

# THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

REGD. OFFICE: 'MHU' COMPLEX, 692, ANNA SALAI,  
NANDANAM, CHENNAI - 600 035.



The Growth Catalyst

**SEVENTY FOURTH  
ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
MARCH 31, 2023**

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## Board of Directors



**Thiru Hans Raj Verma, IAS.,**  
Chairman & Managing Director, TIIC



**Thiru S. Krishnan, IAS.,**  
Additional Chief Secretary to Government  
Industries, Investment Promotion &  
Commerce Department, Government of Tamilnadu



**Thiru V. Arun Roy, IAS.,**  
Secretary to Government  
MSME Department  
Government of Tamilnadu



**Thiru H. Krishnan Unni, IAS**  
Joint Secretary to Government  
Finance Department, Government of Tamilnadu



**Tmt. Mariam Pallavi Baldev, IAS**  
Additional Secretary to Government  
Industries, Investment Promotion &  
Commerce Department, Government of Tamilnadu



**Thiru Ravindran A Lakshmanan**  
General Manager, Small Industries  
Development Bank of India (SIDBI)



**Thiru G. Santhanam, IAS (Retd.)**  
Independent Director



**Thiru S. Rajendiran**  
Independent Director



**Thiru D. Srinivasan**  
Independent Director

### Auditors

**M/s. P.B. Vijayaraghavan & Co.**  
Chartered Accountants  
Chennai

### Principal Bankers

Indian Bank  
State Bank of India  
Indian Overseas Bank  
Bank of Baroda

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## Chairman's Speech

in the 74th Annual General Meeting of the Shareholders at 4.00 pm on 19th September, 2023

Dear Shareholders,

I extend my warm welcome to you all to the 74th Annual General Meeting of the Corporation. I thank you for your presence and for your continued support and goodwill that is so crucial to the success of the Corporation. The Audited Statement of Accounts for the year ended 31st March 2023 with the Auditor's Report and Comments of the AG and the Directors Report have already been sent to you and with your permission, I take them as read. I trust you would have gone through the same by now and you are pleased with the record performance of the Corporation for the year 2022-23.

With the committed support of all the stakeholders, namely the Government of Tamilnadu, SIDBI, TIDCO, SIPCOT, Public Sector Banks etc. the Corporation recuperated to good health from the year 2003-04. During the Financial Year 2022-23, the Corporation consolidated its financial position and recorded profits by registering a net profit of Rs.136.15 crore. However, I would like to take this opportunity to share with you some of the salient aspects of the report.

### ECONOMIC SCENARIO:

#### At National Economy

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks-most notably, the COVID-19 pandemic and Russia's invasion of Ukraine-manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions and commodity price spikes, inflation reached multi decade highs last year in many economies, leading central banks to tighten aggressively to bring it back towards their targets and keep inflation expectations anchored.

The combination of slow growth,

tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults. Further negative shocks-such as higher inflation, even tighter policy, financial stress, deeper weakness in major economies or rising geopolitical tensions-could push the global economy into recession.

World Bank in its Global Economic Prospects, the global growth is expected to decelerate sharply to 1.7 percent in 2023. International Monetary Fund in its World Economic Outlook expects Global growth to bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024.

Though the global recession / negative outlook on world economy in the past due to COVID-19 pandemic, the war in Ukraine and supply chain disruption, India's economy has grown at a positive rate and has grown at the highest rate among major economies in the world.

The World Bank, Asian Development Bank and International Monetary Fund were forecasting India's growth for FY 2023-24 and FY 2024-25 as mentioned below:

Sl.No	Description	Projections	
		FY 2023-24	FY 2024-25
1.	World Bank – Global Outlook	6.8%	6.1%
2.	IMF – World Economic Outlook	6.9%	6.3%
3.	ADB – Asian Outlook	8.0%	6.7%

The Economic Survey 2022-23 states that with the rebound of private consumption and capital formation, increase in capacity utilization across sectors, the projected growth of the Indian economy will be 6.0 - 6.8% in the Year 2023-24. Further, growth is expected to be brisk in FY24 as the Government expects a vigorous credit disbursement and expected

unfolding of capital investment cycle with the strengthening of the balance sheets of the corporate and banking sectors.

The industry segment holds a prominent position in the Indian economy contributing about 30 percent of total gross value added in the country. In FY23, the Indian industry faced some extra ordinary challenges as the Russian-Ukraine conflict broke out. That led to a sharp rise in the prices of many commodities, prices of edible oil, crude oil, fertilizers and food grains rose sharply. They remained at elevated levels for several months. The risk of another round of supply chain disruptions emerged, but they were not as severe as feared but both the price and the availability of essential commodities had the potential to dent the industry's optimism on consolidating the recovery of FY22 and further accelerating it.

The Indian economy is poised for continued growth in 2023-24. The government's policies are supportive of growth, and the economy is well-positioned to benefit from global economic recovery. However, there are some risks that could dampen growth, such as rising inflation and geopolitical tensions. The government may take steps to mitigate these risks in order to ensure that the economy continues to grow at a healthy pace.

### Credit Flow 2022-23

The banking system continued the efforts to augment capital and improve asset quality. The onset of a fresh lending cycle since the second half of 2021-22 gained momentum during 2022-23, resulting in double digit credit growth encompassing all major sectors.

Non-banking financial companies (NBFCs) maintained robust credit growth during 2022-23, supported by the broad-based revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet.

On a year-on-year (y-o-y) basis, non-food bank credit registered a growth of 15.4% in March 2023 from 9.7% in March 2022. Credit

growth to industry picked upto 5.7% (y-o-y) in March 2023 as against 7.5 per cent in March 2022. Credit to large industry rose by 3.0 per cent as compared with 2.0 per cent a year ago. Credit to medium industries registered at 19.6 per cent (y-o-y) growth in March 2023 as compared to 54.4 per cent last year. Credit growth to Micro and Small Industries slump to 12.3 per cent from 23 per cent. Credit growth to services sector accelerated to 19.8 per cent in March 2023 as compared to 8.7 per cent a year ago, mainly due to improved credit off take to 'Non-Banking Financial Companies (NBFCs)' and 'trade'.

### AT THE STATE LEVEL

- Tamil Nadu's GSDP growth has been estimated at 14 per cent for 2022-23 in nominal terms and is expected to be sustained in 2023-24. It is estimated to be 13 per cent in 2024-25 and 12 per cent in 2025-26. (As per Tamil Nadu Government Budget)
- Amidst a grim outlook with global uncertainties caused by the war in Ukraine, high inflation and fears of recession, the growth of the Indian economy for 2023-24 is pegged at 6.5%. Despite that, Tamil Nadu's growth is higher than that of national growth and has significantly lowered the Revenue Deficit and Fiscal Deficit which is a positive sign for the growth of the State.
- To steer Tamil Nadu towards a one trillion-dollar economy by 2030, the next Global Investors Meet (GIM) will be organized in Chennai on 10th and 11th January 2024. This will be a platform that will showcase the investment friendly climate prevailing in the State and also its immense strengths and attractiveness as an investment destination. It will also facilitate our industries, MSMEs and Startups to connect with the global markets and investors.
- Tamil Nadu is well-positioned to play a major role in indigenization of defence manufacture with its strong industrial base and a skilled workforce along the



five nodes of the defence corridor. The private investment in this sector is encouraged by various initiatives and providing incentives viz. Tax breaks, land subsidies etc., The state has an opportunity to produce a wide range of weapons and equipment, including tanks, aircraft, and ships and is investing in research and development (R&D) to develop new technologies that can be used in the defence sector. Further, MRO activities in the defence sector will provide plenty of opportunities to MSMEs.

- A New Textile Park will be established in Salem at a cost of around Rs.880 crore in an area of 119 acres, with funding from Union and State Governments and participation of private sector.
- Tamil Nadu has one of the largest numbers of business incubators in the country. With a view to supporting business incubators who propose to specialise in areas like climate tech, rural tech, agri tech and marine tech, StartupTN will assist them in raising funds from various sources to set up Centres of Excellence and will also bear up to 40 per cent of the cost of such upgradation. A separate vertical will be created in StartupTN to further the incubator ecosystem in the State.
- Tamil Nadu has been attracting substantial investments in the last two years. Since May 2021, 221 Memorandum of Understanding (MoU) have been inked for investment commitments worth Rs.2,70,020 crore with employment opportunities for 3,89,651 persons.
- Tamil Nadu Government has proposed to develop sector-specific policies for planned industrial development in the State which might improve the industrial eco system and infrastructure.
- New industrial parks will be developed in Virudhunagar, Vellore, Kallakurichi and Coimbatore at an estimated cost of Rs.410 crore for providing employment opportunities to nearly 22,000 persons.

Further, an industrial housing facility will be established in the SIPCOT Industrial Park in Gangalkondan at an estimated cost of Rs.50 crore to accommodate 1,500 employees.

#### HIGHLIGHTS OF THE CORPORATION'S PERFORMANCE DURING THE YEAR 2022-23:

The Annual Report portrays the performance of our Corporation during the financial year 2022-23. I would like to take this opportunity to share with you some of the salient aspects of the Annual report.

The Corporation has registered net profit for the twentieth consecutive year. The total income of the Corporation for the financial year 2022-23 stood at Rs.344.64 crore and the net profit is Rs.136.15 crore. The sanctions, disbursements and recovery of loans for the Financial Year 2022-23 as against the performance in the FY 2021-22 are given below:

	(Rs.in Crore)	
Loan	2022-23	2021-22
Sanctions	1777.03	1802.23
Disbursements	1720.44	1520.36
Recovery	1535.95	991.53

The total loan portfolio of the Corporation for the financial year 2022-23 stood at Rs.2525.39 crore as against Rs. 2054.89 crore during 2021-22 with a share of standard assets at 98.93% of the loan portfolio.

#### Capital Reserves:

- 1) Net Capital and Reserves as on 2022-23 stood at Rs.1152.92 crore as against Rs.1029.40 crore during the previous year viz 2021-22.
- 2) Capital Adequacy Ratio has decreased from 33.50 % in 2021-22 to 31.54% in 2022-23.
- 3) The Total income of the Corporation has increased from Rs.249.32 crore in 2021-22 to Rs. 344.64 crore during 2022-23.

### Initiatives Taken by the Corporation during FY 2022-23

- Extension of time limit for processing the applications received during the Special Business Campaign I & II.
- Extension of Special Schemes PCS (Privileged Customer Scheme), EFS-Fast Track and Medical Practitioner Scheme for FY 2022-23 was approved.
- Extension of the Hotel scheme for purchase of Second Hand Hotels / Resorts.
- Extension of validity of Adhoc WCTL Scheme for FY 2022-23 and certain modification on arriving the loan eligibility.
- Budgetary limits of EFS-FT was enhanced from Rs.200.00 crore to Rs.300.00 crore.
- Processing State Capital Subsidy to units financed by TIIC through online under Single Window Portal.
- Certain parameters have been modified in EFS-Fast Track scheme for imported machinery and indigenous machinery.
- Increase in ceiling limit of project outlay from Rs.50.00 lakhs to Rs.200.00 lakhs and modification in interest rate and financial norms under MSEF Scheme.
- Change in procedure of Building cost Estimation for project appraisal.
- Relaxation in CIBIL score and CMR Rank on case to case basis under the scheme of Privileged Customer Scheme and for the existing customers only in respect of EFS-Fast Track Scheme.
- 50% Special concession in Investigation fees granted during the Tamil month of "Thai" for the period from 15.01.2023 to 12.02.2023.
- Inclusion of Home Textiles under Thrust Sector for availing 25% of eligible Capital Subsidy to the eligible MSMEs.
- To increase the credit availability to MSME units, the Corporation continuously implemented the various new schemes like Privileged Customer scheme (PCS),

Fast Track Equipment Finance scheme, Medical Practitioners scheme and Adhoc Working Capital Scheme. The performance of the Corporation in these schemes supported an increase of sanction to an extent of Rs.250.96 crore during FY 2022-23.

- The Corporation has dispensed with the condition of minimum interval of 1 year for further sanctions under PCS scheme subject to the condition that the total loan outstanding per borrower shall not exceed the maximum limit.
- Introduction and implementation of Tamilnadu Credit Guarantee Scheme (TNCGS) to extend a credit line with credit guarantee coverage from TNCGS to those MSMEs in the manufacturing sector who are facing liquidity crisis and financial stress but are otherwise found deserving on appraisal.
- The Corporation extended the Bill Finance Scheme to Contractor/suppliers of Greater Chennai Corporation and Chennai Metropolitan Water Supply and Sewerage Board. With the easing of norms and changes in procedure for arriving at the BFS eligibility, the performance under Bill Finance Scheme showed significant growth in the previous financial year.
- To ensure streamlined workflow in the areas of sanction and disbursement, the Corporation increased the number of panel valuers and panel surveyors empanelled by the Corporation.
- The Corporation has eased the collateral coverage norms by including the value of primary land and building in collateral security coverage.
- Implementation of 5% Back Ended Interest Subsidy for MSEs to enable them for technology upgradation with credit at low cost.
- Continued simplification of procedures of sanction and disbursement, customization of schemes suiting the divergent needs of the MSMEs in line with the current lending landscape, the

Corporation registered a historical high in AUM of Rs.2525.39 crore.

- MoU's with various stakeholders have been entered to promote the Start-up ecosystem, technological up-gradation of MSMEs by way of adoption of Industry 4.0, to support MSMEs with sufficient working capital facilities, to promote circular economy among MSMEs, to facilitate training for MSME vendors on Defence Manufacturing, etc.
- To promote the entrepreneurial spirit among the new generation entrepreneur, thrust was given to self employment scheme viz, NEEDS. The Corporation has sanctioned loan of Rs.79.09 crore to 88 units in 2022-23 under this scheme.
- Intensive Special Business Campaign was organized during August-September 2022 across all Branches of the Corporation to give thrust for sanction and disbursement in the financial year 2022-23.
- The Corporation's schemes were showcased and senior level representation / participation were made in various events / exhibitions / annual conferences like AVNL, SIDM, CII Industry Conclave etc.
- The revision in Moratorium period under Industrial Infrastructure Initiative Scheme from one year for applying regular term loan (i.e. for construction of building, purchase of machinery) to 2 years eased the credit burden on the MSMEs availing financial assistance from TIIC for purchase/lease of Industrial plots from SIDCO/SIPCOT.

#### Other Initiatives during the year 2022-23 & future outlook

- Special Teams comprising of Head Office officials were deployed to supplement the sanction, disbursement and recovery efforts at the field level which helped in achieving historical high AUM of Rs.2525.39 crore with annual growth rate of 22.90%.
- The Corporation has introduced the

system for customer categorization by issuing Platinum/Gold/Silver Cards to Standard category investees with card specific privileges /concessions to honour the good investees and fetch more business from them.

- TIIC has availed Low Cost Funds from Banks by changing the strategy of negotiation with the Banks. TIIC's performance has enabled it to demand competitive interest rates from the scheduled commercial Banks by moving away from a 'Sellers' Market Mindset' to a 'Buyers' Market Mindset' in negotiations. As a consequence, today we have commercial Banks competing among themselves intensely for the Goodwill of TIIC.
- The Total Cost of Ownership (TCO) concept of TIIC emphasizes on its Business Accounts delivered with the Least Cost and the Most Competitive benefits for its investees over the life cycle of the project. TIIC's Unique Selling Proposition (USP) of being a Lending Plus Service Provider is fully cemented and the Brand TIIC is now an established name in the Financial World. TIIC's value proposition is not a mere lender. It is beyond that. It is a Growth Catalyst. It is invested in the long-term success of its valuable customers, its investees. The guiding principle of TIIC is to be the Growth Catalyst for Tamil Nadu's Economy and core objective is to position the Brand TIIC's 'Lending Plus Value Proposition' under which TIIC proactively engages with various Stakeholders in the MSME Eco System and offers its clients a boutique of Services comprising of lending, financial services, technical guidance, marketing assistance, competency building, raw material sourcing for enabling sustainable and inclusive growth in Tamil Nadu.
- TIIC was stagnating in the BBB+ rating slot for the last 8 years. By proactively engaging with the rating agencies and proper showcasing of the financial

strength of TIIC, the rating has improved from BBB+ to A- by India Ratings in the financial year 2021-22. This is the first time TIIC has entered the 'A' Band rating. With TIIC's commendable performance for the FY 2022-23, TIIC's rating expected to be further upgraded. This reflects the confidence of financial world in core strength of TIIC.

- As a recognition of Tamil Nadu and Brand TIIC, the 56 member body unanimously elected the CMD of TIIC as the President of Council of State Industrial Development & Investment Corporations of India (COSIDICI) consecutively for the second term. To empower SFCs with low cost funds, as the President of COSIDICI, CMD, TIIC is taking initiatives to avail low cost funds from NABARD / SIDBI by using the collective negotiating power of the SFCs. It is also sharing the Best Practices among the members, inter State Industrial study tour etc.
- Environmental, Social and Corporate Governance (ESG) is a set of standards used to evaluate a company's performance in relation to these three non financial metrics. Investors consider these factors to identify investment opportunities, key risks and market growth prospects. The act of investing using ESG criteria to drive competitive financial returns while reflecting a positive impact on society is known as "Sustainable investing" or "ESG Investing". TIIC has planned to expose the necessity of ESG Compliance to the MSMEs in Tamil Nadu for them to be sustainable.
- The recent steps taken by European Union (EU) as a part of its climate change mitigation measures such Carbon Border Adjustment mechanism (CBAM), Forest Degradation Act, etc. will pose challenges to the MSMEs in the quest to be part of the Global Supply Chain (GSC). CBAM is a policy tool designed to address carbon leakage and promote global climate goals. It is a proposed to reduce the risk of carbon leakage, which occurs when carbon-intensive industries

relocate their production to regions with less stringent climate policies, thereby undermining global efforts to reduce green house gas emissions. Under Forest Degradation Act, while no country or commodity will be banned, companies will only be allowed to sell products in the EU if the supplier of the product has issued a so-called "due diligence" statement confirming that the product does not come from deforested land or has led to forest degradation, including of irreplaceable primary forests. TIIC will educate and sensitize its current and potential investees for compliance with the emergent trends namely i) BRSR code of SEBI ii) Scope 1, 2 and 3 Accounting Standards. These steps of TIIC will enable its MSMEs to continue to be valuable partners in the global supply chains and position Tamil Nadu as a Hub for Green Manufacturing.

- TIIC's role as a techno commercial organization will enable faster implementation of IR 4.0 among the MSMEs. TIIC's proactive engagement in IR 4.0 is guiding the MSMEs to negotiate the future confidently and facilitating the **Hon'ble CM's Vision to make Tamil Nadu a USD 1 trillion economy by 2030**. TIIC has signed MoU with VIT and Sedaxis, as part of which MSMEs a one day workshop was organized for the MSMEs in "Advanced Manufacturing under IR4.0" at VIT.
- TIIC has positioned its value offering as a Lending Plus Value Proposition. In this guidance to the MSMEs for ESG compliance and Industry 4.0 adoption are part of the value proposition. TIIC is directly connected with around 3000 MSMEs across the length and breadth of the State. TIIC is well positioned to be the Nodal Agency in Implementation of IR 4.0 across Tamil Nadu. An exclusive "ESG and IR 4.0 Cell" was inaugurated on 16th May 2023 at its premises in Head Office. TIIC is one of the few PSUs who have its own ESG and IR 4.0 cell and is a pioneer SFC in taking the futuristic approach for on boarding the MSMEs on the platform of ESG and IR 4.0.

- TIIC is investing its Top-Dollar in its Human Resource's capacity building, which is its most valuable resource. As part of this 11 of the Officers of TIIC have attended the 'Master class on ESG' conducted by IOD and certified as ESG professionals. Also, 6 Officers have attended the work shop on 'Policies for Digitalization and the Fourth Industrial Revolution: Workshop for Government of Tamil Nadu' conducted by Guidance Tamil Nadu in partnership with United National Industrial Development Organization (UNIDO) and Korea International Cooperation Agency (KOICA). TIIC has trained its 40 plus employees in Project Management, certified with Level D by Indian Project Management Associates (IPMA). TIIC is planning to train its employees in the next level of PMA. TIIC as on date is only 191 employee strong. It is harnessing the power of technology and empowered employees for achieving the growth metrics which are all above the industrial average. The resilience of TIIC's employees is its key competitive advantage. TIIC is training its employees to successfully negotiate the VUCA world (Volatility, Uncertainty, Complexity and Ambiguity).
- The Corporation is in a mission mode on its IT deployment through Project EDGE - Enterprise Digitalization for Goal Enhancement to digitally transform the current processes by automating tasks, reducing manual intervention, and adopting Business process re-engineering to provide faster qualitative services to customers and thereby enhance customer experience and maintain valued relationships with clients. Through adoption of best practices and latest digital technologies, TIIC aims to transform the Corporation's quality of service and earn a better position in a digitally changing and a competitive market place. Accordingly, loan processing is being digitalized and implemented as 'Loan Origination System' Module. At present, the wholly in-house developed Loan Origination

System Module has been enabled for processing loan appraisal from the stage of application to documentation. This transformation towards digitalization will be a force multiplier and will assist TIIC to leap frog over its competitors in this ultra-competitive financial landscape.

- TIIC Brand is firmly established in the mind of its current and potential investees and is invested in their long term sustainable success. TIIC 1.0 laid the foundation of the brick and mortar of industrial base in Tamil Nadu. TIIC 2.0 will lay the foundation of next level of industrial development in Tamil Nadu which will be powered by the emerging trends in Technology. TIIC will harness emerging trends and guide MSMEs of Tamil Nadu. With these measures, TIIC will play its mandated role of Catalysing the Tamil Nadu economy and being a key driver of **Hon'ble CM's Vision of making Tamil Nadu a USD1 Trillion economy by 2030.**

#### ASSET QUALITY:

Maintaining a qualitative credit portfolio being the top priority for successful operations, being the Corporation vigorously pursues the following strategies:

- Emphasis on comprehensive Risk Management.
- Improving appraisal system for qualitative sanctions.
- Monitoring of special mention accounts and focused follow up of larger advances.
- Introduction of a Comprehensive Credit Management and Recovery Manual to enhance Branch Credit Control Systems.
- Continuous training for its personnel for skill development.
- An Exclusive Department for monitoring the Asset Quality.
- Comprehensive set of one time settlement schemes for elimination of chronic NPAs.

**ACKNOWLEDGEMENTS:**

I take this opportunity to place on record my thanks to the Government of Tamilnadu, Small Industries Development Bank of India (SIDBI), Commercial Banks, MSME Development Institute and other State Level Institutions viz., State Industries Promotion Corporation of Tamilnadu (SIPCOT), Tamilnadu Small Industries Development Corporation Limited (TANSIDCO), ITCOT Consultancy and Services Limited, Electronics Corporation of Tamilnadu Limited (ELCOT) and the Tamilnadu Small and Tiny Industries Association (TANSTIA) for the continuous co-operation and support extended by them.

I have great pleasure in placing on record my appreciation to the Officers and Staff of the Corporation for their sincere and dedicated service. The team TIIC has taken full ownership of the 'Lending Plus Value Proposition' strategy which differentiates TIIC from its competitors. Also, the business strategy of treating its customers as 'Investees' for whose long term sustainable success TIIC will ceaselessly strive for.

I also thank my colleagues on the Board for their valuable contribution in formulating and monitoring the policies and programmes of the Corporation.

Last but not the least, I take this opportunity to express my sincere thanks to all investors including Government of Tamilnadu, SIDBI, TIDCO, SIPCOT, and the nationalized Banks, etc., who have reposed faith in the Corporation and continued their support as shareholders.

TIIC, the growth catalyst in partnership with other stakeholders will strive ceaselessly to undertake its mandated role of being a major force in contributing to the Hon'ble CM's vision of making the Tamil Nadu economy a USD 1 trillion by 2030. Tamil Nadu is blessed by nature in terms of the Renewable Energy (RE) potential of Solar, Wind (onshore and offshore) and Hydro. TIIC will facilitate the leveraging of the Renewable energy potential and will forge partnership with all the stakeholders for promoting green and sustainable manufacturing in Tamil Nadu. TIIC will continually strive to promote Brand Tamil Nadu with focus on Thought Leadership, Technology Leadership and Throughput Leadership.

