

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

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



**SIXTY FIFTH
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
MARCH 31, 2014**



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

TIIC

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தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

TIIC

Board of Directors

as on 27.08.2014

1. **Thiru Aadirajaram, B.A.,B.L.,**
Chairman, TIIC
2. **Thiru S.K. Prabakar, IAS.,**
Principal Secretary/Managing Director, TIIC
3. **Thiru K. Dhanavel, IAS.,**
Secretary to Government
Micro, Small & Medium Enterprises Department
Government of Tamilnadu
4. **Thiru Hanish Chhabra, IAS.,**
Deputy Secretary to Government
Industries Department
Government of Tamilnadu
5. **Thiru N. Venkatesh, IAS.,**
Deputy Secretary to Government
Finance Department
Government of Tamilnadu
6. **Thiru V. Sridharan**
General Manager
Small Industries Development Bank of India (SIDBI)
7. **Tmt. Bhama Krishnamurthy**
Chief General Manager
Small Industries Development Bank of India (SIDBI)
8. **Thiru S. Sundar**
Chief General Manager (Retd.), State Bank of India
9. **Thiru K. Gopalakrishnan**
President (TANSTIA)

Auditors

M/s. C.S. Hariharan & Co.,
Chartered Accountants
Chennai

Principal Bankers

Indian Bank
Union Bank of India
Canara Bank



SYNOPSIS OF BALANCE SHEET

Rs. in lakhs

As on 31.03.2013	CAPITAL & LIABILITIES	As on 31.03.2014
28,350	Paid up Capital	28,350
15,718	Reserves & Surplus	15,718
1,250	Loan in lieu of capital	1,250
26,248	Deposits	31,928
100	Bonds	15,025
56,285	Refinance from SIDBI	50,040
28,002	Line of Credit – Banks	23,683
14,548	Other Liabilities	20,450
1,70,501	Total	1,86,444
PROPERTY & ASSETS		
1,071	Cash & Bank Balances	4,316
1,175	Investments	4,795
1,41,686	Loans & Advances	1,51,006
17,278	Fixed Assets	17,271
2,801	Other Assets	5,673
6,490	Profit & Loss A/c	3,383
1,70,501	Total	1,86,444

YEARS AT A GLANCE

Rs. in lakhs

RESOURCES	As on March 31st	
	2013	2014
Share Capital	28,350	28,350
Reserves & Surplus	15,718	15,718
Loan in lieu of Capital	1,250	1,250
Bonds	100	15,025
Deposits	26,248	31,928
Refinance from SIDBI	56,285	50,040
Line of Credit – Banks	28,002	23,683

FINANCIAL HIGHLIGHTS	2012-2013	2013-2014
Gross Income	21,581	21,585
Financial cost	10,683	11,709
Establishment and administrative expenses	4,495	4,753
Other provisions / writteoff	1,885	1,891
Net Profit before tax	4,518	3,232
Net Profit after tax	3,503	3,107

OPERATIONS	2012-2013		2013-2014	
	No.	Amount	No.	Amount
(i) Total assistance sanctioned (All types gross)	2,139	97,253	1,867	1,23,690
a) Micro and Small Enterprises	1,924	65,771	1,660	84,343
(ii) Amount of assistance disbursed	—	79,019	—	1,02,166
(iii) Amount of assistance outstanding (All types)	—	1,46,987	—	1,56,308



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

TIIC

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

692, Anna Salai, Nandanam, Chennai - 600 035

NOTICE is hereby given that the 65th Annual General Meeting of the Company will be held at the Registered Office at No.692, Anna Salai, Nandanam, Chennai 600 035 on Wednesday, the 24th September, 2014 at 11.00 a.m. to transact the following business.

1. ORDINARY BUSINESS:

- a) To consider the comments, if any, of the Comptroller and Auditor General of India on the audit of the company's accounts for the year ended 31.03.2014.
 - b) To receive, consider and adopt the audited Balance Sheet, as at 31st March, 2014 and the Profit and Loss Account for the year ended 31st March, 2014 and the report of the auditors.
2. To consider the Report of the Directors.
 3. To elect a director in the place of Thiru K. Dhanavel, IAS, Secretary to Government, Micro, Small and Medium Enterprises Department, Government of Tamilnadu, who retires at this meeting. The retiring director is eligible for re-election
 4. To elect a director in the place of Thiru Hanish Chhabra, IAS, Deputy Secretary to Government, Government of Tamilnadu, who retires at this meeting. The retiring director is eligible for re-election
 5. To transact other business of which due notice is given to the corporation

(By order of the Board)

R. JAYAPRAKASAM
COMPANY SECRETARY

Place : Chennai-35

Dated : 27th August, 2014

N.B. 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.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors takes great pleasure in presenting the 65th Annual Report of the Corporation along with Audited Balance Sheet as at 31.03.2014 and Profit & Loss Account for the financial year ended 31st March 2014. The Corporation has achieved an increase in loan portfolio, reduction in accumulated losses and increase in standard assets despite difficult external environment and slow down in the economy.

