun Nashine (Partner)
Membership No.: 49574
CP No.:17975
UDIN:A049574C000846458

Place:Pune
Date :27/08/2021