**HANS RAJ VERMA, IAS**  
CHAIRMAN & MANAGING DIRECTOR

**SYNOPSIS OF BALANCE SHEET**

		Rs. in lakhs
As on 31.03.2022	CAPITAL & LIABILITIES	As on 31.03.2023
42,100	Paid up Capital	42,100
60,840	Reserves & Surplus	72,350
27,793	Deposits	21,383
1,06,913	Line of Credit - Banks	1,47,526
—	Deferred Tax Liability	837
21,124	Other Liabilities	25,127
<u>2,58,770</u>	Total	<u>3,09,323</u>

		Rs. in lakhs
As on 31.03.2022	PROPERTY & ASSETS	As on 31.03.2023
6,143	Cash & Bank Balances	6,453
4,731	Investments	4,759
2,03,203	Loans & Advances	2,51,773
38,475	Fixed Assets	38,664
5,986	Other Assets	7,674
232	Deferred Tax Asset	—
<u>2,58,770</u>	Total	<u>3,09,323</u>

## YEARS AT A GLANCE

Rs. in lakhs

RESOURCES	As on March 31st	
	2022	2023
Share Capital	42,100	42,100
Reserves & Surplus	60,840	72,350
Deposits	27,793	21,383
Line of Credit – Banks	1,06,913	1,47,526

FINANCIAL HIGHLIGHTS	2021-2022	2022-2023
Gross Income	24,932	34,464
Financial Cost	6,347	10,059
Establishment and administrative expenses	5,227	5,995
Other Provisions / Write Off	1,320	465
Net Profit before Tax	12,038	17,945
Net Profit after Tax	8,294	13,615

OPERATIONS	2021-2022		2022-2023	
	No.	Amount	No.	Amount
(i) Total assistance sanctioned (All types gross)	1,933	1,80,223	1,314	1,77,703
(ii) Amount of assistance disbursed	—	1,52,036	—	1,72,044
(iii) Amount of assistance outstanding (All types)	—	2,05,489	—	2,52,539



## THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

692, Anna Salai, Nandanam, Chennai - 600 035

**NOTICE** is hereby given that the 74th Annual General Meeting of the Company will be held at the Registered Office at No.692, Anna Salai, Nandanam, Chennai-600035 on Tuesday, the 19th September, 2023 at 4.00 P.M. to transact the following business.

### I. ORDINARY BUSINESS:

- a) To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March 2023 and Reports of the Board of Directors, Independent Auditors reports thereon and certificate of Comptroller & Auditor General of India.
- b) To declare dividend for the year 2022-23.
- c) To transact other business of which due notice is given to the company.

### II. SPECIAL BUSINESS:

- d) **To include a sub-clause No.106(a) to the Articles of Association of the Company as detail below:**

**"The borrowing powers of Board of Directors enhanced from Rs.1800 crores to Rs.3000 crores".**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as on Special Resolution:

**"Resolved that** pursuant to the provisions of Section 13, and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, and as amended from time to time, and such other permissions as may be necessary, the approval of members be and is hereby granted for inclusion of sub-clause No.106(a) to the Articles of Association of the Company".

- e) **To increase the Statutory Audit fees for the Financial Year 2022-23 onwards.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as on Ordinary Resolution:

**"Resolved that** pursuant to the provisions of Section 142 and other applicable provisions of the Companies Act, 2013 and the Rules framed there under, and as amended from time to time, and such other permissions as may be necessary, the approval of members be and is hereby granted for the enhancement of statutory audit fees to Rs.3,00,000/- (Rupees three lakhs only) per annum with plus applicable taxes".

(By order of the Board)

Place : Chennai-35

Dated : 16.08.2023

**D. DURAIRAJ**

COMPANY SECRETARY

- N.B.**
1. A member entitled to attend and vote, may appoint a proxy to attend and vote instead of himself and a proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty eight hours before the commencement of the meeting.
  2. Explanatory statement as required under Section 102(1) of the Companies Act 2013 with respect to special business is enclosed.

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102(1) OF THE COMPANIES ACT 2013

### SPECIAL BUSINESS

To include a sub-clause No.106(a) to the Articles of Association of the Company as detail below:

"The borrowing powers of Board of Directors enhanced from Rs.1800 crores to Rs.3000 crores".

In the 73rd Annual General Meeting, the above mentioned amendment to Articles of Association by including sub-clause No.106 (a) was deferred consequent to issue of letter No.45396/ Finance(BPE) 2022 dated 25/11/2022 i.e. prior approval of the Government shall be obtained while carrying out any amendments proposed to be made in the Memorandum of Association and Articles of Association before placing such amendment proposals before the General Meeting.

The proposal for above amendment to the Articles of Association had been sent to Government for approval. The Government of Tamilnadu vide its letter (Ms) No.134, dated 28.06.2023, Industries, Investment Promotion Commerce (MIF,1) Department has approved the above amendment in the Articles of Association to include the sub-clause No.106(a) as above.

### To increase the Statutory Audit fees for the Financial Year 2022-23 onwards.

M/s. P.B.Vijayaraghavan & Co., Chennai was appointed for second consecutive year as statutory auditors of the Corporation for the financial year 2022-23 by the Comptroller and Auditor General of India, New Delhi.

### Auditors fees paid during previous year:

An amount of Rs.2,27,000/- was paid as Statutory audit fees during the previous year 2021-22.

### Request for enhancement of audit fees

The statutory auditors have given a request to increase the Statutory Audit Fees to Rs.3,50,000/- from the existing Rs.2,27,000/- per annum plus applicable taxes for the Financial Year 2022-23 stating that the scope and volume of the work has been increased considerably.

### Board Resolution:

After detailed discussion, the Board of TIIC at its meeting held on 30.06.2023 has approved the statutory audit fees from its existing Rs.2,27,000/- to Rs.3,00,000/- per annum to M/s. P.B.Vijayaraghavan & Co., Statutory Auditors of the Corporation plus applicable taxes besides reimbursement of actual TA & DA and out of pocket expenses for the financial year 2022-23.

The subject is placed in the 74th Annual General Meeting before the shareholders for approval.

## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors takes immense pleasure in presenting the **74<sup>th</sup> Annual Report** of the Corporation along with Audited Balance Sheet as at 31.03.2023 and Profit & Loss Account for the financial year ended 31st March 2023. The highlights of performance for the financial year 2022-23 are given below.

### Highlights

- The Corporation has registered net profit for the **twentieth** consecutive year. For the Financial year ended 31.03.2023, it has made a net profit of Rs.136.15 crores against Rs.82.94 crores last year.
- The Operating Profit (profit before write-off of loans and Taxes) for the financial year 2022-23 is Rs.185.54 crores as against Rs.122.70 crores during the last year.
- The total loan portfolio for the financial year 2022-23 stood at Rs.2525.39 crores registering a growth of 22.90% as against Rs.2054.89 crores during the last year.
- Standard Assets for the financial year 2022-23 is Rs.2498.46 crores as against Rs.2015.32 crores during last year.
- The Gross NPA as on 31.03.2023 is 1.07% as against 1.93% in Financial Year 2021-22. Likewise, the net NPA as on 31.03.2023 is 0.77% as against 0.82% during the last year.
- The Capital Adequacy Ratio is 31.54% as on 31.03.2023 as against 33.50% in previous year i.e. 31.03.2022.
- Gross recoveries is Rs.1535.95 crores for 2022-23 as against Rs.991.53 crores during 2021-22.

### 1.0 Economic Scenario:

The global economy is yet again at a highly uncertain moment, with the cumulative effects of the past three years of adverse shocks-most notably, the COVID-19 pandemic and Russia's invasion of Ukraine-manifesting in unforeseen ways. Spurred by pent-up demand, lingering supply disruptions, and commodity price spikes, inflation reached multi decade highs last year in many economies, leading

central banks to tighten aggressively to bring it back toward their targets and keep inflation expectations anchored.

The combination of slow growth, tightening financial conditions, and heavy indebtedness is likely to weaken investment and trigger corporate defaults. Further negative shocks-such as higher inflation, even tighter policy, financial stress, deeper weakness in major economies, or rising geopolitical tensions-could push the global economy into recession.

World Bank in its Global Economic Prospects, the global growth is expected to decelerate sharply to 1.7 percent in 2023. International Monetary Fund in its World Economic Outlook expects Global growth to bottom out at 2.8 percent this year before rising modestly to 3.0 percent in 2024.

Though the global recession / negative outlook on world economy in the past due to COVID-19 pandemic, the war in Ukraine and supply chain disruption, India's economy has grown at a positive rate and has grown at the highest rate among major economies in the world.

The World Bank, Asian Development Bank and International Monetary Fund were forecasting India's growth for FY 2023-24 and FY 2024-25 as mentioned below:

Sl.No	Description	Projections	
		FY 2023-24	FY 2024-25
1.	World Bank – Global Outlook	6.8%	6.1%
2.	IMF – World Economic Outlook	6.9%	6.3%
3.	ADB – Asian Outlook	8.0%	6.7%

The Economic Survey 2022-23 states that with the rebound of private consumption and capital formation, increase in capacity utilization across sectors, the projected growth of the Indian economy will be 6.0-6.8% in the Year 2023-24. Further, growth is expected to be brisk in FY 2024-25 as the Government expects a vigorous credit disbursal, and expected unfolding of capital investment cycle with the strengthening of the balance sheets of the corporate and banking sectors.

The Industry segment holds a prominent position in the Indian economy contributing about 30 percent of total gross value added in the country. In FY 2023-24, the Indian industry faced some extraordinary challenges as the Russian-Ukraine conflict broke out. That led to a sharp rise in the prices of many commodities, prices of edible oil, crude oil, fertilizers and food grains rose sharply. They remained at elevated levels for several months. The risk of another round of supply chain disruptions emerged, but they were not as severe as feared but both the price and the availability of essential commodities had the potential to dent the industry's optimism on consolidating the recovery of FY 2022-23 and further accelerating it.

The Indian economy is poised for continued growth in 2023-24. The government's policies are supportive of growth, and the economy is well-positioned to benefit from global economic recovery. However, there are some risks that could dampen growth, such as rising inflation and geopolitical tensions. The government may take steps to mitigate these risks in order to ensure that the economy continues to grow at a healthy pace.

### 1.1. Credit Flow 2022-23

The banking system continued the efforts to augment capital and improve asset quality. The onset of a fresh lending cycle since the second half of 2021-22 gained momentum during 2022-23, resulting in double digit credit growth encompassing all major sectors.

Non-banking financial companies (NBFCs) maintained robust credit growth during 2022-23, supported by the broad-based

revival in economic activity and targeted policy initiatives. The sector strengthened its financial soundness during the year through robust capital buffers, improved asset quality and consolidation of balance sheet.

On a year-on-year (y-o-y) basis, non-food bank credit registered a growth of 15.4% in March 2023 from 9.7% in March 2022. Credit growth to industry picked upto 5.7% (y-o-y) in March 2023 as against 7.1 per cent in March 2022. Credit to large industry rose by 3.0 per cent as compared with 2.0 per cent a year ago. Credit to medium industries registered at 19.6 per cent (y-o-y) growth in March 2023 as compared to 54.4 per cent last year. Credit growth to Micro and Small Industries slump to 12.3 per cent from 23 per cent. Credit growth to services sector accelerated to 19.8 per cent in March 2023 as compared to 8.7 per cent a year ago, mainly due to improved credit off take to 'Non-Banking Financial Companies (NBFCs)' and 'trade'.

### 1.2. Tamil Nadu Economy

- Tamil Nadu's GSDP growth has been estimated at 14 per cent for 2022-23 in nominal terms and is expected to be sustained in 2023-24. It is estimated to be 13 per cent in 2024-25 and 12 per cent in 2025-26. (As per Tamil Nadu Government Budget)
- Amidst a grim outlook with global uncertainties caused by the war in Ukraine, high inflation and fears of recession, the growth of the Indian economy for 2023-24 is pegged at 6.5%. Despite that, Tamil Nadu's growth is higher than that of national growth and



*Arights Apparels India Private Limited*

has significantly lowered the Revenue Deficit and Fiscal Deficit which is a positive sign for the growth of the State.

- To steer Tamil Nadu towards a one trillion-dollar economy by 2030, the next Global Investors Meet (GIM) will be organized in Chennai on 10th and 11th January 2024. This will be a platform that will showcase the investment friendly climate prevailing in the State and also its immense strengths and attractiveness as an investment destination. It will also facilitate our industries, MSMEs and Startups to connect with the global markets and investors.
- Tamil Nadu is well-positioned to play a major role in indigenization of defence manufacture with its strong industrial base and a skilled workforce along the five nodes of the defence corridor. The private investment in this sector is encouraged by various initiatives and providing incentives viz. Tax breaks, land subsidies etc.,. The state has an opportunity to produce a wide range of weapons and equipment, including tanks, aircraft and ships and is investing in research and development (R&D) to develop new technologies that can be used in the defence sector. Further, MRO activities in the defence sector will provide plenty of opportunities to MSMEs.
- A New Textile Park will be established in Salem at a cost of around Rs.880 crore in an area of 119 acres, with funding from Union and State Governments and participation of private sector.
- Tamil Nadu has one of the largest numbers of business incubators in the country. With a view to supporting business incubators who propose to specialise in areas like climate tech, rural tech, agri tech and marine tech, StartupTN will assist them in raising funds from various sources to set up Centres of Excellence and will also bear up to 40 per cent of the cost of such upgradation. A separate vertical will be created in StartupTN to further the incubator ecosystem in the State.

- Tamil Nadu has been attracting substantial investments in the last two years. Since May 2021, 221 Memorandum of Understanding (MoU) have been inked for investment commitments worth Rs.2,70,020 crore with employment opportunities for 3,89,651 persons.
- Tamil Nadu Government has proposed to develop sector-specific policies for planned industrial development in the State which might improve the industrial eco system and infrastructure.
- New industrial parks will be developed in Virudhunagar, Vellore, Kallakurichi and Coimbatore at an estimated cost of Rs.410 crore for providing employment opportunities to nearly 22,000 persons. Further, an industrial housing facility will be established in the SIPCOT Industrial Park in Gangaikondan at an estimated cost of Rs.50 crore to accommodate 1,500 employees.

#### PERFORMANCE OF TIIC:

The performance of TIIC in terms of various Financial Parameters is furnished below:

##### Profit:

The Total income of the Corporation for the Financial Year 2022-23 is Rs.344.64 crores as against Rs.249.32 crores achieved during the Financial Year 2021-22. The Corporation has registered a net profit of Rs.136.15 crores in the financial year 2022-23 as against the net profit of Rs.82.94 crores recorded during last financial year.

##### Dividend:

The TIIC is a dividend paying Company for the last seven years and it has registered a net profit of Rs.136.15 crores for the financial year 2022-23. The Board has recommended a dividend of 5% for the financial year 2022-23 as against 3% declared during previous year 2021-22.

##### Capital/ Reserves:

The Asset and revaluation reserve of the Corporation stood at Rs.364.95 crores as in the last year.

Net Capital and Reserves was Rs.1029.40 crores as on 31-03-2022 and it has increased to Rs.1152.92 crores as on 31-03-2023 due to increase in net profit during the current financial year. Capital Adequacy Ratio has decreased from 33.50 % in 2021-22 to 31.54% in 2022-23.

### Loans and Advances:

The Corporation has achieved the following performance in respect of sanction and disbursement for the FY ending 2022-23 as against the performance in the FY 2021-22.

**Table-1. Operational Performance of the Corporation**

LOAN	(Rs. in crores)	
	2022-23	2021-22
SANCTIONS	1,777.03	1802.23
DISBURSEMENTS	1,720.44	1520.36
RECOVERY	1,535.95	991.53

**Table-1A. Performance in Working Capital Term Loan and Bill Finance Scheme**

	(Rs. in crores)			
	WCTL		BFS	
	2022-23	2021-22	2022-23	2021-22
Sanction	99.93	129.62	576.65	355.92
Disbursement	102.67	117.43	576.65	355.92

- The Corporation had not fixed target for Sanction for both Term Loan and Bill Financing Scheme for the year 2022-23.
- The Corporation has achieved 76.25% in respect of Term loan Disbursement target. In respect of Bill finance, 96.11% of disbursement target have been achieved. The overall Disbursement Target achieved is by 81.93%.
- The Corporation has achieved growth rate of (-)17.00% in respect of Term loan sanction and (-)1.77% in respect of Term loan disbursement as compared to the previous financial year 2021-22.
- Multiple growth strategies of the Corporation have resulted in the Asset Under Management (AUM) exceeding the previous year's AUM by 22.90% in FY 2022-23.

### Initiatives Taken by the Corporation during FY 2022-23

- Extension of time limit for processing the applications received during the Special Business Campaign I & II.
- Extension of Special Schemes PCS (Privileged Customer Scheme), EFS-Fast Track and Medical Practitioner Scheme for FY 2022-23 was approved.
- Extension of the Hotel scheme for purchase of Second Hand Hotels /Resorts.
- Extension of validity of Adhoc WCTL Scheme for FY 2022-23 and certain modification on arriving the loan eligibility.
- Budgetary limits of EFS-FT was enhanced from Rs.200.00 crores to Rs.300.00 crores.
- Processing State Capital Subsidy to units financed by TIIC through online under Single Window Portal.
- Certain parameters have been modified in EFS-Fast Track scheme for imported machinery and indigenous machinery.
- Increase in ceiling limit of project outlay from Rs.50.00 lakhs to Rs.200.00 lakhs and modification in interest rate and financial norms under MSEF Scheme.
- Change in procedure of Building cost Estimation for project appraisal.
- Relaxation in CIBIL score and CMR Rank on case to case basis under the scheme of Privileged Customer Scheme and for the existing customers only in respect of EFS-Fast Track Scheme.
- 50% Special concession in Investigation fees granted during the Tamil month of "Thai" for the period from 15.01.2023 to 12.02.2023.
- Inclusion of Home Textiles under Thrust Sector for availing 25% of eligible Capital Subsidy to the eligible MSMEs.
- To increase the credit availability to MSME units, the Corporation continuously implemented the various new schemes like Privileged Customer scheme (PCS), Fast Track Equipment Finance scheme, Medical Practitioners scheme and Adhoc Working Capital Scheme. The performance of the Corporation in these

schemes supported an increase of sanction to an extent of Rs.250.96 crores during FY 2022-23.

- The Corporation has dispensed with the condition of minimum interval of 1 year for further sanctions under PCS scheme subject to the condition that the total loan outstanding per borrower shall not exceed the maximum limit.
- Introduction and implementation of Tamilnadu Credit Guarantee Scheme (TNCGS) to extend a credit line with credit guarantee coverage from TNCGS to those MSMEs in the manufacturing sector who are facing liquidity crisis and financial stress but are otherwise found deserving on appraisal.
- The Corporation extended the Bill Finance Scheme to Contractor/suppliers of Greater Chennai Corporation and Chennai Metropolitan Water Supply and Sewerage Board. With the easing of norms and changes in procedure for arriving at the BFS eligibility, the performance under Bill Finance Scheme showed significant growth in the previous financial year.
- To ensure streamlined workflow in the areas of sanction and disbursement, the Corporation increased the number of panel valuers and panel surveyors empanelled by the Corporation.
- The Corporation has eased the collateral coverage norms by including the value of primary land and building in collateral security coverage.
- Implementation of 5% Back Ended Interest Subsidy for MSEs to enable them for technology upgradation with credit at low cost.
- Continued simplification of procedures of sanction and disbursement, customization of schemes suiting the divergent needs of the MSMEs in line with the current lending landscape, the Corporation registered a historical high in AUM of **Rs.2525.39 crores**.
- MoU's with various stakeholders have been entered to promote the Start-up ecosystem, technological up-gradation

of MSMEs by way of adoption of Industry 4.0, to support MSMEs with sufficient working capital facilities, to promote circular economy among MSMEs, to facilitate training for MSME vendors on Defence Manufacturing etc,

- To promote the entrepreneurial spirit among the new generation entrepreneurs, thrust was given to self employment scheme viz, NEEDS. The Corporation has sanctioned loan of Rs.79.09 crores to 88 units in 2022-23 under this scheme.
- Intensive **Special Business Campaign** was organized during August - September 2022 across all Branches of the Corporation to give thrust for sanction and disbursement in the financial year 2022-23.
- The Corporation's schemes were showcased and senior level representation / participation were made in various events/exhibitions/ annual conferences like AVNL, SIDM, CII Industry Conclave etc.



*Brahma Ginning Factory – Trichy*

- The revision in Moratorium period under Industrial Infrastructure Initiative Scheme from one year for applying regular term loan (i.e. for construction of building, purchase of machinery) to 2 years eased the credit burden on the MSMEs availing financial assistance from TIIC for purchase/lease of industrial plots from SIDCO/SIPCOT.

### Other Initiatives during the year 2022-23

- Special Teams comprising of Head Office officials were deployed to supplement the sanction, disbursement and recovery efforts at the field level which helped in achieving historical high AUM of **Rs.2525.39 crores** with annual growth rate of 22.90% and containing the net NPA below 1%.
- The Corporation has introduced the system for customer categorization by issuing Platinum/Gold/Silver Cards to Standard category investees with card specific privileges /concessions to honour the good investees and fetch more business from them.

### Flow of Loan Applications:

The Statement of flow of Loan Applications disposed of during the year is furnished in Table-2 below:

**Table-2. Disposal of loan applications**

		(Rs. in crores)			
Sl. No.	Particulars	Sanctions			
		2022-23	2021-22	No.	Amt.
1	Applications pending at the beginning of the year	108	233.11	210	225.26
2	Applications received during the year	1751	2,837.67	2439	2,881.62
<b>TOTAL</b>		<b>1859</b>	<b>3,070.78</b>	<b>2649</b>	<b>3,106.88</b>
3	Applications disposed off during the year				
a)	Gross Sanctions (All types)	1314	1,777.03	1933	1,802.23
b)	Closed, Withdrawn etc.	445	1,060.49	608	1,071.54
4	Applications pending at the end of the year	100	233.26	108	233.11
<b>TOTAL</b>		<b>1859</b>	<b>3,070.78</b>	<b>2649</b>	<b>3,106.88</b>

### Scheme-wise performance

The Corporation has formulated many Loan Schemes to fulfill the requirements of various categories of beneficiaries. The Table-3 below, furnishes data on Schemewise Sanction and Disbursement during the year 2022-23.

**Table-3. Scheme-wise Sanctions and Disbursement during 2022-2023**

Description	(Rs. in Crores)		
	Sanctions (Gross) No.	Amt.	Disbursement Amt.
MICRO / SMALL Enterprises Funding Scheme	25	16.09	8.31
Equipment Finance Scheme	189	189.67	189.56
Wind Mill	—	—	0.79
Generator	1	0.15	0.14
Transport Operators	6	1.23	0.55
Medical Practitioners / Hospitals	8	15.21	12.46
Single Window Scheme Term Loan	5	7.67	10.02
Hotels	—	—	0.89
Working Capital Term Loans:			
(a) WCTL General / Single Window	33	15.02	5.31
(b) Working Capital Term Loan	—	—	1.15
(c) WCTL Job Work	1	0.30	0.30
(d) Flexi Working Capital	35	22.01	31.62
(e) Adhoc Working Capital Limit Scheme	84	62.60	64.29
(f) Bill Finance Scheme	107	576.65	576.65
Open Term Loans	75	58.50	41.67
New Entrepreneur cum Enterprise Development Scheme (NEEDS)	88	79.01	83.40
Others	657	732.92	693.33
<b>Total</b>	<b>1314</b>	<b>1777.03</b>	<b>1720.44</b>



*Bellberries Foods and Beverages LLP*




**Districtwise deployment of credit:**

The Table-4 below furnishes data on distribution of TIIC's credit in the Districts wherein it is observed that the Districts of Chennai, Coimbatore, Kancheepuram, Tiruvallur, Erode, Trichy, Krishnagiri and Madurai recorded high credit absorption cumulatively.

**Table-4. Districtwise deployment of Credit**

(Rs. in Crores)

Sl. No.	Name of the District	Sanctions		Cumulative Sanctions			
		2022-2023		2021-2022		Upto 31.03.2023	
		No	Amt.	No	Amt.	No	Amt.
1	ARIYALUR	3	17.75	6	3.56	127	61.67
2	CHENGALPATTU	26	39.12	7	7.86	39	51.34
3	CHENNAI	120	555.87	152	529.72	16637	4467.16
4	COIMBATORE	118	72.72	199	154.00	14507	2491.26
5	CUDDALORE	25	24.82	50	19.82	4856	320.61
6	DHARMAPURI	28	21.99	28	20.93	5433	405.06
7	DINDIGUL	53	47.28	49	20.88	2873	554.39
8	ERODE	71	88.70	108	82.50	4026	1423.60
9	KALLAKURICHI	7	1.47	33	18.50	48	22.70
10	KANCHEEPURAM	68	167.76	95	70.52	9758	2109.73
11	KANYAKUMARI	75	59.41	127	91.52	4301	829.18
12	KARUR	26	23.44	34	24.42	1001	288.47
13	KRISHNAGIRI	83	91.89	145	113.94	1732	941.66
14	MADURAI	75	43.76	91	93.62	10393	848.54
15	MAYILADUTHURAI	1	0.93	—	—	1	0.93
16	NAGAPATTINAM	6	1.06	9	4.15	751	64.54
17	NAMAKKAL	22	21.17	19	8.93	1172	242.69
18	PERAMBALUR	3	2.15	9	3.59	183	35.26
19	PUDUKKOTTAI	20	22.58	30	12.58	3592	342.49
20	RAMANATHAPURAM	6	2.78	7	2.98	3845	159.86
21	RANIPET	7	5.44	13	13.53	22	21.78
22	SALEM	33	22.96	34	22.00	6301	677.02
23	SIVAGANGAI	19	6.46	20	7.63	2017	202.12
24	TENKASI	5	6.82	—	—	5	6.82
25	THANJAVUR	18	18.51	30	13.39	4348	300.69
26	THE NILGIRIS	—	—	—	—	170	8.12
27	THENI	9	14.63	20	18.06	786	124.75
28	THIRUVALLUR	85	83.55	126	91.30	3883	1795.87
29	TIRUVANNAMALAI	10	4.14	13	7.26	1228	110.49
30	TIRUPATTUR	1	0.11	5	1.90	7	5.21
31	TIRUNELVELI	36	44.07	91	70.45	5246	570.49
32	TIRUPUR	47	49.56	96	73.51	874	528.65
33	TIRUVARUR	2	0.76	11	9.91	397	54.87
34	TIRUCHIRAPPALLI	50	82.93	76	67.54	6365	916.36
35	THOOTHUKUDI	37	32.85	60	37.73	3428	638.30
36	VELLORE	23	12.72	13	8.20	4648	341.53
37	VILLUPURAM	37	52.63	45	27.60	1309	350.48
38	VIRUDHUNAGAR	59	32.25	82	48.20	4118	702.39
39	PONDICHERRY UNION TERRITORY	—	—	—	—	47	6.46
		<b>1314</b>	<b>1777.03</b>	<b>1933</b>	<b>1802.23</b>	<b>130474</b>	<b>23023.54</b>

### Industrywise distribution of credit:

The Table-5 below shows industrywise distribution of credit in the Corporation's advances:

**Table-5. Industrywise distribution of Credit**

(Rs.in Crores)

Sl. No.	Description	Sanctions (Gross)						Cumulative Sanctions upto 31.03.2023		
		2022-23			2021-22			No.	Amt.	%
1	Food Processing Industry	202	193.97	10.92	336	210.71	11.7	12740	2419.47	10.51
2	Sugar Factories & Refineries	—	—	—	—	—	—	51	160.37	0.70
3	Paper & Paper Products including Printing & Publishing	63	54.23	3.05	75	41.34	2.29	5983	1086.20	4.72
4	Textiles	92	96.02	5.40	175	143.98	7.99	9389	2294.36	9.97
5	Chemical & Chemical Products	19	30.16	1.70	32	31.76	1.76	4441	403.28	1.75
6	Leather & Leather Products	5	2.69	0.15	5	1.95	0.11	1140	208.59	0.91
7	Non-metallic Mineral Products except products of Petroleum & Coal	106	147.41	8.30	128	90.66	5.03	2390	1001.09	4.35
8	Engineering (Incl. Auto Components)	345	392.71	22.10	535	320.14	17.8	10947	3707.19	16.10
9	Electrical Machinery, Apparatus, Appliances and Supplies	53	354.81	19.97	64	248.57	13.8	1811	2913.91	12.66
10	Electricity, Gas and Steam (Windmill)	—	—	—	2	202.40	11.2	154	719.02	3.12
11	Transport Equipment	—	—	—	—	—	—	474	45.71	0.20
12	Hotel Industry	4	2.17	0.12	13	51.83	2.88	1161	399.53	1.74
13	Transport including Fishing Trawlers	8	7.96	0.45	12	3.67	0.2	47577	730.59	3.17
14	Information technology	—	—	—	—	—	—	86	28.23	0.12
15	Misc. Industries not elsewhere classified	416	394.90	22.22	556	455.22	25.3	32120	6468.00	28.09
16	Loans to Govt. Corporations	1	100.00	5.63	—	—	—	10	438.00	1.90
		<b>1314</b>	<b>1777.03</b>	<b>100</b>	<b>1933</b>	<b>1802.23</b>	<b>100.00</b>	<b>130474</b>	<b>23023.54</b>	<b>100.00</b>

### DISBURSEMENT:

During the year under report, the Corporation disbursed Rs.1,720.44 crores. The cumulative disbursement up to 31.03.2023 (since inception) is Rs.18,087.61 crores extended under various schemes.

### Subsidy:

TIIC, being the operating agency for many incentive schemes of the Central and State Governments, actively processed and released subsidies effectively to eligible entrepreneurs in 2022-23 as follows:

### Details of Capital Subsidy disbursed during 2022-23:

(Rs. in crores)

	No.	Amount
<b>State Government Subsidy:</b>		
State Capital Subsidy	188	30.48
NEEDS - Individual based Capital Subsidy	194	14.83

### 3% /6% Interest Subsidy to TIIC Borrowers:

During the year 2022-23, the Corporation disbursed a sum of Rs.58.44 crores under 3% / 6% Interest Subvention Scheme for MSME loans and Rs.3.48 crores under 3% Interest Subsidy for NEEDS.

**ASSET QUALITY:**

The Corporation accords utmost priority to maintaining the quality of Loan Portfolio. As on 31-03-2023, the share of Standard Assets stood at 98.93% of the Loan Portfolio. Despite the stresses witnessed in National Banking scenario on account of growing NPAs, TIIC, by strenuous recovery efforts and persistent monitoring, has been successful in maintaining its Standard Assets components in its Loan Portfolio.

**Table-6. Loan Portfolio**

(Rs. in Crores)

ASSETS	2022-23	2021-22	2020-21	2019-20
STANDARD	2498.46	2015.32	1,285.23	978.86
SUB-STANDARD	20.65	11.43	15.35	63.69
DOUBTFUL	2.95	9.40	—	19.67
LOSS ASSETS	3.33	18.74	9.66	10.05
<b>TOTAL</b>	<b>2525.39</b>	<b>2,054.89</b>	<b>1,310.24</b>	<b>1,072.27</b>
WRITTEN OFF	220.07	237.80	269.46	264.51
Total Performing Assets (PA)	2498.46	2015.32	1,285.23	978.86
Total Non-Performing Assets (NPA)	26.93	39.57	25.01	93.41
% of Performing Assets to total advances	98.93	98.07	98.09	91.29
% of NPA to Total advances (Gross NPAs)	1.07	1.93	1.91	8.71
% of Net NPA to (Net) advances	0.77	0.82	1.00	6.54

**Strategies for Enhancing Asset Quality:**

Maintaining a qualitative credit portfolio is the top priority for successful operations.



Cubcrete AAC Products Private Limited

Hence, the Corporation vigorously pursues the following strategies:

- Emphasis on comprehensive Risk Management.
- Improving appraisal system for qualitative sanctions.
- Monitoring of special mention accounts and focused follow up of larger advances.
- Introduction of a Comprehensive Credit Management and Recovery Manual to enhance Branch Credit Control Systems.
- Continuous training for its personnel for skill development.
- An Exclusive Department for monitoring the Asset Quality.
- Comprehensive set of one time settlement schemes for elimination of chronic NPAs.

**LOANS MONITORING AND REHABILITATION DEPARTMENT:****Brief Note on Loan Monitoring and Rehabilitation Department:**

- The Loan Monitoring & Rehabilitation Department monitors the health and performance of the assisted units, repayment of loan dues and thereby arresting slippage. The department plays an active role in revival of potentially viable sick units by timely rehabilitation/restructuring of the accounts.



Geeco Enercon Private Limited

- The department strives to maintain the quality of the assets of the Corporation and to prevent the loan portfolio of TIIC from being contaminated.
- Timely corrective action in the form of restructuring and recovery of dues based on trigger points are taken, so that the loan cycle runs smoothly and resources are ploughed back to ensure fresh lending.
- The department reviews the Assets Portfolio of the Corporation on regular intervals and reports to the Management on the status of SMA and NPA level.
- The review reports of SMA accounts of the respective Committee are analyzed on monthly basis and closely monitored to arrest slippage and reduce NPA.
- The department monitors the inspection of the units by the officials and also availability of Insurance for the assisted units and reports to the Audit Committee of the Corporation periodically.
- The department has put in a place a mechanism to enable monitoring of Stressed Assets at Branch Office and Head Office level to prevent slippages and to maintain asset quality.
- Regular reviews are being conducted at Head Office for monitoring the loan portfolio.
- To identify sickness at the earlier stage and to take corrective action i.e. within 90 days from the date of principal and interest demand, SMA(0), SMA(1) and SMA(2) accounts i.e the Special Mention Accounts are monitored by the following Committees.
  1. Branch Level Committee
  2. Regional Level Committee
  3. Head Office Committee

## Details of Restructuring/Reschedulement during FY 2022-2023

### 1. Restructuring of Advances - Normal Course

(Rs.in lakhs)

No of units	Revised Schedule Amount
7	458.16

### 2. Revision of Schedule during implementation

(Rs.in lakhs)

No of units	Revised Schedule Amount
5	1160.74

## RECOVERY DEPARTMENT:

### Brief Note on Recovery Department:

- The Recovery Department monitors the achievement of principal and interest collection targets of the Corporation.
- It focuses on the NPA accounts by reviewing the cases and taking suitable action either through Legal recovery measures or OTS route.
- Loans Monitoring Committee chaired by CMD at Head Office has been reviewing the NPA case with loan sanctions above Rs.1.00 crore.
- The department works hand in hand with Legal Department for dealing with recovery of the loans.
- Legal recovery action are taken against the defaulting borrowers under various laws such as SFC Act, SARFAESI Act, RR Act, etc.
- Emphasis is placed on Compromise / Negotiated Settlement Schemes for loans above Rs.10.00 lakhs and on various OTS Schemes in vogue for loans upto Rs.10.00 lakhs.
- To improve transparency in auction procedures, E-auction process has been introduced.

- By the above activities, level of NPAs and write-off cases have been reduced considerably over the years and contained in recent years.
- Recovery agents have been empanelled to look after select NPA cases to enable recovery at the earliest.

#### Details of Waiver Concessions during FY 2022-2023

##### 1. Recovery made out of OTS:

(Rs. in lakhs)

Principal	:	1397.51
Interest	:	302.46
<b>Total</b>	:	<b>1699.97</b>

##### 2. Principal/Interest waiver approved (including unsettled cases)

(Rs. in lakhs)

S. No.	Description	No. of cases	Principal	Interest	Other dues	Total
1	Pri. Waiver involved cases	5	3.14	397.43	0.13	400.70
2	Int. Waiver involved cases	30	--	8099.87	0.29	8100.16
	<b>Total</b>	<b>35</b>	<b>3.14</b>	<b>8497.30</b>	<b>0.42</b>	<b>8500.86</b>

##### 3. Accounts settled with Principal/Interest Waiver

(Rs. in lakhs)

Approved during	No. of Units	Waiver			Recovery	
		Principal	Interest	Otherdues	Principal	Interest
2022-23	24	2.84	3722.59	0.36	980.19	149.80
Previous Year	9	2.94	1060.97	1.48	417.32	155.15
<b>Total</b>	<b>33</b>	<b>5.78</b>	<b>4783.56</b>	<b>1.84</b>	<b>1397.51</b>	<b>304.95</b>

##### 4. Details of Possession during FY 2022-2023

1	No. of Units taken Possession	19
2	No. of Units returned to the owners	10
3	No of units sold /disposed	28

#### Employment generation:

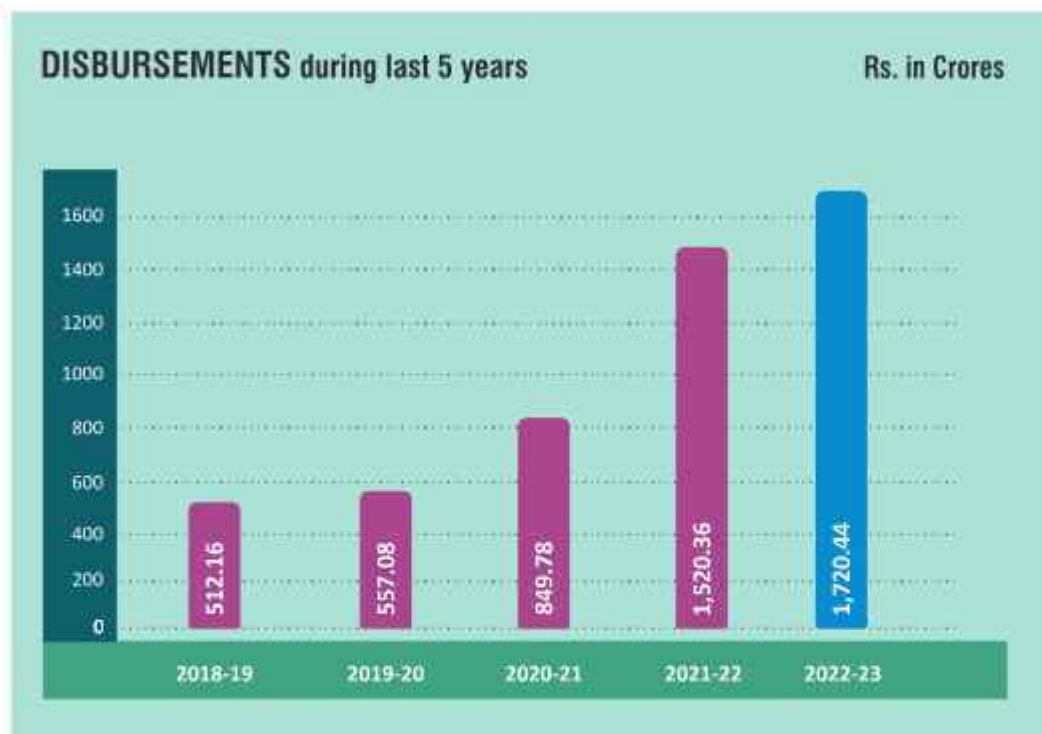
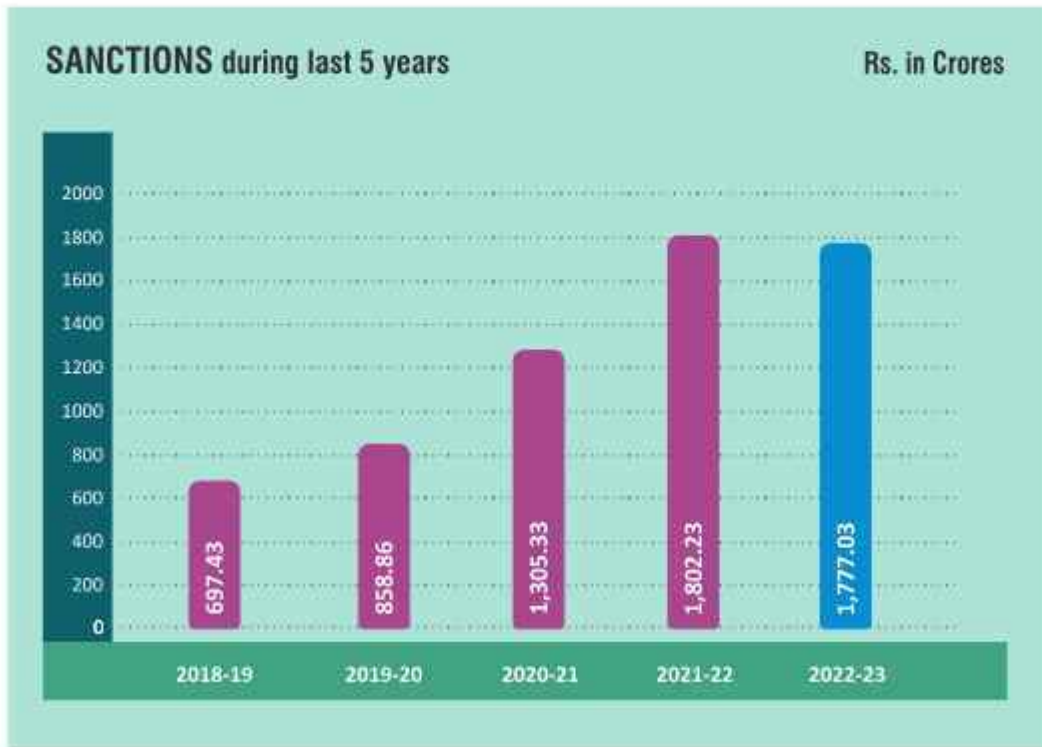
The financial assistance extended by the Corporation has resulted in generation of additional employment for about 9,190 persons during the year 2022-23.

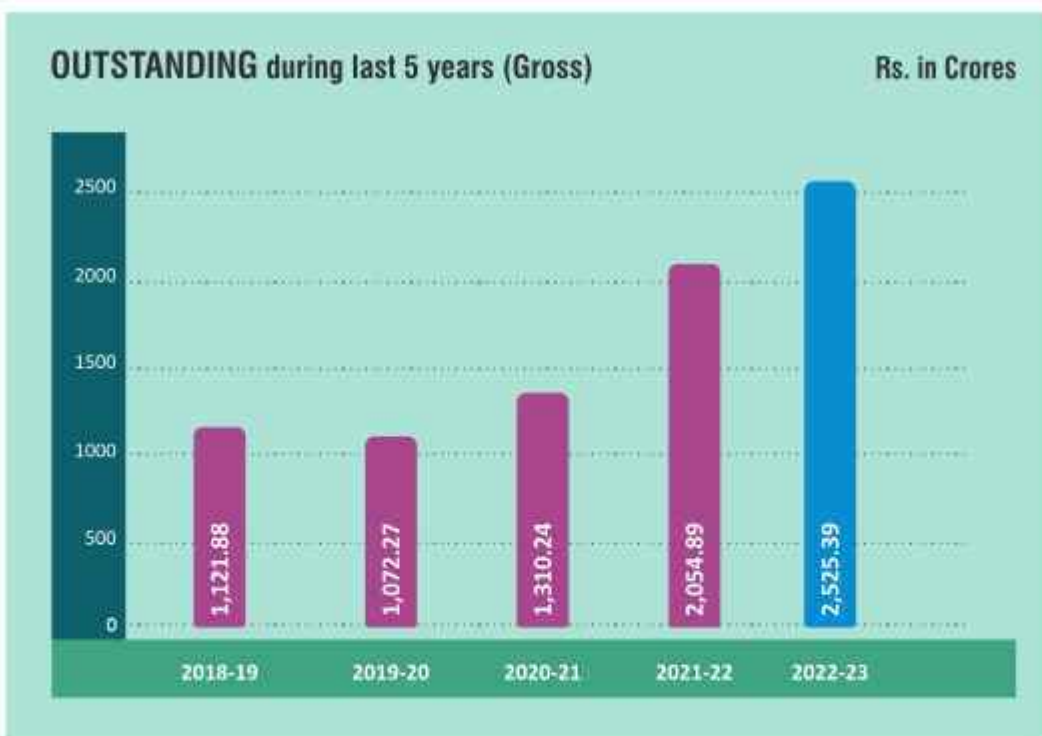
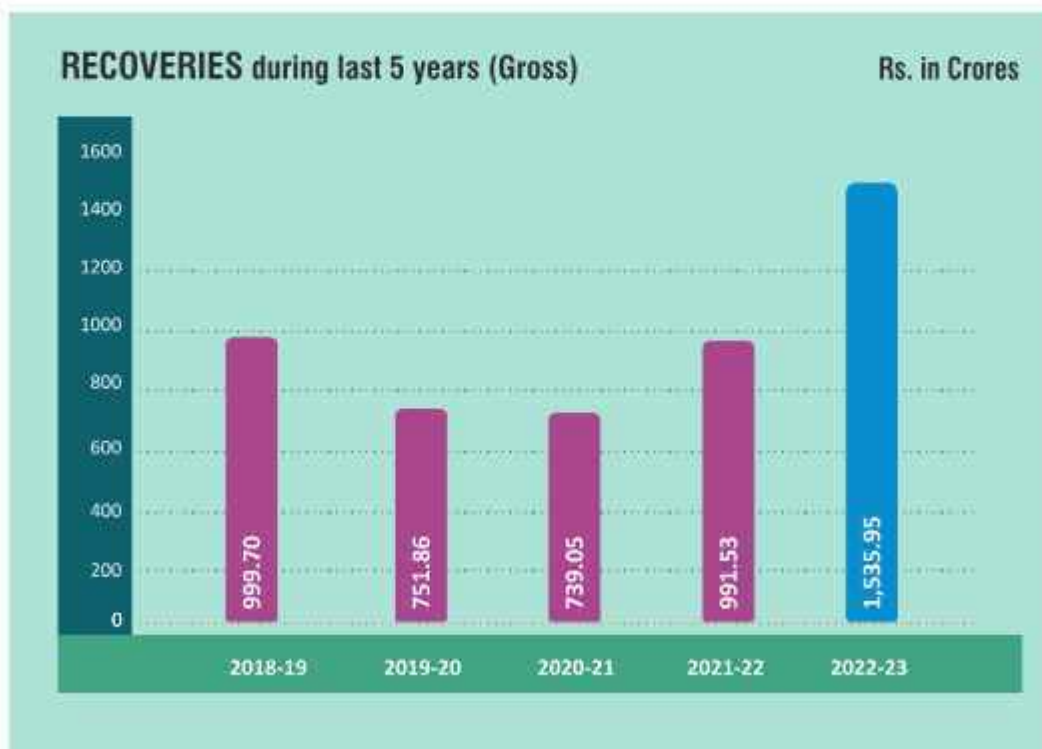
#### Funds & Resources:

The Corporation mobilizes its funds, apart from share capital, through inter corporate deposits and Bank loans.

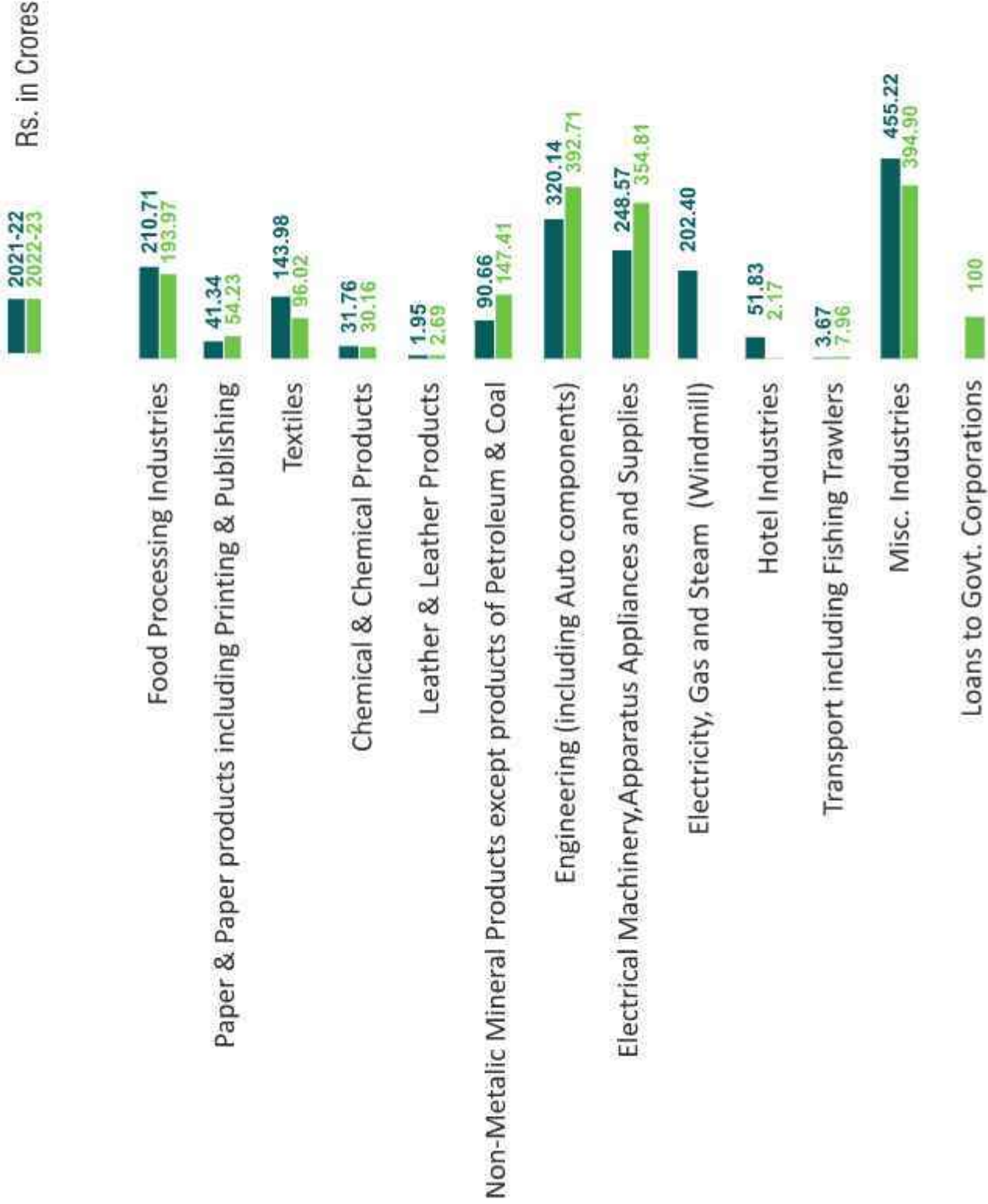
#### Insurance Business:

TIIIC is a registered Corporate Insurance Agent under IRDAI Act and the income earned under Corporate Insurance Agent for the year 2022-23 is Rs.27.37 lakhs.





## INDUSTRY-WISE CLASSIFICATION OF SANCTIONS FOR 2 YEARS





**CORPORATE GOVERNANCE:**

- The Corporation is a Public Sector Undertaking under the Government of Tamil Nadu. It supports industrial growth in the State with focus on Micro, Small and Medium Enterprises (MSME). It follows regulations as laid down by SIDBI.
- The Corporation has adequate focus on Corporate Governance to meet the requirements of different stakeholders and compliance to regulatory requirements and to integrate them into its functioning

To this end, the Corporation has, structurally,

- è a Chairman and a Managing Director
- è a Board of Directors which plays a supervisory and advisory role
- è several committees entrusted with specific roles
- è executives with specific functionalities in the organizational process

**TIIC's BOARD OF DIRECTORS COMPOSITION AS ON 31.03.2023:**

The Board had –

- è Chairman & Managing Director
- è Director representing MSME Department
- è Two Directors representing Industries Department
- è Director representing Finance Department
- è Director representing SIDBI and
- è Three Independent Directors

As on 31.03.2023, the Corporation's Board comprised of the following Directors:

Sl. No.	Name of the Director	Designation	Nature of Directorship	Date of appointment
1.	Thiru Hans Raj Verma, IAS.	Chairman & Managing Director TIIC Ltd.	Executive	28.05.2021
2.	Thiru S.Krishnan, IAS.	Additional Chief Secretary to Govt., Industries, Investment Promotion & Commerce Dept., Government of Tamil Nadu	Non-Executive	18.02.2022
3.	Thiru V.Arun Roy, IAS.,	Secretary to Govt., MSME Department, Govt. of Tamil Nadu	Non-Executive	09.09.2021
4.	Tmt. Reeta Harish Thakkar, IAS.,	Special Secretary to Government, Finance Department, Government of Tamil Nadu	Non-Executive	07.10.2020
5.	Tmt. Mariam Pallavi Baldev, IAS.,	Additional Secretary to Govt., Industries, Investment Promotion & Commerce Dept., Govt. of Tamil Nadu	Non-Executive	08.08.2022
6.	Thiru Ravindran A.Lakshmanan	General Manager, SIDBI	Non-Executive	22.10.2021

Sl. No.	Name of the Director	Designation	Nature of Directorship	Date of appointment
7.	Thiru S.Rajendiran Retired Deputy General Manager Indian Overseas Bank	Independent Director	Non-Executive	28.11.2019
8.	Dr.G.Santhanam, IAS (Retd)	Independent Director	Non-Executive	28.11.2019
9.	D. Srinivasan Managing Director Sree Annapoorna Sree Gowrishankar Hotels Private Limited	Independent Director	Non-Executive	28.11.2019

Directors who served on the Board during 2022-23 and relinquished their posts due to change in assignment:

Sl. No.	Name of the Director Tvl./Tmt.	Period of Time	
		From	To
1.	Tmt. Jayashree Muralidharan, IAS;	09.09.2021	08.08.2022

No Director on the Board is, in any way, connected to any other Director of the Board.

## COMMITTEES OF THE BOARD

The Board has constituted the following Committees to provide specified and focused governance on key functional areas:

Sl. No.	Committee	Members	Chairman of the Committee	Main responsibility areas
1.	Executive Committee (EC)	1. Chairman, TIIC 2. Managing Director, TIIC 3. Thiru. Satyaki Rastogi, General Manager, SIDBI 4. Thiru S. Rajendiran Independent Director 5. Dr. G. Santhanam, IAS (Rtd) Independent Director.	Chairman, TIIC	All areas relating to loans and advances, utilizing the overall powers of the Board, above that of the Corporation's Regional Committee.
2.	Audit Committee	1. Thiru S. Rajendiran Independent Director 2. Dr. G. Santhanam, IAS (Retd) Independent Director 3. Thiru Ravindran A Lakshmanan, General Manager, SIDBI 4. Thiru D. Srinivasan Independent Director 5. Director representing Finance Department to the Govt. of T.N.	Dr. G.Santhanam, IAS, (Retd) Independent Director	Overseeing and directing the total audit functions of the Corporation; all internal inspections; audits by the external audits/SIDBI/AG; Periodic and Annual financial reports; write-off & bad loans.
3.	Staff Committee-I (for AGM & above cadres)	1. Chairman, TIIC 2. The Managing Director, TIIC 3. Director representing Finance Department to the Govt. of T.N.	Chairman, TIIC	H.R. areas like recruitment, promotions for the post of Assistant General Manager and above

## District-wise Sanctions (Cumulative)



Sl. No.	Committee	Members	Chairman of the Committee	Main responsibility areas
	Staff Committee-II (for Senior Manager & below)	1. The Managing Director, TIIC 2. Director representing Finance Department to the Govt. of T.N. 3. Director representing Industries Department to the Government of Tamil Nadu	MD., TIIC	HR areas like recruitment, promotions for the post of Senior Manager and below.
4.	Corporate Social Responsibility Committee (CSR)	1. Chairman, TIIC 2. Managing Director, TIIC 3. Director representing Industries Department to the Govt. of Tamil Nadu 4. Thiru D. Srinivasan Independent Director 5. Director representing Finance Department to the Govt. of Tamil Nadu	Chairman, TIIC	i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company ii) Recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time
5.	Nomination & Remuneration Committee (NRC)	1. Chairman, TIIC 2. Thiru D. Srinivasan Independent Director 3. Director representing Industries Department to Govt of Tamil Nadu, 4. Thiru S. Rajendran Independent Director	Chairman, TIIC	NRC shall identify persons who are qualified to become Directors and recommend to Board their appointment & removal and remuneration to Directors.
6.	Stakeholders Relationship Committee (SRC)	1. Director representing Industries Department to the Govt. of Tamil Nadu 2. Thiru D. Srinivasan Independent Director 3. Thiru S. Rajendran Independent Director	Director representing Industries Department	SRC shall consider and resolve the grievances of security holders of the Company
7	Tender Committee	1. Managing Director, TIIC 2. Director representing Finance Department to the Govt. of Tamil Nadu 3. Thiru D. Srinivasan Independent Director 4. Dr. G. Santhanam, IAS (Retd) Independent Director	MD, TIIC	To evaluate the Report of Tender Screening Committee and forward its recommendations to the Board for its decision.
8.	Risk Management Committee	1. Managing Director, TIIC 2. Director representing SIDBI 3. Dr. G. Santhanam, IAS (Retd.) Independent Director 4. Thiru S. Rajendran Independent Director 5. Thiru D. Srinivasan Independent Director	MD, TIIC	To consider high and medium risks periodically and give Executive Directions for risk mitigation and to monitor the implementation of risk management strategies.

#### MEETINGS:

The Board of Directors has met four times during the year 2022-23. The Annual General Meeting (AGM) was held in Chennai on 02.12.2022.

During the year, the Executive Committee met one time, Audit Committee met four times, Staff Committee-I met three times, the Staff Committee-II met one time, Corporate Social Responsibility Committee met one time, Risk Management Committee met one time, Sub-Committee met one time and the Independent Directors' meeting met one time.

#### **Report on Corporate Social Responsibility:**

Particulars of Corporate Social Responsibility activities carried out by the Company in terms of Section 135 of the Companies Act, 2013 is in Annexure.

#### **Compliance function:**

TIIC has a robust policy on compliance and the related reports are reviewed by the Board and the Audit Committee periodically. As per the policy of the regulatory authority, statutory and internal compliance are being monitored and periodical reports are placed before the competent authority.

#### **Compliance with the provisions of the Companies Act, 2013:**

Most of the Sections of the Companies Act 2013, and the related rules and the schedules have been made effective. TIIC has already complied with the revised provisions of the Act to the extent they are applicable to the Corporation. Various provisions applicable to the listed Companies are applicable to our Corporation also. Some other provisions that are applicable based on certain benchmarks in terms of turnover, capital and borrowings like the provision on appointment of key managerial persons, are also applicable to us. Some other compliance made during the year are given below:

#### **Compliance in respect of appointment of Woman Director on the Board:**

TIIC is also required to appoint a woman Director pursuant to the provision of Section 149(1) of the Companies Act, 2013. Tmt. Jayashreee Muralidharan, IAS., Tmt. Reeta Harish Thakkar, IAS, and Tmt. Mariam Pallavi Baldev, IAS were on our Board during the year 2022-23. Hence, the Corporation is in compliance with the requirement of appointment of woman Director on its Board.

#### **Compliance in respect of conducting of Secretarial Audit:**

The Companies Act, 2013, under Section 204 read with Rule No.9 of Companies Rules (Appointment and remuneration of managerial personnel) 2014, requires every listed Company and a Public Company having a paid-up capital of Rs.50 crores or more or a turnover of Rs.250 crores or more to annex with its Board Report a Secretarial Audit report in Format (MR-3). TIIC, being a listed Company and having a share capital of Rs.421 crores, is also required to comply with the secretarial audit requirements.



*RSR Textile*



*The Southern Associates*

M/s. Kiran Varma M.G., Practising Company Secretaries were appointed to conduct the Secretarial Audit for 2022-23. A copy of the Secretarial Audit Report for the year 2022-23 in the prescribed Form MR-3 of the Companies Act, 2013, is annexed to this report. There were no adverse remarks in the said report.

### Compliance Officers for the year 2022-23

1. The Key Managerial Personnel, as per Companies Act, 2013, are  
(i) Managing Director, TIC (ii) Thiru D.Durairaj, General Manager (I/c) - OSD/Company Secretary (iii) Thiru S.Rajendran, Chief Financial Officer / Assistant General Manager (Funds & Resources).
2. Thiru D.Durairaj, General Manager (I/c) -OSD / Company Secretary was the Compliance Officer for complying with the various provisions of SEBI and reported to the CMD/MD.
3. Thiru D.Durairaj, General Manager (I/c) -OSD / Company Secretary was the Appellate Authority as required under the Right to Information Act, 2005.
4. Thiru D.Durairaj, General Manager (I/c) -OSD / Company Secretary, is the Corporate Social Responsibility Officer. He will prepare and submit CSR proposals to MD/CSR Committee/ Board.
5. Thiru S.Rajendran, Assistant General Manager (Funds & Resources), is the Chief Financial Officer and reported to CMD/MD.
6. Thiru S.Rajendran, Asst. General Manager (F&R) was the Chief Risk Officer during the period. He identified the risk factors in the loan proposals to be placed before the Executive Committee and the Board of Directors and submitted the same to Head Office Screening Committee.
7. Tmt. Chitra Shenbagavalli, Assistant General Manager, was the Chairperson of Complaints Committee for prevention of sexual harassment of women employees working in the Corporation.  
No unsatisfactory report was generated by the Corporation in 2022-23.
8. Thiru R.S.Mathan Karthik, Manager (Recovery and LM&R) is the Chief Information Security Officer (CISO) for implementing, enforcing and supporting the E-Security Policy, 2010, and reported to the CMD/MD.
9. Tmt. S.Kathambari, Manager (F&R) is the Public Information Officer as required under the Right to Information Act, 2005
10. Tmt. P.Deivarani, Senior Officer / HOD (Internal Audit Dept) is the Principal Officer, for Know Your Customer (KYC) and Anti-Money Laundering (AMC) compliance, as per RBI / SIDBI directions.
11. Tmt. P.Deivarani, Senior Officer / HOD (Internal Audit Dept) is the "Facilitator" for the purpose of receiving all complaints under Whistle Blower Policy and ensuring appropriate action.

### Risk Management Policy

Our Corporation is pioneer among SFCs to introduce CMR rank, a tool to identify risk for all sanction proposals. By adopting CMR where the proposals are ranked between 1 and 6, the risk associated in sanctions are further mitigated.

"The Corporation is fully committed to identify all categories of risks involved in its business of lending or other activities, evolve suitable measuring and monitoring mechanism and adopt appropriate risk management and risk mitigation strategies to achieve the twin objectives of maximising returns and minimising risks".

The Corporation has appointed a Chief Risk Officer who identifies the Risk Factors in the loan proposals and submit the same to Head Office Screening Committee constituted for prima facie clearance of the loan proposals to be placed before the Executive Committee and Board. The Risk factors identified by Chief Risk Officer are incorporated in the Appraisal Memorandum along with the mitigating compliance remarks of the Project Department for consideration of the appropriate Sanctioning Authority.

The Corporation is continuously taking various measures to mitigate the risks involved in its lending activity.

### Human Resource

The Corporation believes that our human resources have a direct and significant impact on the overall performance. The Corporation undertakes initiative to strengthen the workforce in the wake of a large number of superannuation resignation besides addressing training needs and leadership development. The Corporation has sent letter to The Tamilnadu Public Service Commission (TNPSC) for undertaking recruitment of 50 candidates for the posts of Manager and Senior Officer. Further, the Corporation has also referred to Tamilnadu Public Service Commission (TNPSC) after getting Board's approval for recruitment of 45 Assistant-cum-typist to replace the outsourced staff.

**Details of number of persons recruited during the year:** Nil

**Details of promotion given to officials during the year:**

The Corporation has given promotion to the officials as detailed below, during the financial year 2022-23:

S.No.	Cadre	No. of officials promoted
1	AGM to DGM	3
2	Sr. Manager to AGM	2
3	Senior Officer to Manager	3
4	Officer to Senior Officer	27
5	Junior Officer to Officer	27

### Staff Strength of the Corporation as on 31.03.2023:

As on 31.03.2023, the staff strength in the Corporation was as follows:

Management	Total strength
Senior Officers and above	111
Junior Officers/Assistants	67
Record Clerks/Drivers/Office Assistants	32
<b>Total</b>	<b>210</b>

## Training:

- The Corporation considers its human resource as one of the most essential components for Corporation's governance and business. The Corporation is periodically imparting training to the staff by conducting in-house training programmes and by deputing to them to various training programmes to enable them to update their knowledge besides upgradation of skills.
- During the year 2022-23 external training programme for Dispute Resolution Mechanisms including arbitration, Commercial Courts and insolvency and Bankruptcy Code for the Government officials conducted by Law Department, Government of Tamilnadu and a training conducted by Southern India Regional Council of the Institute of Chartered Accountants of India which provided training to the employees.
- 2 officials have attended the external training programme conducted during the year 2022-23
- 134 officials have attended the in-house training programme conducted on various dates during the year 2022-23.

## INTERNAL AUDIT:

- Internal Audit Department at Head Office is headed by a Senior Officer and supported by Concurrent Auditors appointed for 24 Branches of the Corporation and Head Office.
- The Concurrent Auditors audit the Branch Offices and Head Office regularly and furnish their findings / report every month to the respective Branch Offices for rectification / compliance.
- Compliance reports from the Branch Offices on the action taken on Concurrent Audit findings are scrutinized by the Internal Audit Department and placed before the CMD/MD for perusal/ approval. Upon CMD / MD's approval, audit closure letters are issued to the Branch Offices.

- Apart from this, pre-disbursement credit audit of all term loan cases of sanctions with the quantum of Rs.200 lakhs and above are carried out at the Regional level and reports are furnished to the respective Branches for compliance before effecting disbursement. Thus, credit risk arising out of the higher quantum loans are checked prior to disbursement.
- The details of audit conducted and the major observation by audit officials are placed before the Audit Committee on quarterly basis and the Audit Committee oversees the audit function and issues instructions for improving and modifying the audit process.
- Audit assignment of the Concurrent Auditors is renewed every year and Renewal letters are given to the Concurrent Auditors for continuing of assignment.
- The system of furnishing Flash Reports highlighting important findings by auditors for quick perusal of the top management is in place since 01.10.2018.
- The system of furnishing Audit Report in uniform format by Concurrent Auditors is in place from 01.10.2020 onwards.
- CTR (Cash Transactions Reports) are gathered from all the Branch Offices every month and the cash transactions involving more than Rs.10.00 lakhs are reported to the Director, FIU-INDIA, New Delhi. Branch Offices have been advised to encourage remittances by cheque/ RTGS.
- Annual Off-site Monitoring of Non-operational areas like Administration, Accounts, Estate maintenance, etc. for the year ended 30.06.2022 has been carried out for reviewing and ensuring that the prescribed guidelines and instructions issued by the Corporation are being adhered to and that all important records are maintained and are in order.
- ISO Certification has been renewed



under ISO 9001:2015 for the period from 29.11.2022 to 28.11.2025. The scope of ISO is sanction and disbursement of loans at Head Office and Chennai Branch Office.

- Accountant General's Office, Chennai, has carried out Audit for the year 2021-22 from 21.11.2022 to 08.02.2023 and the report was received by the Corporation for compliance.

#### COMPUTERISATION:

The Power Builder Application is being used for Accounting and MIS Reporting. It is developed with Power Builder Version 12 in the front end and SQL 2014 in the back end is in use from April 2019 and all the accounting transactions are captured on daily basis and various reports are generated periodically as required by various stakeholders viz the Management, Board, Government etc.

The Web-centric Application Package comprising of Human Resource Development (HRM), Centralised Payroll Process, EPF and EGF modules are in use since September 2015 and it has been developed using .NET Application.

The Android TIIC Mobile Application is also used by all the officials of the Corporation for accessing the Loan Account details of the Customers and also to enter the Inspection details from the Customer's location itself. The Customer can login in the Application and access their Loan Account details and also submit their loan enquiry.

The interactive Website developed is hosted in AWS Server, wherein all the scheme details of TIIC are displayed in the website. The website has a dedicated Customer Portal through which a Customer can login and access their Loan Account details. A non customer can submit their Loan Enquiry through website. The online payment facility has been created using SBI Collect, a service provided by State Bank of India.

The Corporation has started developing and adopting a digital transformation initiative called "PROJECT EDGE" (Enterprise Digitalisation for Goal Enhancement) for facilitating and processing of loan appraisal

and aiming to reduce the turn-around time (TAT). The mission of the project is to digitally transform the current operations by automating tasks, reducing manual intervention, adopting Business process re-engineering with API integration for KYC verification, Bank statement analysis, GST verification, analysis of financial statements to provide faster qualitative services to customers and thereby enhance customer experience and maintain valued relationships with clients. The application is being developed by the In-house Team in latest open source technologies like Python and Django Framework with PostgreSQL as database. The application is a continuous ongoing development process and being implemented in a phased manner.

The first phase of Project Edge was rolled out during June 2022 for online appraisal of loans upto Rs.50 lakhs. Subsequently, Project Edge covered sanction process of prominent 10 Schemes of TIIC and documentation module. The Branch Offices have started adopting online loan appraisal process through "Project Edge" platform.

#### Directors' Responsibility Statement

In accordance with the provisions of Sec 134 (5) of the Companies Act, 2013, with respect to Directors' responsibility statement, it is hereby stated that:

- All accounting standards which have to be mandatorily followed have been complied with in the preparation of accounts for the year ended 31st March, 2023.
- Significant accounting policies, consistently followed by the Corporation, have been given as Notes annexed to and forming part of the Balance Sheet and Profit and Loss Account.
- Adequate care has been taken for the maintenance of accounting records.
- The accounts for the year have been prepared on a "going concern concept"
- The financial statements have been audited by M/s. P.B. Vijayaraghavan & Co., Chartered Accountants, the Statutory Auditors.

- The Corporation has a proper and adequate internal control system to ensure that all the assets of the Corporation are safeguarded and protected against any loss and that all the transactions are properly authorised and recorded. Information provided to management is reliable and timely and statutory obligations are adhered to.
- The Company has an established internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of internal Financial Controls.

#### Statutory Statements:

#### Material changes and commitments

There have been no material changes and commitments 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 this report.

#### Significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company

There are no significant and material orders passed by the regulators or courts or tribunals, which would impact the going concern status of the Company and its future operations.

#### Extracts of Annual Return:

An extract from Annual Return as referred under Section 92(3) and Section 134 (3A) in form MGT-9 of Companies (Management and Administration) Rules 2014, is given as annexure to this report.

#### Details of material related party transactions

There are no material related party transactions under Sec.188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014.

#### Reporting of fraud

The Auditors of the Company have not reported any fraud as specified under Sec.143 (12) of the Companies Act, 2013.

#### Acknowledgements:

The Board of Directors wishes to thank the Government of Tamilnadu, Small Industries Development Bank of India (SIDBI), Commercial Banks, MSME Development Institute and other State level institutions viz., State Industries Promotion Corporation of Tamilnadu (SIPCOT), Tamilnadu Industrial Development Corporation Limited (TIDCO), Small Industries Development Corporation Limited (SIDCO), Industrial and Technical Consultancy Organisation of Tamilnadu Limited (ITCOT), Electronics Corporation of Tamilnadu Limited (ELCOT) and the Tamilnadu Small and Tiny Industries Association (TANSTIA) for their continuous co-operation and assistance.

The Board of Directors takes great pleasure in recording its appreciation of the dedicated services rendered by the erstwhile Directors on the Board and the Officers and Staff of the Corporation.

For and on behalf of Board of Directors

THE TIIC LIMITED  
CHENNAI 600 035

Date : 21.07.2023

**HANS RAJ VERMA**  
CHAIRMAN & MANAGING DIRECTOR

Some of the Directors, by virtue of their posts, hold certain other Directorships, as appointed by the State Government as on 31.03.2023.

Sl. No.	Name of the Director	Designation	Other Directorships/Partnership
1.	Thiru Hans Raj Verma, IAS.,	Chairman & Managing Director The TIIC Limited	<b>DIRECTOR:</b> 1. Tamil Nadu Small Industries Development Corporation Limited (SIDCO) 2. Seshasayee Paper & Boards Limited 3. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) 4. Industrial and Technical Consultancy Organisation of Tamilnadu Limited (ITCOT) 5. Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC) 6. Chettinad Cement Corporation Limited <b>PRESIDENT:</b> 1. Council of State Industrial Development and Investment Corporations of India (COSIDICI)
2.	Thiru S. Krishnan, IAS	Additional Chief Secretary to Government, Industries Department	<b>DIRECTOR in Public Company:</b> 1. Tamil Nadu Industrial Development Corporation Ltd (TIDCO) 2. Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) 3. State Industries Promotion Corporation of Tamil Nadu Limited 4. Titan Company Limited 5. TIDEL Park Limited 6. Tamil Nadu Newsprint and Papers Limited 7. Tamil Nadu Petroproducts Ltd 8. Tamilnadu Cements Corporation Limited 9. Tamil Nadu Magnesite Limited <b>Private Companies</b> 1. Tamil Nadu Minerals Limited 2. IIT Madras Research Park (Sec 8 Company) 3. Tamilnadu Trade Promotion Organisation 4. Tamilnadu Startup and Innovation Mission 5. Chennai Metropolitan Development Authority (CMDA) <b>Other Bodies</b> 1. Guidance (Society), formerly Tamilnadu Industrial Guidance & Export Promotion Bureau 2. Entrepreneurship Development Institute
3.	Thiru V. Arun Roy, IAS,	Secretary to Government, MSME Dept.	<b>DIRECTOR:</b> 1. Tamil Nadu Small Industries Development Corporation Limited (SIDCO) 2. Tamil Nadu Small Industries Corporation Limited (TANSI) 3. Tamil Nadu Startup and Innovation Mission 4. Tamil Nadu Skill Development Corporation Limited 5. Tamil Nadu Food Processing and Agri Export Promotion Corporation 6. Tamil Nadu Coir Business Development Corporation

Sl. No.	Name of the Director	Designation	Other Directorships/Partnership
4.	Tmt. Reeta Harish Thakkar, IAS.,	Spl. Secretary to Government, Finance Department	<b>DIRECTOR:</b> 1. Tamil Nadu State Transport Corporation Limited (Salem) 2. Tamil Nadu Magnesite Limited 3. Tamil Nadu Corporation for Development of Women Ltd 4. Tamil Nadu Medical Services Corporation Limited 5. Tamilnadu Small Industries Development Corporation Ltd, 6. TN Apex Skill Development Centre for Construction and Infrastructure
5.	Tmt. M. Pallavi Baldev, IAS	Addl. Secretary to Government, Industries Department	<b>DIRECTOR:</b> 1. Tamilnadu Industrial Development Corporation Ltd. (TIDCO) 2. TIDEL Park Limited 3. TIDEL Neo 4. TITAN 5. Tamil Nadu Water Investment Company Ltd (TWIC) 6. Tamil Nadu Road Infrastructure Development Corporation (TNRIDC) 7. TANFAC Industries Ltd. <b>Other Bodies:</b> 1. Golden Jubilee Biotech Park for Women Society
6.	Thiru Ravindran A.Lakshmanan	General Manager, Small Industries Development Bank of India (SIDBI)	Nil
7.	Dr. G. Santhanam, IAS (Retd)	Independent Director	<b>DIRECTOR:</b> 1. Namo Enterprises Private Ltd., 2. Bhisma Technology Services Pvt Ltd 3. RV Matrix Software Technologies Pvt Ltd 4. Bhisma Media Lab Tamil Pvt. Ltd 5. Rana Technology Solutions Pvt. Ltd 6. Chennai Obesity & Gastro Surgeons P. Ltd, 7. RXPRISM Health Systems Pvt. Ltd.
8.	Thiru S. Rajendiran	Independent Director	Nil
9.	Thiru D. Srinivasan	Independent Director	<b>DIRECTOR:</b> 1. Sree Annapoorna Sree Gowrishankar Hotels Pvt Ltd 2. Sree Annapoorna Kitchen Equipments Private Limited 3. Sree Annapoorna Gowrishankar Estates and Constructions Pvt. Ltd 4. Tamil Nadu Food Industries Association 5. South India Hotels and Restaurants Association 6. Damodar Techno Systems Pvt. Ltd. 7. Shri Damodar Resorts Private Ltd.

**Form No.MGT-9****Extract of ANNUAL RETURN as on the Financial Year ended 31.03.2023**

**(Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014)**

**I. REGISTRATION AND OTHER DETAILS :**

i) CIN	:	U93090TN1949SGC01458
ii) Registration Date	:	26-03-1949
iii) Name of the Company	:	Tamilnadu Industrial Investment Corporation Limited
iv) Category / Sub-category of the company	:	—
v) Whether listed company	:	No
vi) Name, address and contact details of Registrar and Transfer agent, if any	:	M/s. NSDL Database Management Limited Registrar & Transfer Agent 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Power Parel, Mumbai 400 013.

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :**

Term Loan lending

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

- NIL -

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

##### i) Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
<b>A. Promoter</b>									
(1) <b>Indian</b>									
i) State Government	3035228	--	3035228	72.10	3035228	--	3035228	72.10	--
(2) <b>Foreign</b>	--	--	--	--	--	--	--	--	--
<b>B. Public Shareholding</b>									
(1) <b>Institutions</b>									
i) SIPCOT	--	500000	500000	11.88	--	500000	500000	11.88	--
ii) Small Industries Development Bank of India (SIDBI)	170000	--	170000	4.04	170000	--	170000	4.04	--
iii) TIDCO	500000	--	500000	11.88	500000	--	500000	11.88	--
iv) Government of Puducherry	--	1500	1500	0.03	--	1500	1500	0.03	--
v) Insurance Companies	675	485	1160	0.02	675	485	1160	0.02	--
vi) Other Banks including Co-op. Banks	1687	381	2068	0.05	1687	381	2068	0.05	--
(2) <b>Non-Institutions</b>	--	--	--	--	--	--	--	--	--
<b>Grand Total</b>	<b>3707590</b>	<b>502366</b>	<b>4209956</b>	<b>100%</b>	<b>3707590</b>	<b>502366</b>	<b>4209956</b>	<b>100%</b>	<b>--</b>



## ii) Shareholding of promoters

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	Govt. of Tamilnadu	3035228	72.0964	—	3035228	72.0964	—	—
2	Govt. of Puducherry	1500	0.0356	—	1500	0.0356	—	—
3	Small Industries Development Bank of India	170000	4.038	—	170000	4.038	—	—
4	Punjab National Bank	60	0.0014	—	60	0.0014	—	—
5	Indian Bank, Chennai	233	0.0055	—	233	0.0055	—	—
6	Kumbakonam City Union Bank, Kumbakonam	10	0.0002	—	10	0.0002	—	—
7	Bank of India, Mumbai-21	200	0.0048	—	200	0.0048	—	—
8	Indian Overseas Bank, Chennai	117	0.0028	—	117	0.0028	—	—
9	Canara Bank, Bangalore	75	0.0018	—	75	0.0018	—	—
10	State Bank of India, Chennai	1167	0.0277	—	1167	0.0277	—	—
11	Tamilnadu State Co-operative Bank, Chennai	12	0.0003	—	12	0.0003	—	—
12	Ramachandran Co-operative Central Bank Ltd., Ramachandrapuram (AP)	1	0.00002	—	1	0.00002	—	—
13	Prakasapuram Co-operative Central Bank Ltd, Prakasapuram, Tirunelveli	2	0.00004	—	2	0.00004	—	—
14	Karur town Co-operative Bank Ltd., Karur	1	0.00002	—	1	0.00002	—	—
15	The Saraswat Co-op, Bank Ltd., Mumbai	5	0.00012	—	5	0.00012	—	—
16	Co-operative Central Bank Ltd., Nellore	2	0.00004	—	2	0.00004	—	—
17	Tamilnadu Co-operative State Land Development Bank Ltd, Chennai-4	100	0.0023	—	100	0.0023	—	—
18	Rajampet Co-operative Town Bank Ltd., Rajampet	1	0.00002	—	1	0.00002	—	—
19	Mannargudi Co-operative Urban Bank Ltd., Mannargudi	5	0.00012	—	5	0.00012	—	—
20	Co-operative Central Bank Ltd., Vizianagaram	2	0.00004	—	2	0.00004	—	—
21	Co-operative Central Bank Ltd., Thanjavur	2	0.00004	—	2	0.00004	—	—
22	Malabar District Co-operative Bank Ltd, Calicut	1	0.00002	—	1	0.00002	—	—
23	Co-operative Central Bank Ltd, Elluru	1	0.00002	—	1	0.00002	—	—

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	
24	Co-operative Central Bank Ltd., Kumbakonam	5	0.00012	--	5	0.00012	--	--
25	Srikakulam District Co-operative Central Bank Ltd, Srikakulam	6	0.00014	--	6	0.00014	--	--
26	Ramanathapuram District Co-operative Central Bank Ltd., Madurai	1	0.00002	--	1	0.00002	--	--
27	Karalkudi Co-operative Urban Ltd., Karalkudi	1	0.00002	--	1	0.00002	--	--
28	Vishakapatnam District Co-operative Central Bank Ltd., Vishakapatnam	2	0.00004	--	2	0.00004	--	--
29	Madurai District Central Co-operative Bank Ltd., Madurai	6	0.00014	--	6	0.00014	--	--
30	United India Insurance Company Ltd., Mumbai	375	0.0089	--	375	0.0089	--	--
31	Oriental Fire & General Insurance Company Ltd., Mumbai	250	0.0059	--	250	0.0059	--	--
32	The Kaiser-I Hind Insurance Company Ltd., Mumbai	10	0.00024	--	10	0.00024	--	--
33	New India Assurance Company Ltd., Mumbai	150	0.0036	--	150	0.0036	--	--
34	LIC of India, Mumbai	375	0.0089	--	375	0.0089	--	--
35	SIPCOT	500000	11.8766	--	500000	11.8766	--	--
36	TIDCO	500000	11.8766	--	500000	11.8766	--	--
37	Union Bank of India	50	0.0012	--	50	0.0012	--	--
<b>Total</b>		<b>4209956</b>	<b>100.00</b>		<b>4209956</b>	<b>100.00</b>	--	--




**iii) Change in Promoter's shareholding** (please specify, if there is no change)

There is no change in Promoter's Shareholding,

Sl. No.	Name of the Promoter	At the beginning of the year		Cumulative shareholding during the year		At the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Government of Tamilnadu	3035228	72.10	--	--	3035228	72.10
	<b>At the end of the year</b>	<b>3035228</b>	<b>72.10</b>	<b>--</b>	<b>--</b>	<b>3035228</b>	<b>72.10</b>

**iv) Shareholding pattern of top ten shareholders** (other than promoters and holders of GDRs and ADRs)

Sl. No.	For each of the Top 10 shareholders	At the beginning of the year		Cumulative shareholding during the year		At the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	SIPCOT	500000	11.8766	--	--	500000	11.8766
2	TIDCO	500000	11.8766	--	--	500000	11.8766
3	Small Industries Development Bank of India	170000	4.038	--	--	170000	4.038
4	Govt. of Puducherry	1500	0.0356	--	--	1500	0.0356
5	State Bank Of India, Chennai	1167	0.0277	--	--	1167	0.0277
6	United India Insurance Company Ltd., Mumbai	375	0.0089	--	--	375	0.0089
7	LIC of India, Mumbai	375	0.0089	--	--	375	0.0089
8	Oriental Fire & General Insurance Company Ltd., Mumbai	250	0.0059	--	--	250	0.0059
9	Indian Bank, Chennai	233	0.0055	--	--	233	0.0055
10	Bank of India, Mumbai	200	0.0048	--	--	200	0.0048

**v) Shareholding of Directors and Key Managerial Personnel :** Nil

**vi) INDEBTEDNESS:** (Rs. in Crores)

Bank Loans	1475.26
Deposits	213.84
<b>Total</b>	<b>1689.10</b>

vii) **Remuneration of Directors and Key Managerial Personnel:**

- A) Remuneration to Managing Director, Whole time Directors – Rs.44.27 lakhs
- B) Remuneration to other Directors — Nil
- C) Remuneration to Key Managerial Personnel other than MD/Manager/Whole time Directors

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1.	Gross Salary (in lakhs)	23.90	23.00	46.90
	(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			
5.	Others, specify			
	<b>Total</b>	<b>23.90</b>	<b>23.00</b>	<b>46.90</b>

viii) **Penalties / Punishment / Compounding of offences: Nil**

**ANNEXURE TO THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR)**

1. **A brief outline of TIIC's Corporate Social Responsibility (CSR) also including overview of projects or programs, proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

In accordance with the provisions of Companies Act under Section 135, TIIC constituted a CSR Committee. The composition and terms of reference of CSR Committee is approved in the Board of TIIC on 31/07/2014. CSR has been synonymous with the TIIC's core business of finance. Since its inception Corporation has been very sensitive to the needs of neighbouring community and persons whose livelihood has been affected needs care. TIIC's CSR policy was formulated during 2015 is in accordance with the Schedule VII of the Companies Act 2013 and modification thereon. Focus areas of TIIC's CSR activities are Health, Sanitation, Safe Drinking Water and Education. However, TIIC also takes up activities in the areas of Capacity Building of the youth, Women Empowerment, Social Infrastructure Development. The activities under CSR is in accordance with the Companies Act 2013 and the details are available in website of the Corporation [www.tiic.org](http://www.tiic.org).

2. **The composition of CSR Committee for the year 2022-23:**

S. No.	Name of Director Tvl. / Tmt.	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Thiru Hans Raj Verma, IAS,	Chairman & Managing Director, TIIC / Chairman of CSR Committee		
2.	Tmt. Reeta Harish Thakkar, IAS,	Spl. Secretary to Govt, Finance Dept, Govt. of T.N. / Member of CSR Committee	1	1
3.	Tmt. Mariam Pallavi Baldev, IAS	Addl. Secretary to Govt, Industries Dept, Govt. of T.N. / Member of CSR Committee		
4.	Thiru D.Srinivasan	Independent Director / Member of CSR Committee		

3. **Provide the weblink(s) where Composition of CSR committee, CSR policy and CSR projects approved by the board are disclosed on the website of the company: [www.tiic.org](http://www.tiic.org)**

4. **Provide the executive summary along with web-link(s) of impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable : NIL**

5.	(a) Average net profit of the company as per section 135(5) Average Net profit of the company before Tax for the last three financial years	Rs.77.05 crores.
	(b) Two percent of average net profit of the company as per section 135(5)	Rs. 1.54 crore
	(c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years	—
	(d) Amount required to be set off for the financial year, if any	—
	(e) Total CSR obligation for the financial year (b + c - d)	Rs. 1.54 crore

**6. (a) Amount spent on CSR Projects:**

(i) On going Project	
(ii) Other than On going Project	Rs.1.54 crore
(b) Amount spent in Administrative Overheads.	--
(c) Amount spent on Impact Assessment, if applicable.	--
(d) Total amount spent for the Financial Year((a)+(b)+(c) )	Rs.1.54 crore

**(e) Details of CSR spent or unspent during the financial year:**

Total amount spent for the financial year (Rs. In crore)	Amount unspent (Rs. in crore) Total amount transferred to unspent CSR activities as per section 135 (6)			Amount transferred to any fund specified under Schedule VII as per second provision to section 135 (5)	
	Amount	Date of Transfer	Name of the fund	Amount	Date of Transfer
Rs.1.54 crore	NIL	N.A.	N.A.	N.A.	N.A.

**(f) Excess amount for set off, if any**

(i) Two percent of average net profit of the company as per section 135(5)	Rs.1.54 crore
(ii) Total amount spent for the Financial Year	Rs.1.54 crore
(iii) Excess amount spent for the financial year ((ii)-(i))	--
(iv) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
(v) Amount available for set off in succeeding financial years ((iii)-(iv))	--

**7. Details of Unspent CSR amount for the preceding three financial years:**

S. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.)	Balance amount in unspent CSR amount under section (135(6)) (In Rs.)	Amount spent in the financial year (in Rs.)	Amount transferred to a fund as specified under Schedule VII as per section 135 (5), If any		Amount remaining to be spent in succeeding financial years (in Rs.)	Deficiency, If any
					Amount (in Rs.)	Date of Transfer		
1	2019-20	NIL	NIL	Rs.98.65 lakhs	NIL	N.A.	NIL	NIL
2	2020-21	NIL	NIL	Rs.82.00 lakhs	NIL	N.A.	NIL	NIL
3	2021-22	NIL	NIL	Rs.108.00 lakhs	NIL	N.A.	NIL	NIL

**8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Yes/No.**

- i) Construction of 60000 litres of Overhead Tank for drinking water with provision of borewell and motor accessories at Thirkkasumangali Nagar in Thirumangalam Panchayat, Kandamangalam Block, Vikravandi Taluk, Villupuram District.

- ii) Purchase of medical equipments to Barnard Institute of Radiology at Rajiv Gandhi Government General Hospital & Madras Medical College.
  - iii) Creating a new pond in Tamil Nadu Physical Education and Sports University, Vengadamangalam, Melakottaiyur, Chengalpattu District
- 9) **Specify the reason(s), if the company has failed to spend the two percent of the average net profit as per section 135 (5):**  
Not applicable.

Sd/-

**HANS RAJ VARMA**  
Chairman & Managing Director/  
Chairman of the CSR Committee

**CS Kiran Varma M.G. B.Com, FCS, LLB**  
**Practicing Company Secretary**  
 New No: 60, Old No:34, Above IndianOverseas Bank  
 South Usman Road, T.Nagar, Chennai - 600 017  
 +91-95660 34192; cskvarma@outlook.com

## FORM No.3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014)

To

The Members

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

CIN : U93090TN1949SGC001458

No. 692, Anna Salai, Nandanam, Chennai - 600 035

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices of **M/s TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the Corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2023, 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 have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the rules made thereunder. **(Not Applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder. **(Not Applicable to the Company during the Audit Period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings **(Not Applicable to the Company during the Audit Period)**
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
  - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the Audit Period)**
  - (b) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not Applicable to the Company during the Audit Period)**

- (c) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015; **(Not Applicable to the Company during the Audit Period)**
  - (d) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not Applicable to the Company during the Audit Period);**
  - (e) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 **(Not Applicable to the Company during the Audit Period);**
  - (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
  - (g) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 **(Not Applicable to the Company during the Audit Period);**
  - (h) The Securities and Exchange Board of India (Delisting of equity shares regulations), 2009 **(Not Applicable to the Company during the Audit Period);**
  - (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**
- (vi) And laws specifically applicable in case of a State Finance Corporation.
- I have also examined compliance with the applicable clauses of the following:
- a. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as maintained above.

I, further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions were taken unanimously and dissenting members' views, if any, are captured and recorded as part of the minutes.

I, further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I, further report that, during the audit period, there were no other specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc. having a major bearing on the Company's affairs.

**UIDN: F012223E000602769**

Place : Chennai  
Date : 13.07.2023

**Kiran Verma M G**  
Practicing Company Secretary  
FCS No. 12223  
CoP No: 19211

**This report is to be read with my letter of even date which is annexed and forms an integral part of this report.**

**CS Kiran Varma M.G. B.Com, FCS, LLB**  
Practicing Company Secretary

**ANNEXURE 'A'**

**To**

**The Members,**

**THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED**

**CIN : U93090TN1949SGC001458**

No: 692, Anna Salai, Nandanam, Chennai - 600 035

**My report of even date is to be read along with this letter.**

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these Secretarial records based on my audit.
2. I 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. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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.

**UIDN: F012223E000602769**

Place : Chennai

Date : 13.07.2023

**Kiran Varma M G**

Practicing Company Secretary

FCS No. 12223

CoP No: 19211



**P.B. VIJAYARAGHAVAN & Co**  
**CHARTERED ACCOUNTANTS**

Flat 'G', III Floor, "Sri Malala"  
No. 174, Habibullah Road  
T. Nagar, Chennai - 600 017  
Tel : +91 44 2814 1515, +91 44 4864 5242  
Mobile: +91 98400 37240  
Email id : office@pbv.co.in

## INDEPENDENT AUDITOR'S REPORT

To the Members  
Tamilnadu Industrial Investment Corporation Limited

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### I. Opinion

We have audited the financial statements of **Tamilnadu Industrial Investment Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information ("the financial statements").

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 March 31, 2023 and Profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Companies Act, 2013 and the Rules there under, 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.

#### Emphasis of Matter

Attention is required to the following matter:

As per the common dividend policy evolved by the State Government, vide G.O. Ms. No. 123 Finance Department dated 19th May 2014, the state PSUs have to declare 30% of the Net Profits (after tax) or 30% of the paid up share capital whichever is higher subject to availability of disposable profit which works to Rs. 126.30 crores. However, the Company has proposed 5% of Paid-up Share Capital as dividend amounting to Rs. 21.05 crores resulting in a difference of Rs. 105.25 crores.

Our opinion is not modified in respect of this matter.

### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the matters included in Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

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

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and in case the material misstatement remains uncorrected suitable action would be resorted to including bring to the attention of the users the matters of such material misstatement.

### 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 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Board of Directors 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the 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 judgement 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, structures 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.

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 disclosures about the matter when, in extremely rare circumstance, 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 the Company is defined as a banking company by the Ministry of Commerce & Industry, Government of India vide its letter dated 28.06.1960, the Companies (Auditor's Report) Order 2020, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013 is not applicable to the Company.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, 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) As per Notification No. G.S.R. 463(E) dated 05.06.2015, subsection (2) of Section 164 of the Companies Act 2013, is not applicable to Government Companies.
  - f) With respect to the adequacy of the internal financial controls over systems and the operating effectiveness of such controls, we give our Report in **Annexure-I**.
  - g) 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 - D (ii) & (iii) and E.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
    - iv. (a) The management has represented that, to the best of its knowledge and belief other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(les), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) the management has represented, that to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - (c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused us to believe that the representation under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared or paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
3. As required by the section 143(5) of the Companies Act 2013, our comments with regard to the directions and sub-directions issued by the Comptroller & Auditor General of India is given in **Annexure-II**.

Place : Chennai  
Date : 21.07.2023  
UDIN 23226831BGT0RE3250

**P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants  
FRN: 004721S

**K. SRINIVASAN**  
Partner  
M.No: 226831

**P.B. VIJAYARAGHAVAN & Co**  
CHARTERED ACCOUNTANTS

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### **Annexure-I to Independent 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 over financial reporting of Tamil Nadu Industrial Investment Corporation Limited ("the Company") as of March 31, 2023 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 are established by the Company in their separate internal control manuals 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds or 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 (the "Guidance Note") 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 was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal 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 the 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 management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

### Opinion

In our opinion, 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 operative effectively as at March 31, 2023, 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.

**P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants  
FRN: 004721S

**K. SRINIVASAN**  
Partner  
M.No: 226831

Place : Chennai  
Date : 21.07.2023  
UDIN 23226831BGT0RE3250

**P.B. VIJAYARAGHAVAN & Co**  
**CHARTERED ACCOUNTANTS**

Flat 'G', III Floor, "Sri Malola"  
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**Annexure-II to Independent Auditor's Report**  
**Comments in regard to the directions issued by the**  
**Comptroller and Auditor General of India**

1. **Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.**

Yes, there are no accounting transactions processed outside IT system, hence, commenting on consequential financial impact does not arise.

2. **Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for?**

a) The Corporation has been adopting various measures for recovery of loan dues from its customers like action under Sec. 29 or Sec. 31 of SFCs act, action under SARFAESI Act, filing case in DRT etc. despite such stringent recover measures, certain loan accounts have become increasingly sticky and possibilities of recoveries from them tend to be highly remote. The Corporation has been doing "technical write off" of such loan accounts every year out of the profits earned. The SIDBI guidelines provide as follows: "SFCs should either make full provision as per the guidelines or write-off such advances and claim such tax benefits as applicable, by evolving appropriate methodology in consulting with their auditors/tax consultants. Recoveries made in such accounts should be offered for tax purposes as per the rules. SFCs may write off advances at Head Office level, even though the relative advances are still outstanding in the branch books".

b) The Corporation has written off all Loss / Doubtful III and selected Doubtful II cases as on 31.03.2023 whose recovery prospects were highly uncertain and remote:

**WAIVER AND WRITE OFF:**

Particulars	For the year ended 31.03.2023 (Rs. in lakhs)
Loans written off	1898.61
Other dues written off	146.17
Other dues waived off	—
Loans waived	—
<b>TOTAL</b>	<b>2044.78</b>



The details are as under:

(Rs. in lakhs)

Description of cases for write off (as on 31.03.2023)	Amount to be written off			
	No. of cases	Principal Rs.	Other dues Rs.	Total Rs.
Loss Assets	8	951.95	8.08	960.03
Doubtful cases written off (D2)	10	553.40	4.22	557.62
Doubtful cases written off (D1)	2	433.33	6.08	439.41
<b>Sub-Total</b>	<b>20</b>	<b>1938.68</b>	<b>18.38</b>	<b>1957.06</b>
Additional other dues incurred during 2022-23 in respect of already written off account	552	—	127.79	127.79
Less: One unit upgraded to Standard category	1	40.07	—	40.07
<b>Total amount to be written off</b>	<b>571</b>	<b>1898.61</b>	<b>127.79</b>	<b>2044.78</b>

Though the above loans were written off in the Books of Accounts as on 31.03.2023 and the possibility of recovery in normal course of such accounts is not bright, the recovery efforts would continue without let up and recovery from these written-off cases would be shown as income of the Corporation under the Head "Bad Debts Recovered".

- c) SIDBI policy also permits write-off of non-performing assets and claiming applicable tax benefits. The loans under doubtful category are not susceptible to recovery in the normal courses and the Corporation has to resort to legal means or compromise settlement.

**3. Whether funds (grants/subsidy etc.) received/receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.**

The grant/subsidy received for specific scheme (Rehabilitation and Resettlement) from the State Government were properly accounted as per the terms and conditions attached thereto. The unutilised balance of the grant along with the interest accrued has been retained as a liability in accordance with the directions of the Government of Tamil Nadu.

**P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants  
FRN: 004721S

**K. SRINIVASAN**  
Partner  
M.No: 226831

Place : Chennai  
Date : 21.07.2023  
UDIN 23226831BGT0RE3250

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### Annexure-II to Independent Auditor's Report

#### Comments in regard to the sub-directions issued by the Comptroller and Auditor General of India

#### ADDITIONAL SUB-DIRECTIONS UNDER SECTION 143(5) OF THE COMPANIES ACT, 2013

**1. Whether the Company has complied with the directions issued by the RBI for:**

- Non-Banking Finance Companies
- Classification of Non-performing assets and
- Capital adequacy norms for NBFCs

The Company follows the prudential norms prescribed by SIDBI, being the regulator of State Financial Corporations in the country.

**2. Whether the Company has a system to ensure that loans were secured by adequate security free from encumbrances and have first charge on the mortgaged assets? Further instances of undue delay in disposal of seized units may be reported.**

Loans sanctioned by the Company are secured based on the norms fixed by the Corporation. From our examination and as informed by the Management, there has been instances of undue delay in disposal of few seized units reasons being pending court cases, marketability of the property, lack of response in the Public Auction, Remote locality of the Asset and delay in process of one time settlement request.

**3. Whether introduction of any scheme for settlement of dues and extensions thereto complied with policy/guidelines of Company/Government?**

The schemes framed by the Company for the settlement of dues and extension thereto are complied with the policy/guidelines of the Company.

**4. Comment on the confirmation of balances of trade receivables, trade payables, term deposits, bank accounts and cash obtained.**

The Company gets confirmation of balance at the year end for the bank and cash balance. The Corporation sends out periodical demand to the borrowers which itself is taken as system of obtaining confirmation of balances and no other separate procedure of obtaining confirmation of balances was there. Now, the Corporation has also introduced a system to obtain confirmation for cases where there is no payment for two years.

**5. Whether the bank guarantees have been revalidated in time?**

The Company has not obtained any bank guarantees which are required to be revalidated.

**P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants  
FRN: 004721S

**K. SRINIVASAN**  
Partner  
M.No: 226831

Place : Chennai  
Date : 21.07.2023  
UDIN 23226831BGTORE3250



**ACCOUNTS**  
**BALANCE SHEET  
AND  
PROFIT AND LOSS ACCOUNT**

## BALANCE SHEET AS ON MARCH 31, 2023

Particulars	Schedule Ref.	As on 31.03.2023 (Rs.)	As on 31.03.2022 (Rs.)
<b>CAPITAL AND LIABILITIES</b>			
Capital	A	4,20,99,56,000	4,20,99,56,000
Reserves and Surplus	B	7,23,50,07,504	6,08,40,43,155
Borrowings	C	14,75,25,61,612	10,69,12,98,561
Deposits	D	2,13,83,49,281	2,77,93,55,138
Deferred Tax Liability	E	8,36,73,003	—
Other Liabilities and Provisions	F	2,51,27,27,484	2,11,23,76,671
<b>Total</b>		<b>30,93,22,74,884</b>	<b>25,87,70,29,525</b>
<b>ASSETS</b>			
Cash and Bank Balances	G	64,52,62,971	61,43,19,189
Investments	H	47,58,75,313	47,31,24,570
Loans and advances	I	25,17,73,34,289	20,32,02,55,615
Fixed assets	J	3,86,64,33,525	3,84,75,11,827
Other assets	K	76,73,68,786	59,85,76,641
Deferred Tax Asset	E	—	2,32,41,683
<b>Total</b>		<b>30,93,22,74,884</b>	<b>25,87,70,29,525</b>
Contingent Liability	S	7,80,77,879	7,75,08,335
Significant accounting policies and Notes to Accounts	T		

Schedule A to T are forming part of the Financial Statement.

**D. DURAIRAJ**  
General Manager (i/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA**  
Chairman &  
Managing Director  
DIN: 130877

**S. RAJENDIRAN**  
Director  
DIN: 08598411

As per our report of even date annexed  
For **M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner.

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023**

Particulars	Schedule Ref.	For the year ended 31.03.2023 Rs.	For the year ended 31.03.2022 Rs.
<b>INCOME (A)</b>			
Income from operations	L	3,03,01,65,142	2,16,91,87,429
Other income	M	41,62,65,833	32,40,45,594
<b>Total Income (A)</b>		<b>3,44,64,30,975</b>	<b>2,49,32,33,023</b>
<b>EXPENDITURE (B)</b>			
Interest expended	N	1,00,25,39,925	62,47,57,897
Other financial expenses	O	34,33,096	99,32,530
Personnel expenses	P	48,39,11,679	42,40,15,638
Administrative expenses	Q	11,55,76,956	9,86,47,154
Depreciation	J	1,54,54,447	1,16,62,390
Waiver and Write-offs	R	20,44,77,638	87,37,741
<b>Total Expenditure (B)</b>		<b>1,82,53,93,741</b>	<b>1,17,77,53,350</b>
<b>PROVISIONS (C)</b>			
Provision for Advances / (Written back)		(13,86,43,471)	17,25,79,101
Excess provision Investment		(27,50,743)	(6,09,75,573)
PL Encashment written back		(2,30,48,878)	
ULE encashment written back		(90,70,325)	
<b>Total Provisions / (Written Back) (C)</b>		<b>(17,35,13,417)</b>	<b>11,16,03,528</b>
<b>Profit before Tax (D)</b>	<b>A-(B+C)</b>	<b>1,79,45,50,651</b>	<b>1,20,38,76,145</b>
Provision for Taxes			
Income Tax Provision		32,60,20,161	34,21,81,661
Deferred Tax		10,69,14,686	2,23,29,078
Income Tax Provision for earlier years		1,53,655	99,42,419
<b>Total Provision for Taxes (E)</b>		<b>43,30,88,502</b>	<b>37,44,53,158</b>
<b>Net Profit after tax carried to P&amp;L Appropriation A/c</b>	<b>D-E</b>	<b>1,36,14,62,149</b>	<b>82,94,22,987</b>
Significant Accounting policies and Notes to Accounts	T		
<b>EARNINGS PER SHARE - Basic/Diluted (Face value of Rs.1,000/- each)</b>		<b>323.39</b>	<b>197.01</b>

Schedule A to T are forming part of the Financial Statement

**D. DURAIRAJ**  
General Manager (I/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA**  
Chairman &  
Managing Director  
DIN: 130877

**S. RAJENDIRAN**  
Director  
DIN: 08598411

As per our report of even date annexed  
For **M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner

## PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

Particulars	For the year ended 31.03.2023 Rs.	For the year ended 31.03.2022 Rs.
Balance as per last Balance Sheet- General Reserve/ (Accumulated losses)	2,06,91,66,339	1,60,30,42,032
<b>Add:</b> Profit for the year as per Profit and Loss Account	1,36,14,62,149	82,94,22,987
<b>Less:</b> Special Reserve u/s 36(1)(viii) of the Income tax Act, 1961	27,87,00,000	23,70,00,000
<b>Less:</b> Proposed Dividend for FY 2022-23/2021-22	21,04,97,800	12,62,98,680
<b>Profit transferred to Reserves and Surplus/ (Accumulated losses)</b>	<b>2,94,14,30,688</b>	<b>2,06,91,66,339</b>

**D. DURAIRAJ**  
General Manager (i/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA**  
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Managing Director  
DIN: 130877

**S. RAJENDIRAN**  
Director  
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As per our report of even date annexed  
For **M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner


**SCHEDULES TO BALANCE SHEET**

Particulars	As on 31.03.2023 (Rs.)	As on 31.03.2022 (Rs.)
<b>Schedule-A: Capital</b>		
<b>1. Authorised Capital</b> 42,50,000 (Previous Year 42,50,000 numbers) Equity Shares of Rs.1000 each	<u>4,25,00,00,000</u>	<u>4,25,00,00,000</u>
<b>2. Issued</b> Equity Share Capital: 42,10,000 Equity Shares (Previous year 42,10,000 numbers) of Rs.1,000 each	<u>4,21,00,00,000</u>	<u>4,21,00,00,000</u>
<b>3. Subscribed and paid up</b> 41,24,956 Equity Shares (Previous year 41,24,956 numbers) of Rs.1,000 each fully paid	4,12,49,56,000	4,12,49,56,000
85,000 (Previous year 85,000 numbers) Special Equity Shares of Rs.1,000/- each (issued u/s 4A of State Financial Corporations' Act, 1951)	8,50,00,000	8,50,00,000
<b>Total</b>	<u><b>4,20,99,56,000</b></u>	<u><b>4,20,99,56,000</b></u>
<b>Schedule B: Reserves and Surplus</b>		
i) Reserves Revaluation Reserve: Revaluation of lands held	3,64,94,77,100	3,64,94,77,100
ii) a) SPECIAL RESERVE FUND (In terms of Sec.35A of the State Financial Corporations' Act, 1951 representing dividend foregone by the Govt.of Tamilnadu and IDBI)	2,49,99,716	2,49,99,716
ii) b) Special Reserve u/s 36(1)(viii) of the Income Tax Act, 1961	61,91,00,000	34,04,00,000
iii) Transfer from Profit & Loss Appropriation Account	2,94,14,30,688	2,06,91,66,339
<b>Total</b>	<u><b>7,23,50,07,504</b></u>	<u><b>6,08,40,43,155</b></u>
<b>Schedule-C: Borrowings</b>		
1. Term Loan from Banks (Sec. by book debts)	13,95,27,12,505	10,69,05,41,021
2. Overdraft from banks	79,98,49,107	7,57,540
<b>Total</b>	<u><b>14,75,25,61,612</b></u>	<u><b>10,69,12,98,561</b></u>
<b>Schedule-D: Deposits</b>		
1. Deposits from Temples, Educational institutions, etc.	1,55,72,82,373	1,52,39,74,076
2. Inter-Corporate Deposits	58,10,66,908	1,25,53,81,062
<b>Total</b>	<u><b>2,13,83,49,281</b></u>	<u><b>2,77,93,55,138</b></u>

## SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2023 (Rs.)	As on 31.03.2022 (Rs.)
<b>SCHEDULE-E: Deferred Tax Liability</b>		
Deferred Tax Liability	8,36,73,003	—
Deferred Tax Asset	—	2,32,41,683
<b>Total</b>	<b>8,36,73,003</b>	<b>2,32,41,683</b>
<b>SCHEDULE-F: OTHER LIABILITIES AND PROVISIONS</b>		
1. Advances & Deposits from Constituents & others	1,20,24,52,728	82,08,96,393
2. Liability for others	36,68,13,629	45,22,95,111
3. Provision on Standard Assets	11,84,72,515	5,46,65,770
Add: Provision for Current Year	1,44,40,147	6,38,06,745
	<b>13,29,12,662</b>	<b>11,84,72,515</b>
4. Income Tax	27,38,76,849	25,22,32,311
Add: Provision for the year	32,61,73,816	34,21,81,661
	<b>60,00,50,665</b>	<b>59,44,13,972</b>
5. Provision for Proposed Dividend	21,04,97,800	12,62,98,680
<b>Total</b>	<b>2,51,27,27,484</b>	<b>2,11,23,76,671</b>
<b>Schedule-G: Cash and Bank Balances</b>		
1. Cash in hand	21,01,159	27,34,350
2. Balance with banks		
i) Reserve Bank of India	4,25,673	4,25,673
ii) Current A/c with scheduled Banks	48,82,14,727	58,78,39,166
iii) Term Deposits with Banks	15,45,21,412	2,33,20,000
<b>Total</b>	<b>64,52,62,971</b>	<b>61,43,19,189</b>
<b>Schedule-H: Investments</b>		
Investment in shares		
Quoted	44,27,39,410	43,99,88,667
Non-Quoted	3,31,35,903	3,31,35,903
<b>Total</b>	<b>47,58,75,313</b>	<b>47,31,24,570</b>



**SCHEDULES TO BALANCE SHEET**  
**SUMMARY FOR QUOTED / NON-QUOTED SHARES**

PARTICULARS	As on 31.03.2023 (Rs.)	As on 31.03.2022 (Rs.)
<b>COST OF FULLY PAID SHARES</b>		
<b>QUOTED</b>		
EQUITY	45,10,27,219	46,10,39,990
<b>NON QUOTED</b>		
EQUITY	7,34,33,286	6,34,20,515
REDEEMABLE PREFERENCE	1,54,12,868	1,54,12,868
<b>TOTAL</b>	<b>53,98,73,373</b>	<b>53,98,73,373</b>
MARKET / BOOK VALUE	47,58,75,313	47,31,24,570
DEPRECIATION REQUIRED	6,39,98,060	6,67,48,803
DEPRECIATION HELD	6,39,98,060	6,67,48,803
<b>NET VALUE OF INVESTMENTS AS PER BALANCE SHEET</b>	<b>47,58,75,313</b>	<b>47,31,24,570</b>

**D. DURAIRAJ**  
General Manager (i/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA**  
Chairman &  
Managing Director  
DIN: 130877

**S. RAJENDIRAN**  
Director  
DIN: 08598411

As per our report of even date annexed  
For **M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner

### SCHEDULE FOR INVESTMENT IN SHARES AS ON 31<sup>ST</sup> MARCH 2023

#### I. FULLY PAID EQUITY SHARES (QUOTED)

Sl. No.	Name of the Company	No. of Shares	Face Value	Book Cost	Market Rate / Balance Sheet Value	Market Value/ Balance Sheet Value	Net Value (Lower of (5) or (7))
(1)	(2)	(3)	Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
<b>I-Market value</b>							
1	NLC India Ltd	59,70,126	10	35,82,07,560	77.15	46,05,95,221	35,82,07,560
2	IDBI Bank Ltd. (Formerly Industrial Development Bank of India)	35,680	10	28,99,000	45.00	16,05,600	16,05,600
3	Kothari Sugars & Chemicals Ltd.	10,350	10	44,85,000	34.90	3,61,215	3,61,215
4	Rallis India Ltd.	8,01,150	1	6,67,660	192.80	15,44,61,720	6,67,660
5	Sakthi Sugars Ltd.	4,95,099	10	1,12,54,130	19.95	98,77,225	98,77,225
6	Seshasayee Paper & Boards Ltd.*	90,00,000	2	1,60,00,000	235.70	2,12,13,00,000	1,60,00,000
7	Sicagen India Ltd **	1,60,467	10	63,55,869	30.30	48,62,150	48,62,150
8	Tamilnadu News Print & Papers Ltd.	4,00,000	10	4,40,00,000	218.25	8,73,00,000	4,40,00,000
9	Elgi Rubber Company Ltd	11,79,696	1	1,58,000	29.25	3,45,06,108	1,58,000
10	Vedanto Ltd (Formerly Sesa Sterlite, Madras Aluminium Company Ltd)	24,50,000	1	70,00,000	274.45	67,24,02,500	70,00,000
<b>TOTAL (A)</b>				<b>45,10,27,219</b>			<b>44,27,39,410</b>

#### II FULLY PAID EQUITY SHARES (NON-QUOTED)

<b>I-Balance Sheet Value</b>							
1	Reed Relays and Electronics India Ltd.***	41,956	10	20,97,850	371.79	1,55,98,666	20,97,850
2	Ambattur Enterprises Ltd. (Formerly T & R Welding Products (India) Ltd.)	3,680	100	3,68,000	2506.02	92,22,155	3,68,000
3	M I L Industries Ltd.	1,68,000	10	16,80,000	149.08	2,50,45,600	16,80,000
4	Sree Maruthi Marine Industries Ltd. (Maruthi Crystal Salt Co. Ltd)	20,000	10	—	29.02	5,80,369	—
5	Sivanandha Pipe Fittings Ltd.	33,600	10	5,60,000	52.02	17,47,978	5,60,000
6	Chefflinad Cement Corporation Ltd	61,200,000	2,58,64,000	1,90,02,722	1,15,91,66,062	2,58,64,000	
7	Pandyan Hotels Ltd.	4,985	100	0	1,007.98	50,24,801.01	0
8	ITCOT Consultancy and Services Ltd.	2,000	100	2,00,000	6,498.01	1,29,96,029.06	2,00,000
9	Lakshmi Precision Tools Ltd.	34,900	10	5,23,500	52.89	18,45,704.65	5,23,500
10	Malladi Drugs & Pharmaceuticals Ltd.****	26,95,000	5	5,00,000	47.75	12,86,87,570.12	5,00,000
11	India Forge & Drop Stampings Ltd.	71,179	10	9,07,535	831.02	5,91,51,322.19	9,07,535
12	Sun Paper Mill Ltd.	43,500	10	4,35,000	16.23	7,05,813.85	4,35,000
13	Sical Logistics Ltd (Formerly South India Corporation (Agencies) Ltd, now taken over by M/s.Pristine Malwa Logistics Park P, Ltd as per NCLT order dated 08.12.2022**	10,698	10	1,00,12,771	0.00	0	0
<b>TOTAL</b>				<b>4,31,48,656</b>			<b>3,31,35,885</b>

## SCHEDULES TO BALANCE SHEET

Sl. No.	Name of the Company	No. of Shares	Face Value	Book Cost	Market Rate / Balance Sheet Value	Market Value/ Balance Sheet Value	Net Value (Lower of (5) or (7))
			Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<b>II-OTHERS</b>							
14	Indian Steel Rolling Mills Ltd.	46,620	10	3,10,800		1	1
15	MICO Farm Chemical Ltd.	7,480	100	7,48,000		1	1
16	Seshasayee Industries Ltd.	2,41,750	10	24,17,500		1	1
17	Bokiyu Tanneries Ltd.	41,900	10	—		—	—
18	Secals Ltd.	1,25,000	10	54,75,000		1	1
19	Kamar Chemicals & Industries Ltd.	1,37,550	10	18,34,000	—	—	—
20	Wavin India Ltd.	59,275	10	—	—	—	—
21	Guindy Industrial Estate Infrastructure Upgradation Company	2,500	10	25,000	—	1	1
22	Industrial Venture Capital Ltd.	10,00,000	10	1,00,00,000			1
23	Marshall & Sons (India) Ltd.	79,372	10	1,98,430			1
24	Devi Spinning Mills Ltd.	1,000	1,000	10,00,000			1
25	Kumaragiri Electronics Ltd.	35,000	10	3,50,000			1
26	Rockfort Fastners Ltd.	25,000	10	2,50,000			1
27	Forge Mech Private Ltd.	3,900	10	39,000			1
28	Madras Forgings & Allied Industries (CBE)	4,849	100	4,84,900			1
29	Sivanandha Steels Ltd.	3,57,600	10	71,52,000			1
30	Southern Castings Ltd.	46,310	10	0			0
31	Sakthi Pipes Ltd.	14,850	100	0			0
32	Trac Industries & Components Ltd.	9,960	100	0			0
33	Ramasayee Agro Industries Ltd.	2,500	100	0			0
34	Upper India Bearings & Bushings Ltd.	20,000	10	0			0
35	Tuber Pharma Chemicals Ltd.	20,000	10	0			0
36	Tamilnadu Alloy Foundry Co Ltd.	90,000	10	0			0
37	Omega Cables Ltd.	10,330	100	0			0
38	Micro Tools Ltd.	11,135	100	0			0
<b>TOTAL</b>				<b>3,02,84,630</b>			<b>13</b>

### SCHEDULES TO BALANCE SHEET

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Book Cost Rs.	Net Value after Depreciation Rs.
(1)	(2)	(3)	(4)	(5)	(6)
<b>III. FULLY PAID REDEEMABLE CUMULATIVE PREFERENCE SHARES (NON-QUOTED)</b>					
1	Ergodyne Private Ltd.	900	100	90,000	1
2	Industrial Venture Capital Ltd	10,00,000	10	1,00,00,000	1
3	Mod Shoe Co. P Ltd.	1,453	100	1,45,300	1
4	Southern Structural Ltd.	44,392	10	1,77,568	1
5	Sleek Textiles Industries Ltd.	5,00,000	10	50,00,000	1
6	Sakthi Pipes Ltd.	9,703	100	—	—
7	Zenith Lamps & Electricals Ltd.	48,575	10	—	—
				<b>1,54,12,868</b>	<b>5</b>
<b>TOTAL (B)</b>				<b>8,88,46,154</b>	<b>3,31,35,903</b>
<b>TOTAL (A+B)</b>				<b>53,98,73,373</b>	<b>47,58,75,313</b>

- \* Sethasayee Paper & Boards Ltd, split their stock in the ratio of 1:5. So their face value per share has reduced from Rs.10 per share to Rs.2 per Share. Accordingly the number of shares increased from 18,00,000 to 90,00,000.
- \*\* During March 2022, M/s Sical Logistics Ltd, Filed application u/s.30(6) & 31 of the Insolvency and Bankruptcy Code, 2016 Pursuant to the approval of the resolution Plan as submitted by the successful Resolution Applicant M/s Pristine Matwa Logistics Park P.Ltd. by the /honorable NCLT, Chennai Bench on 08.12.2022, every public shareholders has been allotted one share of Rs.10/- each for every fifteen shares held. Accordingly, the number of shares held is revised as 10698 as against 160467 held by Corporation. The shares are delisted from the stock exchange. Hence the market value is taken as NIL.
- \*\* In the year 2008, Sical Logistics Ltd, transferred their Trading, Plantation and Services division to Sicagen India Ltd, by way of demerger. In turn, Shareholders of Sical Logistics Ltd, are entitled to 1 share in Sicagen Ltd, for every share held in Sical Logistics Ltd at nil cost. Corporation was allotted 160467 shares in Sicagen India Ltd, and shown the book cost as nil. Now the Corporation has apportioned the Sical Logistics Ltd, book cost of Rs.1,63,68,640 between Sical Logistics Ltd and Sicagen India Ltd, based on their Networth as on 31.03.2019.
- \*\*\* Reed Relays and Electronics India Limited has effected reduction of Share Capital and Paid Rs.107/- per share. The Corporation voted against the resolution, meanwhile the Company got approval from NCLT and sent a Cheque for Rs.44.89 Lakhs towards full settlement. A cheque was not presented on the advise of AG and filed a petition before NCLT to plea along with other shareholders against the reduction of Share Capital.
- \*\*\*\* In the year 2022, Malladi Drugs & Pharmaceuticals Ltd, has issued bonus shares in the proportion of 5:2. Accordingly the number of shares increased from 7,70,000 to 26,95,000.

Particulars	As on 31.03.2023 (Rs.)	As on 31.03.2022 (Rs.)
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#### Schedule-I: Loans and Advances

Loans and Advances (After adjusting cumulative provision of Rs.7,65,84,910 (Rs.22,86,35,752))	25,17,73,34,289	20,32,02,55,615
Different types of loans		
1. General Loan	21,89,32,07,611	18,83,73,77,969
2. Working Capital Term Loan	28,98,64,924	33,37,44,773
3. Generator	66,36,752	84,28,510
4. Transport loans	12,17,80,424	13,81,67,666
5. Bill Finance	2,52,98,25,280	85,68,04,039
6. Bridge loans	24,50,45,329	25,61,86,429
7. GES	7,42,15,445	7,46,53,896
Add: Interest accrued	9,33,43,434	4,35,28,086
Less: NPA Provision	—	—
Provisioning on TL	(7,65,84,910)	(22,86,35,752)
<b>Total</b>	<b>25,17,73,34,289</b>	<b>20,32,02,55,615</b>

**SCHEDULES SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED IN THE BALANCE SHEET AS AT 31.03.2023**
**1. Asset classification:**

Asset	Term Loans and Hire Purchase Loans		
	Gross (Rs.)	NPA Provisioning (Rs.)	Net (Rs.)
Standard	24,98,45,67,102 (20,15,32,38,477)	— —	24,98,45,67,102 (20,15,32,38,477)
Sub-Standard	20,64,85,784 (11,42,89,715)	3,12,22,288 (1,72,61,588)	17,52,63,496 (9,70,28,127)
Doubtful -I	1,02,33,822 (9,40,19,651)	42,88,454 (2,40,30,640)	59,45,368 (6,99,89,011)
Doubtful-II	1,92,63,869 —	77,05,546 —	1,15,58,323 —
Loss Assets	3,33,68,622 (18,73,43,524)	3,33,68,622 (18,73,43,524)	— —
<b>TOTAL</b>	<b>25,25,39,19,199</b> <b>(20,54,88,91,367)</b>	<b>7,65,84,910</b> <b>(22,86,35,752)</b>	<b>25,17,73,34,289</b> <b>(20,32,02,55,615)</b>

(Previous year figures are in brackets)

- 2 Debts due by concerns in which one or more Directors of the Corporation are interested as Directors/Partners/Proprietors or as Share Holders in case of Private Companies. —
- 3 Total amount of loans disbursed during the year to concerns in which one or more Directors of the Corporation are interested as Directors, Partners, Proprietors or in the case of Private Companies as Members. —
- 4 Loans guaranteed by the State Government and/ or due by a Government Undertaking Rs. Nil lakhs

**D. DURAIRAJ**  
General Manager (i/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA**  
Chairman &  
Managing Director  
DIN: 130877

**S. RAJENDIRAN**  
Director  
DIN: 08598411

As per our report of even date annexed  
For **M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner



**Schedule-J: SCHEDULE OF FIXED ASSETS AS ON 31.03.2023**

(in Rupees)

Sl. No.	Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 1.4.2022 (Rs.) (1)	Additions (Rs.) (2)	Deletions (Rs.) (3)	Cost as on 31.3.2023 (Rs.) (4)	As on 01.04.2022 (Rs.) (5)	Additions (Rs.) (6)	Deletions (Rs.) (7)	As on 31.3.2023 (Rs.) (8)	WDV as on 31.3.2023 (Rs.) (9)	WDV as on 31.3.2022 (Rs.) (10)
<b>1</b>	<b>TANGIBLE ASSETS</b>										
1	Land — Freehold*	3,74,32,57,402	—	—	3,74,32,57,402	—	—	—	—	—	3,74,32,57,402
2	Building	13,09,21,797	1,43,32,690	—	14,52,54,487	5,19,38,620	23,09,362	—	5,42,47,982	9,10,06,505	7,89,83,177
3	Wooden Partition	1,50,06,992	—	—	1,50,06,992	1,35,66,294	9,09,945	—	1,44,76,239	5,30,753	14,40,698
<b>4</b>	<b>Plant and Machinery</b>										
4	Leased Assets	35,85,000	—	—	35,85,000	35,85,000	—	—	35,85,000	1	—
5	Office Equipments & Electricals Fittings	4,50,72,617	12,12,917	—	4,62,85,534	3,98,92,921	16,93,007	—	4,15,85,928	46,99,607	51,79,697
6	Computer, UPS, Network & Server	6,72,40,186	70,34,316	5,39,001	7,37,35,501	6,28,61,924	39,93,601	5,12,052	6,63,43,473	73,92,028	43,78,262
7	Furniture & Fittings	2,13,03,866	1,56,451	—	2,14,60,317	1,89,43,045	6,80,265	—	1,96,23,310	18,37,007	23,60,821
8	Vehicles	3,92,99,937	1,15,14,520	52,94,526	4,55,19,931	2,76,74,705	54,21,001	50,99,800	2,80,65,906	1,74,54,025	1,16,25,232
	<b>Total Tangible Assets</b>	<b>4,06,56,87,798</b>	<b>3,42,50,894</b>	<b>58,33,527</b>	<b>4,09,41,05,165</b>	<b>21,84,62,509</b>	<b>1,50,07,181</b>	<b>55,41,852</b>	<b>22,79,27,838</b>	<b>3,86,61,77,327</b>	<b>3,84,72,25,289</b>
<b>9</b>	<b>INTANGIBLE ASSETS</b>										
	Computer Software	44,51,683	4,16,925	—	48,68,608	41,65,144	4,47,266	—	46,12,410	2,56,198	2,86,539
	<b>Total Intangible Assets</b>	<b>44,51,683</b>	<b>4,16,925</b>	<b>—</b>	<b>48,68,608</b>	<b>41,65,144</b>	<b>4,47,266</b>	<b>—</b>	<b>46,12,410</b>	<b>2,56,198</b>	<b>2,86,539</b>
	<b>GRAND TOTAL</b>	<b>4,07,01,39,481</b>	<b>3,46,67,819</b>	<b>58,33,527</b>	<b>4,09,89,73,773</b>	<b>22,26,27,653</b>	<b>1,54,54,447</b>	<b>55,41,852</b>	<b>23,25,40,248</b>	<b>3,86,64,33,525</b>	<b>3,84,75,11,827</b>
	<b>Previous Year</b>	<b>1,93,97,31,754</b>	<b>2,13,16,86,553</b>	<b>12,78,826</b>	<b>4,07,01,39,481</b>	<b>21,21,93,048</b>	<b>1,16,62,390</b>	<b>12,27,787</b>	<b>22,26,27,653</b>	<b>3,84,75,11,827</b>	<b>1,72,75,38,705</b>

Note (\*): The lands were revalued during the Financial Year 2021-22 by the Registered Valuers. The Revaluation Reserve created to the extent of Rs. 3,64,94,77,100.00 (including existing Revaluation Reserve of Rs. 153,50,03,100 created during the year 2006-07).

**D. DURAIRAJ**  
General Manager (i/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA S. RAJENDIRAN**  
Chairman & Director  
Managing Director DIN: 08598411  
DIN: 130877

As per our report of even date annexed

**For M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner

## SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2023 (Rs.)	As on 31.03.2022 (Rs.)
<b>Schedule-K: Other Assets</b>		
Staff housing loan	7,88,437	13,32,006
Other Advances & Deposit/other dues recoverable from borrowers after adjusting cumulative provision of Rs.1,13,888 (P.Y Rs.11,46,664)	2,47,33,994	3,83,04,585
Prepaid Expenses	6,79,264	8,08,169
Advance Income Tax	73,98,57,250	55,68,22,040
Advance Interest Tax	4,94,144	4,94,144
Advance Fringe Benefit Tax	8,15,697	8,15,697
<b>Total</b>	<b>76,73,68,786</b>	<b>59,85,76,641</b>

## SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31.03.2023 (Rs.)	For the year ended 31.03.2022 (Rs.)
<b>Schedule-L: Income from Operations</b>		
Interest on loans and advances	2,65,35,85,639	1,83,92,25,674
Bad debts recovered	35,33,98,694	32,67,84,815
HP service charges received	11,86,232	—
Penal interest received – HP	34,47,080	—
*Interest on investments and Deposits	1,85,47,497	31,76,940
<b>Total</b>	<b>3,03,01,65,142</b>	<b>2,16,91,87,429</b>
<b>Schedule-M: Other Income</b>		
Dividend on shares	25,27,45,250	16,36,56,753
Profit on sale of assets	17,64,595	47,723
Investigation fees	4,78,87,620	4,18,54,698
Upfront fee	5,40,46,887	5,03,72,833
Risk Coverage Receipts	3,55,97,179	3,04,66,676
Miscellaneous receipts	2,41,86,956	3,75,57,302
Interest on advances to staff	37,346	89,609
<b>Total</b>	<b>41,62,65,833</b>	<b>32,40,45,594</b>
<b>Schedule-N: Interest expended</b>		
Interest on borrowings from banks	82,54,61,258	39,47,23,973
Interest on deposits	17,70,78,667	22,37,92,486
Interest on others	—	62,41,438
<b>Total</b>	<b>1,00,25,39,925</b>	<b>62,47,57,897</b>
<b>Schedule-O: Other Financial expenses</b>		
Bank charges	1,62,546	1,68,317
Bank loan processing and other charges	32,70,550	97,64,213
<b>Total</b>	<b>34,33,096</b>	<b>99,32,530</b>
<b>Schedule-P: Personnel Expenses</b>		
Salaries and allowances - CMD	54,92,338	44,34,867
Salaries – others	41,42,66,307	38,17,59,640
Contribution to Provident Fund	5,95,64,638	3,43,08,276
Staff Amenities and Welfare Exp	34,09,440	30,99,192
Staff Training and Seminar Expn	11,78,956	4,13,663
<b>Total</b>	<b>48,39,11,679</b>	<b>42,40,15,638</b>



## SCHEDULES TO PROFIT &amp; LOSS ACCOUNT

Particulars	For the year ended 31.03.2023 (Rs.)	For the year ended 31.03.2022 (Rs.)
<b>Schedule-Q: Administrative expenses</b>		
Travelling & Conveyance		
- CMD	6,14,006	2,28,981
- Others	71,13,946	51,81,805
Directors sitting fees & expenses	2,83,201	2,47,357
Rent,Rates,Insurance and Lighting	2,80,41,034	2,16,76,839
Postage,Telegrams & Telephones	50,51,332	30,96,935
Printing & Stationery	28,37,735	22,08,089
Publicity and Advertisement & Business promotion expenses	74,06,639	60,30,586
Repairs & Renewals	51,20,751	75,35,247
Inspection & Recovery cost	19,39,010	27,23,896
Audit Fees	2,97,400	3,24,166
Legal & other professional expenses	1,03,68,192	67,69,690
Corporate Social Responsibility	1,54,00,000	1,08,00,000
Books and Periodicals	8,28,119	7,31,036
Expenses on Office Vehicles	1,22,52,023	98,83,087
Computer Maintenance Expenses	31,32,809	31,48,119
Software Development Exp Written Off	—	69,46,758
Concurrent Audit Fee	74,73,043	47,26,800
Sundries	74,17,716	63,87,765
<b>Total</b>	<b>11,55,76,956</b>	<b>9,86,47,154</b>
<b>Schedule R: Waiver and Write off</b>		
Loans Written off	18,98,60,930	—
Other dues written off	1,46,16,612	86,31,885
Loans waived	—	1,05,856
Otherdues waived	96	—
<b>Total</b>	<b>20,44,77,638</b>	<b>87,37,741</b>
<b>Schedule S: Contingent Liability</b>		
Claims of the borrowers not acknowledged as debt	2,00,14,000	2,00,14,000
Ex-employees	5,80,63,879	5,74,94,335
<b>Total</b>	<b>7,80,77,879</b>	<b>7,75,08,335</b>

**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED 31<sup>ST</sup> MARCH 2023.**

**A. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:**

**1. General**

The accompanying financial statements have been prepared on Going Concern Concept and presented under the historical cost convention except otherwise stated, conforming to the applicable provision and practices, Accounting Standards as recommended by SIDBI and guidelines issued by the Small Industries Development Bank of India (SIDBI).

**2. Use of estimates**

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes, requiring a material adjustment in the carrying amounts of assets or liabilities in the future periods. Management believes that the estimates and assumptions made in the preparation of the financial statements are prudent and reasonable. Difference between the actual results and estimates are recognized in the period in which the results are known or materialized.

**3. Revenue Recognition**

- a) Income and Expenditure are generally accounted on accrual basis unless otherwise stated. Rental income is accounted on accrual basis except where they are marked by uncertainty like in the case of prolonged dispute, keeping in line with accounting standard on revenue recognition.
- b) Interest on non performing assets, Investigation Fees, Upfront fees, Risk coverage receipts, lease income are accounted on cash basis.
- c) Dividend income is accounted in the year when the right to receive the payment is established.
- d) 3%/6% interest subventions from Government are accounted on receipt basis.

**4. Property, Plant and Equipment, Depreciation and Revaluation**

- a) Property, plant and Equipment other than Land are stated on historical cost basis. Costs directly incurred on acquisition/ take over are capitalized. Land is stated at Revalued Cost.
- b) Cost of Leased assets is amortized equally over the lease period. Accumulated lease adjustment is as per the Accounting Standard (AS 19) on leasing issued by the Institute of Chartered Accountants of India and the same has been reduced from the leased assets.
- c) Depreciation in the case of Office Premises (other than SIDCO shed) was provided under the Straight Line method and in respect of all other assets on written down value method as per the rates and useful life of the asset prescribed under Schedule II of the Companies Act, 2013. Depreciation is calculated on the number of days the assets have been put to use. Individual assets costing lesser than Rs.5,000/- are depreciated in full.

d) **Revaluation of Lands**

- (i) The book value of land, whose value has undergone significant change, is reviewed once in 15 years, in order to relate them more closely to current fair value based on Revaluation reports. The carrying cost of the Land is increased to match with the Current Market value determined through appraisals conducted by independent qualified valuers and the resultant difference is credited to Revaluation Reserve account.
- (ii) Fair Value of both free hold and lease hold land held by the Corporation were revalued on 31.03.2007 & 31.03.2022 and the resultant appreciation is held under Revaluation Reserve. Since, the period of 15 years completed on 31.03.2022, the lands were revalued on market based evidence through appraisal conducted by Independent Qualified Valuers. The resultant appreciation of Rs.21144.74 Lakhs (Revaluation Reserve based on 2007 Valuation is Rs.15350.03 Lakhs) is held under the Revaluation Reserve of Rs.36494.77 Lakhs as on 31.03.2023.

**5. Cash Flow Statement**

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

**6. Cash and Cash Equivalents**

Cash and Cash Equivalents report the value of assets that are cash or can be converted into cash immediately. They include Cash in hand, Balances with Bank and Short Term Deposits including Sweep Deposits.

**7. Expenses on Intangible Assets**

Intangible Assets comprising of system software are stated at cost of acquisition including any cost attributable for bringing the same to its working condition less accumulated depreciation. Any expenses on such software for support and maintenance payable annually are charged to revenue account. Capitalised Software is depreciated as per the life applicable to server. The useful life of the assets in respect of Software is estimated at 6 years.

**8. Impairment of Assets**

The carrying costs of Assets are reviewed each year to find out whether there is any impairment on account of changes in circumstances and the same is recognized in accordance with the Accounting Standard 28.

**9. Investment**

All Investments are treated as Current and carried in the Financial Statements at lower of cost and fair value, determined on an individual scrip basis and as per the guidelines issued by SIDBI. Any reduction in the carrying amount and any reversal of such reduction is charged or credited to profit and loss account.

**10. Advances**

Loans and Advances including Hire Purchase Financing are classified as Standard, Sub Standard, Doubtful and Loss as per the prudential norms prescribed by the Regulator and necessary provision required thereon is provided. Provision on Non-Performing Assets has been netted off against loans and advances/ other dues.

## 11. Staff Benefits

### a. Short Term Employee Benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Short term employee benefits, including accumulated compensated absences as at the Balance Sheet date, are recognized as an expense as per the Corporation's scheme based on expected obligations on undiscounted basis.

### b. Long Term Employee Benefits

The obligation for long term employee benefits such as long term compensated absence as at the Balance Sheet date, is provided for, based on actuarial valuation using the Project Unit Credit Method.

### c. Contribution towards Provident fund

The Corporation's Provident Fund Scheme is a defined contribution plan.

The employees and the company make monthly contributions to a Provident Fund Trust, equal to a specified percentage of the covered employee's salary.

The contribution paid/ payable under the scheme is recognized during the period in which employee renders the related services.

### d. Contribution to Gratuity Fund

The liability for Gratuity to employees a defined benefit Plan as at the Balance Sheet date is determined on the basis of actuarial valuation based on Project Unit Credit Method and is funded to a Gratuity fund administered by the trustees. The contribution thereof paid/ payable is charged in the books of account.

### e. Voluntary Retirement Scheme (VRS)

The compensation paid towards VRS is expensed in the year of incidence.

## 12. Borrowing Costs

Borrowing Costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of the Assets. Other Borrowing costs are recognized as an expense in the period in which they are incurred.

## 13. Leases

Lease income is recognised on straight line basis over the period of lease unless there is a systematic basis which is a representation of the time pattern of lease. Revenue from lease rentals is disclosed net of indirect taxes, if any.

## 14. Accounting for Taxes on Income

Income tax expense is the aggregate amount of current tax and deferred tax charged/ adjustment. Current year taxes are determined in accordance with the Income Tax Act, 1961, and favourable judicial pronouncements/ legal opinion. Deferred Tax Asset and Liabilities are measured using tax rates and tax laws that have been enacted by the Balance Sheet date.

Deferred Tax Liability is recognised on timing differences, being the difference between the taxable income and accounting income that originates in one period and is capable of reversing in one or more subsequent periods. The same is recognised using the rates and tax laws that have been enacted or subsequently enacted till the date of Balance sheet. Deferred Tax Asset on carry forward benefit of losses, Loan loss provisioning, i.e. on doubtful category and loss assets, Provision for employee benefits, are recognized to the extent of virtual certainty of its realization against profits.

#### **15. Provisions Contingent Liabilities and Contingent Asset**

Past events leading to possible or present obligations are treated as contingent liability. Provision is recognized in case of present obligations where a reliable estimate can be made and/ or where probable outflow of resources embodying economic benefits will be required to settle the obligation. No contingent assets are recognized in the accounts.

#### **16. Prior Period Adjustments**

Considering the nature of Business, all prior period adjustments including those ascertained and determined during the year are accounted under respective heads of accounts.

#### **17. Appropriation of Repayments**

- a. Loan receipts are appropriated as follows:
  1. Other dues
  2. Interest
  3. Principal
- b. Receipts in the case of one time settlement/ disposal of primary/ collateral securities by the Corporation are appropriated as follows:
  1. Other dues
  2. Principal
  3. Interest
- c. Receipts subject to pending compliance of terms and conditions of OTS are appropriated as referred in (a) above.

## B. DISCLOSURES TO COMPLY WITH THE ACCOUNTING STANDARDS

### 1. Employee Benefits

#### 1.1 GRATUITY

#### I. PRINCIPAL ACTUARIAL ASSUMPTIONS

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
(Expressed as weighted averages)		
Discount Rate	7.16%	6.93%
Salary Escalation Rate	6.00%	5.00%
Attrition Rate	0.50%	0.50%
Expected rate of return on Plan Assets	7.00%	7.00%

#### II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES

(Rs. in lakhs)

Particulars	31.03.2023	31.03.2022
PVO as at the beginning of the period	3,170.22	3,190.72
Interest Cost	195.50	203.02
Current Service Cost	32.31	32.40
Past Service cost - (non-vested benefits)	0.00	0.00
Past Service cost - (vested benefits)	0.00	0.00
Benefits paid	(698.32)	(229.25)
Actuarial (gain)/ loss on obligation	(101.09)	(26.67)
PVO as at the end of the period	2,598.63	3,170.22

#### III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES

(Rs. in lakhs)

Fair value of plan assets as at the beginning of the period	3,341.89	3,378.65
Expected return on plan assets	209.49	228.48
Contributions	0.00	0.00
Benefits paid	(698.32)	(229.25)
Actuarial gain/ (loss) on plan assets	(38.00)	(36.00)
Fair value of plan assets as at the end of the period	2,815.06	3,341.89

#### IV. ACTUAL RETURN ON PLAN ASSETS

Expected return on plan assets	209.49	228.48
Actuarial gain/ (loss) on plan assets	(38.00)	(36.00)
Actual return on plan assets	171.49	192.48



	31.03.2023	31.03.2022
	(Rs. in lakhs)	
<b>V. ACTUARIAL GAIN / LOSS RECOGNIZED</b>		
Actuarial gain/ (loss) for the period - obligation	101.09	26.67
Actuarial gain/ (loss) for the period - Plan Assets	(38.00)	(36.00)
Total (gain)/ loss for the period	(63.09)	9.33
Actuarial (gain)/ loss recognized for the period	(63.09)	9.33
Unrecognized actuarial (gain)/ loss at the end of the period	0.00	0.00
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS</b>		
Present value of the obligation	2,598.63	3,170.22
Fair value of Plan Assets	2,815.06	3,341.89
Difference	(216.43)	(171.67)
Unrecognized transitional liability	0.00	0.00
Unrecognized past service cost - non-vested benefits	0.00	0.00
Amount determined under para 55 of AS 15R	(216.43)	(171.67)
Net Liability recognized in the Balance Sheet	0.00	0.00
Present value of the future reduction in contribution under para 59(b) of AS 15R	216.43	171.67
Net Asset Recognised in the Balance Sheet	216.43	171.67
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>		
Current service cost	32.31	32.40
Interest cost	195.50	203.02
Expected return on plan assets	(209.49)	(228.48)
Net actual (gain)/ loss recognized in the year	(63.09)	9.33
Transitional liability recognized in the year	0.00	0.00
Past Service cost - (non-vested benefits)	0.00	0.00
Past Service cost - (vested benefits)	0.00	0.00
Effect of limit as per para 59(b) read with para 61(g) of AS 15R	0.00	0.00
Expenses recognized in the Statement of Profit and Loss	(44.76)	16.27
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNISED IN THE BALANCE SHEET</b>		
Opening net liability	(171.67)	(187.93)
Expense as above	(44.76)	16.27
Contribution paid	0.00	0.00
Closing net liability	(216.43)	(171.67)

**IX. AMOUNT FOR THE CURRENT PERIOD** 31.03.2023      31.03.2022  
(Rs. in lakhs)

Present value of obligation	2,598.63	3,170.22
Plan Assets	2,815.06	3,341.89
Surplus/ (Deficit)	216.43	171.67
Experience adjustments on plan liabilities - (loss)/ gain	105.45	(12.38)
Experience adjustments on plan assets - (loss)/ gain	(38.00)	(36.00)

**X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)**

Government of India Securities/ State Government Securities	55.00%	55.00%
High Quality Corporate Bonds	40.00%	40.00%
Equity Shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others	5.00%	5.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

**XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR (Rs. in lakhs)**

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Best Estimate of Contribution	NA	NA

**1.2 EARNED LEAVE**

**I. PRINCIPAL ACTUARIAL ASSUMPTIONS (Expressed as weighted averages)**

<b>Particulars</b>	<b>31.03.2023</b>	<b>31.03.2022</b>
Discount Rate	7.16%	6.93%
Salary Escalation Rate	6.00%	5.00%
Attrition Rate	0.50%	0.50%
Expected rate of return on Plan Assets	0.00%	0.00%

**II. CHANGES IN THE PRESENT VALUE OF THE OBLIGATION (PVO) - RECONCILIATION OF OPENING AND CLOSING BALANCES** (Rs. in lakhs)

	<b>31.03.2023</b>	<b>31.03.2022</b>
PVO as at the beginning of the period	2,431.44	2,209.47
Interest Cost	147.55	140.92
Current Service Cost	99.03	92.56
Past Service cost - (non-vested benefits)	0.00	0.00
Past Service cost - (vested benefits)	0.00	0.00
Benefits paid	(604.53)	(148.59)
Actuarial gain/ (loss) on obligation	36.75	137.08
PVO as at the end of the period	2,110.25	2,431.44




**III. CHANGES IN THE FAIR VALUE OF PLAN ASSETS - RECONCILIATION OF OPENING AND CLOSING BALANCES**

	(Rs. in lakhs)	
	31.03.2023	31.03.2022
Fair value of plan assets as at the beginning of the period	0.00	0.00
Expected return on plan assets	0.00	0.00
Contributions	604.53	148.59
Benefits paid	(604.53)	(148.59)
Actuarial gain/ (loss) on plan assets	0.00	0.00
Fair value of plan assets as at the end of the period	0.00	0.00

**IV. ACTUAL RETURN ON PLAN ASSETS**

Expected return on plan assets	0.00	0.00
Actuarial gain/(loss) on plan assets	0.00	0.00
Actual return on plan assets	0.00	0.00

**V. ACTUARIAL GAIN / LOSS RECOGNIZED**

Actuarial gain/ (loss) for the period - obligation	(36.75)	(137.08)
Actuarial gain/ (loss) for the period - Plan Assets	0.00	0.00
Total (gain)/ loss for the period	36.75	137.08
Actuarial (gain)/ loss recognized for the period	36.75	137.08
Unrecognized actuarial (gain)/ loss at the end of the period	0.00	0.00

**VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS**

Present value of the obligation	2,110.25	2,431.44
Fair value of Plan Assets	0.00	0.00
Difference	2,110.25	2,431.44
Unrecognized transitional liability	0.00	0.000
Unrecognized past service cost - non-vested benefits	0.00	0.00
Liability recognized in the Balance Sheet	2,110.25	2,431.44

**VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS**

Current service cost	99.03	92.56
Interest cost	147.55	140.92
Expected return on plan assets	0.00	0.00
Net actual (gain)/ loss recognized in the year	36.75	137.08
Transitional liability recognized in the year	0.00	0.00
Past Service cost - (non-vested benefits)	0.00	0.00
Past Service cost - (vested benefits)	0.00	0.00
Expenses recognized in the Statement of Profit and Loss	283.34	370.56

31.03.2023      31.03.2022  
(Rs. in lakhs)

**VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET**

Opening net liability	2,431.44	2,209.47
Expense as above	283.34	370.56
Contribution paid	(604.53)	(148.59)
Closing net liability	2110.25	2,431.44

**IX. AMOUNT FOR THE CURRENT PERIOD**

Present value of obligation	2,110.25	2,431.44
Plan Assets	0.00	0.00
Surplus/ (Deficit)	(2,110.25)	(2,431.44)
Experience adjustments on plan liabilities - (loss)/ gain	29.96	(168.75)
Experience adjustments on plan assets - (loss)/ gain	0.00	0.00

**X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)**

Government of India/State Govt. Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others	0.00%	0.00%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>

**XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR**

Best Estimate of Contribution	0.00	0.00
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**2. Segment Reporting:**

The Corporation is engaged primarily in the business of financing and there are no separate reportable segments as per AS-17 (Segment Reporting)

**3. Related Party Disclosures (AS 18)**

**Key Managerial Personnel**

**a. Remuneration to chairman & Managing Director/Company Secretary/CFO:**

Name	Designation	Period	Amt. (Rs. in lakhs)
Thiru.Hans Raj Verma	CMD	From 01.04.22 to 31.03.23	135.89 (including Terminal benefit of Rs.44.71 lakhs)
Thiru D. Durairaj	Company Secretary	From 01.04.22 to 31.03.23	
Thiru S. Rajendran	CFO	From 01.04.22 to 31.03.23	

Remuneration paid to Key Managerial Personnel is Rs.135.89 lakhs (Previous Year Rs. 97.05 lakhs).


**b. Other directors & Nominee Director :**

Name	Designation	Sitting Fees paid (Rs.in lakhs)
Thiru S. Krishnan, IAS	Director	1.86
Thiru V. Arun Roy, IAS	Director	
Tmt. Marlam Pallavi Baldev, IAS	Director	
Tmt. Reeta Harish Thakkar, IAS	Director	
Thiru G. Santhanam, IAS (Retd.)	Independent Director	
Thiru Ravindran A.Lakshmanan	Director	
Thiru S. Rajendiran	Independent Director	
Thiru D. Srinivasan	Independent Director	

Sitting fees paid to Independent Directors is Rs.1.86 lakhs (Previous Year Rs. 2.20 lakhs).

**4. Basic and Diluted Earnings per Share**

The calculation of earnings per share is given below:

	(Rs. in lakhs)	
	31.03.2023	31.03.2022
Earnings for the year	13626	8,294.23
Weighted Average Number of shares	42,09,956	42,09,956
Basic and diluted Earnings Per Share (Rs.)	323.65	197.01

**5. Deferred Tax Assets/ Liabilities:**

The major components of Deferred tax Assets/Deferred tax Liabilities are as follows:

	(Rs. in lakhs)	
DTA/DTL COMPONENTS	31.03.2023	31.03.2022
Deferred Tax Assets		
1. Loan Loss Provisions	223.35	669.08
2. Provision for employee benefits	614.50	708.04
<b>Total - DTA (A)</b>	<b>837.85</b>	<b>1,377.12</b>
Deferred Tax Liabilities		
On account of Depreciation (B)	104.18	153.46
On account of 36 (1)(viii) special reserve	1,802.82	991.24
<b>Total - DTL (B)</b>	<b>1,907.00</b>	<b>1,144.70</b>
Net Deferred Tax {(A) - (B)}	1069.15	232.42
Deferred Tax Asset Previous Year	232.42	455.71
<b>Provision for Deferred Tax</b>	<b>836.73</b>	<b>(223.29)</b>

**C. DISCLOSURE TO COMPLY WITH THE REQUIREMENT OF CONTROLLING AUTHORITIES OF THE CORPORATION**

1) Provisions for loan losses have been made on the outstanding after considering monies held under deposits. All credit exposures are classified as per the Regulator’s guidelines into performing and non-performing assets. NPAs are further classified into sub standard, doubtful and loss assets based on the criteria stipulated by the Regulator and provisions are made as per the Accounting Policy.

**2) MOVEMENT OF PROVISIONS:**

(Rs. in lakhs)

PARTICULARS	NPA	INVESTMENTS	OTHER ASSETS	TOTAL
Opening Provisions for advances/ investments/ other assets	2,286	667	11	2,964
<b>Add:</b> Addition during the year	---	---	---	---
<b>Less:</b> Write Offs/ Write Backs/ Recovery during the year	1520	28	10	1558
Closing Balance	766	639	1	1406

**3) DATA ON WORKING RESULTS AND FINANCIAL POSITION (Disclosure made to the extent possible in compliance with SIDBI’s guidelines, vide Circular dated 04.05.2001)**

S.No.	Particulars	Current Year	Previous Year
A.	Interest income as a percentage of average working funds	9.34%	8.60%
B.	Non-interest income as a percentage of average working funds	1.47%	3.04%
C.	Operating Profit as a percentage of average working funds	6.53%	5.73%
D.	Operating Profit per employee (Rs. in lakhs)	88.35	46.30
E.	Net Risk Weighted Assets (Rs. in lakhs)	3,06,126	2,13,877
F.	Core Capital Adequacy Ratio	26.01%	26.46%
G.	Tier II Capital Adequacy	5.80%	7.04%
H.	Capital Adequacy Ratio (CAR)	31.54%	33.50%
I.	Percentage of Net NPAs to Net Loans and Advances	0.77%	0.82%
J.	Percentage of Net NPA (Sub Standard) to Net Loans and Advances	0.69%	0.48%
K.	Percentage of Net NPA (Doubtful) to Net Loans and Advances	0.06%	0.34%


**L. Guideline on Asset Classification and NPA provisioning**

(Rs. in lakhs)

Sl.No.	Classification	Outstanding (Amount)	Provisioning		Net Assets	
			Amount	%	Amount	%
1	Standard (Previous Year)	249846 (201532)	1329 (1185)	0.53 (0.59)	249846 (201532)	— —
2	Sub-Standard (Previous Year)	2065 (1143)	312 (172)	15.10 (15.05)	1753 (971)	84.89 (84.95)
3	Doubtful-I (Previous Year)	102 (940)	43 (240)	42.16 (25.53)	59 (700)	57.84 (74.47)
4	Doubtful-II (Previous Year)	193 (—)	77 (—)	39.90 (—)	116 (—)	60.10 (—)
5	Loss (Previous Year)	334 (1874)	334 (1874)	100.00 (100.00)	— —	— —
	<b>Total (Previous Year)</b>	<b>252539 (205489)</b>	<b>765 (2286)</b>	<b>0.30 (1.11)</b>	<b>251773 (203203)</b>	<b>99.70 (98.89)</b>

\*Provisioning Total indicates NPA provision only.

**4) Credit Exposures as percentage to total Capital funds & as percentage to Total Assets, in respect of:**

Particulars	Amount (Rs. in Lakhs)	% to Total Assets	% to Capital Funds
Single largest borrower	20,000	6.47	8.07
Largest borrower group	20,000	6.47	8.07
10 largest single borrowers	39,971	12.92	16.14
10 largest borrowers group	39,971	12.92	16.14

Particulars	Amount (Rs. in Lakhs)	% to Total Assets	% to Capital Funds
<b>5 largest industrial sectors (each sector wise)</b>			
Engineering	42328	13.68	17.09
Plastics	34197	11.06	13.81
Food Manufacturing Industries	27215	8.80	10.95
Textiles	21547	6.97	8.70
Electricity / Electricity Distribution	20242	6.54	8.17

## 5) MATURITY PATTERN OF ASSETS AND LIABILITIES

In compiling the information of Maturity pattern, certain estimates and assumptions have been made by the Management, which have been relied upon by the auditors.

(Rs. in lakhs)

PARTICULARS	<=1 YR	>1 YR & UPTO 3 YRS	>3 YRS & UPTO 5 YRS	>5 YRS & UPTO 7 YRS	>7 YRS & UPTO 10 YRS	>10 YRS	TOTAL
ASSETS	87038	93426	40548	36513	9919	41879	309323
LIABILITIES	58470	52583	39315	35348	363	123244	309323
GAP	28568	40843	1233	1165	9556	-81365	0

## D. OTHER MATTERS

### i) Confirmation of Loans and Advances:

Balance in respect of loan accounts have been treated as confirmed, since there is no dispute regarding the demand notice (which includes outstanding amount) sent by the Corporation.

### ii) Income Tax department has raised certain demands in connection with accrued interest on sticky loans and deduction u/s 36, etc. The Corporation filed an appeal & had earlier won the cases against the order of the Income Tax Appellate Tribunal. However the Department filed an appeal before the High Court of Madras and the High Court of Madras has given a verdict in favour of the Corporation. Order giving effect to the High Court Judgement is yet to be received from the Income Tax Department.

### (iii) For the Assessment Year 2018-19 Income Tax Return was filed disclosing total income of Rs.24,34,77,101. The Assessment was completed on 21.04.2021 with an addition of Rs. 1,26,73,897. The Corporation has filed appeal before first Appellate Authority CIT(A). The CIT (A) upheld the order of Assessing officer. Hence, the Corporation filed the second appeal before ITAT Chennai. The ITAT has passed an order and set aside the order and the assessing officer ordered for verification of claim made by the Corporation. The Corporation has paid Income Tax of Rs.8,42,62,555. There is no additional liability and the refund is due from the Income Tax Department.

### iv) As per the common dividend policy evolved by the State Government, vide G.O.Ms.No.123 Finance Department dated 19th May 2014, the State PSUs have to declare 30% of the Net Profit (after tax) or 30% of the paid up share capital whichever is higher subject to availability of disposable profit. The Dividend payable for the Financial year 2022-23, as per the above G.O. is Rs.40.84 crores/126.30 crores based on availability of disposable profit. As the Corporation wiped out the accumulated losses only recently and in order to build reserves for the future borrowings and to meet other long term commitments, the Corporation has proposed 5% dividend amounting to Rs. 21.04 crores leaving a gap of Rs.19.80 crores/105.26 crores respectively.

**E. Contingent Liabilities:**

Particulars	(Rs. in lakhs)	
	Current Year	Previous Year
(i) Claims of borrowers not acknowledged as debts	200	200
(ii) Ex-Employees	581	575

**F.** The Corporation has no "suppliers/vendors" as such to be classified as required by "The Micro, Small and Medium Enterprises Development Act, 2006".

**G.** Figures of the previous year have been regrouped / rearranged, wherever necessary. The Bad debts recovered has shown as income from operation. In the previous years, it was shown as other income.

**D. DURAIRAJ**  
 General Manager (I/c)  
 Company Secretary

**S. RAJENDRAN**  
 Chief Financial Officer

**HANS RAJ VERMA**  
 Chairman &  
 Managing Director  
 DIN: 130877

**S. RAJENDIRAN**  
 Director  
 DIN: 08598411

As per our report of even date annexed  
 For **M/s. P.B. VIJAYARAGHAVAN & Co**  
 Chartered Accountants

Place : Chennai  
 Date : 21.07.2023

**K. SRINIVASAN**  
 Partner

<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		2022-2023 Rs.	2021-2022 Rs.
Net Profit/(Loss) before Tax		1,79,45,50,651	1,20,38,76,145
Adjustments for:			
Depreciation & lease charge for the year		1,54,54,447	1,16,62,390
Loan loss provisioning and writeoffs			
Loss/(Profit) on Sale of Fixed Assets		(17,64,595)	(47,723)
		<b>1,80,82,40,503</b>	<b>1,21,54,90,812</b>
Adjustment for:			
(Increase) Decrease in Investments		(27,50,743)	(6,09,75,573)
(Increase) decrease in advances		(4,85,70,78,674)	(7,33,79,93,009)
(Increase)decrease in other assets		(16,87,92,145)	40,80,27,367
Increase (decrease) in other Liabilities		40,03,50,812	(50,20,145)
		(i) (2,82,00,30,247)	(5,78,04,70,548)
Direct Taxes due / paid		(ii) (32,61,73,816)	(35,21,24,080)
		<b>(i + ii)</b> <b>(3,14,62,04,063)</b>	<b>(6,13,25,94,628)</b>
<b>B) CASHFLOW FROM INVESTMENT ACTIVITIES:</b>			
Purchase of Fixed Assets		(3,46,67,819)	(1,72,12,552)
Proceeds from sale of assets		20,56,271	98,762
		<b>(3,26,11,548)</b>	<b>(1,71,13,790)</b>
<b>C) CASHFLOW FROM FINANCING ACTIVITIES:</b>			
Increase(decrease) in capital		-	-
Increase (decrease) in borrowings		4,06,12,63,050	6,06,08,40,943
Increase(decrease) in deposits		(64,10,05,857)	(2,67,50,601)
Dividend outflow		(21,04,97,800)	(12,62,98,680)
		<b>3,20,97,59,393</b>	<b>5,90,77,91,662</b>
Net increase/(decrease) in cash and cash equivalents		<b>(A+B+C)</b> 3,09,43,782	(24,19,16,755)
Cash and Cash equivalents at the beginning of the year		61,43,19,189	85,62,35,944
Cash and Cash equivalents at the end of the year		<b>64,52,62,971</b>	<b>61,43,19,189</b>
<b>D) DETAILS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
Cash in hand		21,01,159	27,34,350
Reserve Bank of India		4,25,673	4,25,673
Current A/c with Scheduled Banks		48,82,14,727	58,78,39,166
Term Deposits with Banks		15,45,21,412	2,33,20,000
<b>TOTAL</b>		<b>64,52,62,971</b>	<b>61,43,19,189</b>

**D. DURAIRAJ**  
General Manager (i/c)  
Company Secretary

**S. RAJENDRAN**  
Chief Financial Officer

**HANS RAJ VERMA**  
Chairman &  
Managing Director  
DIN: 130877

**S. RAJENDIRAN**  
Director  
DIN: 08598411

As per our report of even date annexed  
For **M/s. P.B. VIJAYARAGHAVAN & Co**  
Chartered Accountants.

Place : Chennai  
Date : 21.07.2023

**K. SRINIVASAN**  
Partner



**K.P. ANAND****ACCOUNTANT GENERAL (AUDIT-II)  
TAMIL NADU & PUDUCHERRY****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023.**

The preparation of financial statements of Tamil Nadu Industrial Investment Corporation Limited, Chennai for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 21.07.2023.

I, on behalf of the Comptroller and Auditor General of India have conducted a supplementary audit of the financial statements of Tamil Nadu Industrial Investment Corporation Limited, Chennai for the year ended 31 March 2023 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to the statutory auditors' report under section 143(6)(b) of the Act.

For and on the behalf of the  
Comptroller & Auditor General of India

Place : CHENNAI  
Date : 06.09.2023

**K.P. ANAND**  
Principal Accountant General

## PATTERN OF SHAREHOLDING AS ON 31.03.2023

S.No.	Name of the Shareholder	No. of Shares (Rs. 1,000/- each)	% as on 31.03.2023
1.	Government of Tamilnadu	3,035,228	72.10
2.	SIPCOT	500,000	11.87
3.	Small Industries Development Bank of India, Mumbai	170,000	4.04
4.	TIDCO	500,000	11.87
5.	Government of Puducherry	1,500	0.04
6.	Insurance Companies	1,160	0.03
7.	Other Banks including Co-op. Banks	2,068	0.05
	<b>TOTAL</b>	<b>4,209,956</b>	<b>100.00</b>

## THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

## HEAD OFFICE

	TELEPHONE	FAX	E-MAIL
692, 'MHU' Complex, Anna Salai, Nandanam, Chennai - 600 035.	044-24331203 044-24306100 Website: <a href="http://www.tiic.org">http://www.tiic.org</a>	044- 24347150 044- 24347209	ho@tiic.org

## REGIONAL OFFICES

1) <b>CHENNAI</b> New No. 692, Anna Salai, Ground Floor, Right Wing, Nandanam, Chennai - 600 035.	044- 48529514		rmchennai@tiic.org
2) <b>COIMBATORE</b> CODISSIA Building, G.D. Naidu Towers, No. 5A, Huzur Road, Coimbatore - 641 018.	0422- 2302231		rmcoimbatore@tiic.org
3) <b>MADURAI</b> No. 1A/4A, Dr. Ambedkar Road, Near Madurai Corporation Office (MADITSSIA) Madurai 625 020.	0452- 2533018		rmmodurai@tiic.org
4) <b>HOSUR</b> Plot No. 308&309, SIPCOT Housing Colony, SIPCOT Industrial Complex, (Opp. LAL), Near SBI/SIPCOT Shopping Complex, Hosur - 635 126.	04344- 275596		rmsalem@tiic.org
5) <b>TIRUNELVELI</b> 5C / 5B, Hotel Shakuntala Shopping Complex II Floor, Trivandrum Road, Vannarpettai, Tirunelveli - 627 003	0462- 2502721		rmtirunelveli@tiic.org
6) <b>TRICHY</b> K.R.T. Building, II Floor, No. 33, Promenade Road, Contontment, Trichy - 620 001.	0431- 2414177		rmtrichy@tiic.org

## BRANCH OFFICES

1) <b>CHENNAI</b> New No. 692, Anna Salai, Ground Floor, Right Wing, Nandanam, Chennai - 600 035.	044- 48529518		bmchennai@tiic.org
2) <b>TIRUVALLUR</b> 86, C&D, II Main Road, Ambattur Industrial Estate, Chennai - 600 058.	044- 26257664		bmtiruvallur@tiic.org
3) <b>MARAIMALAI NAGAR</b> HIG No. 42&43, 1st Floor, M.G.R. Salai, Off. G.S.T. Road, Maraimalai Nagar Chengalpattu Dist. - 603 209.	044- 27451650		bmtambaram@tiic.org

	TELEPHONE	FAX	E-MAIL
4) <b>VELLORE</b> Vasan ENT Clinic, I Floor, 73/A, Katpadi Main Road, Gandhi Nagar, Vellore - 632 006	0416- 2249861		bmvellore@tiic.org
5) <b>VILLUPURAM</b> 23A, Ranganathan Street, I Floor Woodlands Complex, Chennai-Trichy Trunk Road, Villupuram - 605 602	04146- 229131		bmwillupuram@tiic.org
6) <b>COIMBATORE</b> CODISSIA Building, G.D. Naidu Towers, No. 5A, Huzur Road, Coimbatore - 641 018.	0422- 2302231		bmcoimbatore@tiic.org
7) <b>TIRUPUR</b> Old SF No. 3/1, TS No. 10/1, TIIC Building Kumar Nagar, Avinashi Road Near Fire Station Tirupur - 641 603.	0421- 2470125		bmtruppur@tiic.org
8) <b>ERODE</b> C.S. Sengottiah Complex, II Floor, No. 23, Chidambaram Colony, 80 feet Road, Periyar Nagar, Erode - 638 001.	0424- 2262080		bmerode@tiic.org
9) <b>KARUR</b> 66/1, 5th Cross, 1st Floor, Sengunthapuram Karur - 639 002.	04324- 235581		bmkarur@tiic.org
10) <b>MADURAI</b> No. 1A/4A, Dr. Ambedkar Road Near Madurai Corporation Office (MADITSSIA) Madurai 625 020.	0452- 2533331		bmamadurai@tiic.org
11) <b>DINDIGUL</b> Plot No.2, Ground Floor, Pandian Nagar 1st Street, Trichy Road Dindigul - 624 001.	0451- 2433785		bmdindigul@tiic.org
12) <b>KARAIKUDI</b> No.45, SPK Corporate Centre, 2nd Floor Opp. Dr. Ambedkar Statue, Sri Shanmuga Raja Road, Karaiikudi - 630 001.	04565- 230210		bmkaraiikudi@tiic.org
13) <b>SALEM</b> Sri Lakshmi Complex, I Floor 4/22, Omalur Main Road, Swarnapuri, Salem - 636 004.	0427- 2440444	0427- 4042054	bmsalem@tiic.org
14) <b>DHARMAPURI</b> DDDC Building (Upstairs), Pennagaram Road, Dharmapuri - 636 702.	04342- 260866		bmdharmapuri@tiic.org

	TELEPHONE	FAX	E-MAIL
<b>15) HOSUR</b> Plot No. 308&309, SIPCOT Housing Colony SIPCOT Industrial Complex (Opp. LAL), Near SBI/SIPCOT Shopping Complex, Hosur - 635 126.	04344- 275596		bmhosur@tic.org
<b>16) TIRUNELVELI</b> 5C/5B, Hotel Shakuntala Shopping Complex, II Floor, Trivandrum Road, Vannarpettai, Tirunelveli - 627 003.	0462- 2502038		bmtirunelveli@tic.org
<b>17) THOOTHUKUDI</b> No. 4/35, N.P.S. Complex, II Floor, Polpettai, Near New Bus Stand, Thoothukudi - 628 002.	0461- 2346082		bmtuticorin@tic.org
<b>18) NAGERCOIL</b> 37, Cape Road, Nagercoil - 629 001.	04652- 232859		bmnercoil@tic.org
<b>19) SIVAKASI</b> No. 98/C4, Second Floor, Chairman Shanmuga Nadar Road, Sivakasi - 626 123	04562- 229322		bmsivakasi@tic.org
<b>20) TRICHY</b> KRT Building, II Floor, No. 33, Promenade Road, Cantonment, Trichy - 620 001.	0431- 2460498		bmtrichy@tic.org
<b>21) THANJAVUR</b> 2854, N.G.K. Apartment, Opp. to Arul Theatre, Nanjikottai Road, Thanjavur - 613 001.	04362- 230465		bmthanjavur@tic.org
<b>22) CUDDALORE</b> No. 60/1B, Imperial Plaza, Nellikuppam Main Road, Near District Employment Office, Semmandalam, Cuddalore - 607 001	04142- 230831		bmcuddalore@tic.org

## FIELD / SATELLITE OFFICES

<b>1) TIRUVANNAMALAI</b> 4-A, Lakshmiipuram I Floor, Bye-Pass Road, Gandhi Nagar, Tiruvannamalai - 606 602.	04175- 253032		bmtiruvannamalai@tic.org
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## PRINCIPAL OFFICERS AT HEAD OFFICE

Sl. No.	Name of the official (Thiru/Tmt.)	Designation
1.	D. Durairaj	General Manager (I/c) Company Secretary
2.	R.J. Ramesh	Deputy General Manager
3.	R. Palanivel	Deputy General Manager (Senior Regional Manager)
4.	S. Rajendran	Assistant General Manager
5.	R. Chitra Shenbagavalli	Assistant General Manager

**Presented the dividend cheque to Hon'ble Tamil Nadu Chief Minister Thiru M.K. Stalin**



**MoU Signed between TIIC, VIT and Sedaxis Material Pvt. Ltd. @ VIT, Kelambakkam on 22.11.2022**



Thiru Hans Raj Verma IAS, Chairman and Managing Director, TIIC Ltd., Thiru Vishwanath Godavarty, Business Head, Sedaxis Advanced Materials, Thiru Jefferson, Asst. Professor, VIT, Dr. G. Viswanathan, Chancellor of VIT.

**MoU Signed between TIIC and Bank of Baroda on 17.09.2022**



Mrs. Leena Gohain, AGM-Branch Head, Egmore, Mr. A. Sarvanakumar, General Manager Chennai Zone, Mr Rangerajan, General Manager, Midcorporate South, Mr Subrat Kumar, Chief General Manager, Thiru Hans Raj Verma IAS, Thiru Palanivel, DGM, TIIC; Thiru Durairaj, GM, TIIC.



*Thiru Hans Raj Verma, IAS, CMD of TIIC addressing 8th COSIDICI National Award Function for Outstanding Entrepreneurs @ Jodhpur on 17th and 18th of November 2022*

*Imagine Chennai 2023, a technology and innovation event held at Chennai Trade Centre on March 23 to 25, 2023*

*ELCINA 12th Source India Summit on Feb 13-14 at Chennai Trade Centre*



Thiru Udhayanidhi Stalin, Hon'ble Minister of Youth Welfare and Sports Development, Government of Tamil Nadu, Dr. T.R.B. Raaja, Member of Legislative Assembly and Tamilnadu State Planning Commission, Thiru Mano Thangaraj, Hon'ble Minister of Information Technology and Digital Services Department, Thiru Hans Raj Verma, I.A.S., CMD, TIIC, Thiru Kumaragurubaran, I.A.S., Secretary to Government, Department of Information Technology and Digital Services Department, Thiru Satyakam Arya, MD/CEO Daimler India, Dr Sanjay Tyagi, Director of STPI, Thiru Kewyn George, Member, TN Advisory Council for Future IT & Emerging Technologies.



Thiru Hans Raj Verma, I.A.S., CMD, Tamil Nadu Industrial Investment Corporation Limited (TIIC), Dr. Sandip Chatterjee, Senior Director, Ministry of Electronics and Information Technology, Dr. L. Jyotish Kumar, AMSI, Thiru Shivkumar Srinivasan, Chief Operating Officer, MEL Systems and Services Ltd., Thiru Sanjay Agarwal, President, ELCINA



**Corporate Social Responsibility funds to Tamilnadu Physical Education and Sports University for creating new pond**



**TIIC's INSTITUTIONAL RAASI has nurtured the Successful Industrialists. We take pride in the success of Thiru G. Murali Babu Nurtured by TIIC.**



**CMD and TIIC team with Thiru G. Murali Babu, Director, Micro Tech at the Aerospace And Defence Conclave 2022 – AIDAT on the 09th September 2022.**

Thiru Murali Babu, Director Micro Tech (Group of Companies), an erstwhile customer of TIIC availed a loan of Rs.6 lakh and is now a Rs.130 Crore turnover Company with about 500 employees. He is a leading name in the Aerospace and Defence sector, contributing to Hon'ble CM's Vision of USD 1 Trillion Economy by 2030.

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