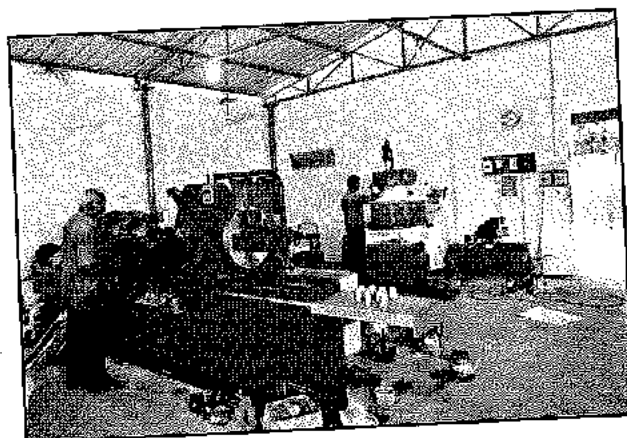
Highlights

- The Corporation has registered net profit for the Eleventh consecutive year. For the Financial year ended 31.03.2014, it has made a net profit of Rs.31.07 crores against Rs. 35.03 crores last year.
- The Operating Profit (profit before write-off and write-back of provisions on NPA and Taxes) for the financial year 2013-14 is Rs. 51.23 crores as against Rs.64.02 crores during the last year.
- The decline in both the operating profit and the net profit for the financial year 2013-14 is mainly due to increase in interest payments and financial charges, reduction in Bad Debts recovery and almost static total income.
- The total loan portfolio has increased to Rs.1563.08 crores as against Rs.1469.87 crores last year.
- Standard Assets have increased from Rs. 1338.65 crores to Rs. 1412.41crores this year, a growth rate of 5.51%.
- The Gross NPA has increased from 8.93% last year to 9.64 % this year. The net NPA has increased from 5.70 % last year to 6.47 % this year. The increase in NPA is due to multifarious problems faced by industries due to economic slowdown globally and nationally.
- The Capital Adequacy Ratio is 18.33 % as against 18.74 % last year.
- Establishment expenses, expressed as a percentage to total income, has marginally increased to 18.94 % from 18.19 % last year.
- Gross recoveries jumped from Rs. 904.11 crores to Rs. 1106.29 crores, recording a rise of 22.36%

Business Environment

Global

- Global economic growth remained subdued during fiscal 2013-14, while global financial markets witnessed volatility in response to the commencement of withdrawal of quantitative easing by the US Federal Reserve and continued economic sluggishness.
- The IMF has given the Global growth estimates of 3.7% for 2014 and 3.9% for 2015, with global activity expected to improve further in 2014-15, largely on account of recovery in the advanced economies.
- Downside risks continue to dominate the global growth outlook. In advanced economies, major concerns include downside risks from low inflation and the possibility of protracted low growth, especially in the Euro Zone and Japan. In



Automobile Engine Service Centre



emerging market economies, vulnerabilities appear to be mostly localized.

- The WTO estimates a 2.1% for world trade growth in 2013 (which refers to the average of merchandise exports and imports in volume terms). The sluggish pace of trade growth in 2013 was due to a combination of flat import demand in developed economies and moderate import growth in developing economies. The WTO estimate Trade growth for 2014 is 4.7%.

National

- Fiscal 2014 was a challenging year for the Indian economy, with continued moderation in economic growth, persistent inflation, high interest rates and significant volatility in global and domestic financial markets.
- After recovering in 2009-10 and 2010-11, GDP growth slowed down to decade's low of 4.5 per cent in 2012-13. It picked up marginally to 4.7 per cent in 2013-14.
- The slowdown in growth in 2013-14 was particularly in the industry sector. The latest gross domestic product (GDP) estimates show that industry grew by just 1.0 per cent in 2012-13 and slowed further in 2013-14, posting a modest increase of 0.4 per cent.



Corrugated Box making Machine

- The manufacturing sector suffered from low investment sentiment, hassles in input availability, weak demand and policy bottlenecks. This is the first time since 1991-92 that India's manufacturing sector has contracted, reflecting the stress confronting the sector.
- Indian economy is likely to grow in the range of 5.4 to 5.9 per cent in 2014-15 overcoming the sub-5 per cent GDP growth of past two years.
- Against the backdrop of a slowdown in the domestic economy and tepid global recovery, the growth of Indian banking sector too remained under pressure in FY 2014. Credit grew at a slower pace of 14.3% on account of high inflation and subdued loan demand.
- Moreover, as a result of the challenging macroeconomic environment and worsened repayment capacity of borrowers, banks' asset quality deteriorated further in FY 2014.
- After the new Government at Centre, there has been a renewed focus on (a) Administrative reforms (b) opening up of investments in key sectors like Railways and (c) overall Infrastructure Development. This augurs well for Reinvigoration / Revitalization / Recovery of the Indian Economy in the coming days.

Tamilnadu

- Tamilnadu's GSDP for 2013-14 is 6.13% as against 4.14% recorded for the year 2012-13.
- The Industrial Sector in Tamilnadu recorded a growth of 1.6% during 2013-14 as against 5.38% recorded for the year 2012-13.
- State Government has signed Memoranda of Understanding for a total investment of Rs.26,625 crore (since May 2011) of which Rs.10,660 crore of actual investment has been realized till date. (Source: Tamilnadu Budget 2014-15)

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors takes great pleasure in presenting the 65th Annual Report of the Corporation along with Audited Balance Sheet as at 31.03.2014 and Profit & Loss Account for the financial year ended 31st March 2014. The Corporation has achieved an increase in loan portfolio, reduction in accumulated losses and increase in standard assets despite difficult external environment and slow down in the economy.

Highlights

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- The Operating Profit (profit before write-off and write-back of provisions on NPA and Taxes) for the financial year 2013-14 is Rs. 51.23 crores as against Rs.64.02 crores during the last year.
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- Standard Assets have increased from Rs. 1338.65 crores to Rs. 1412.41 crores this year, an increase of 5.51%.

- Establishment percentage marginally increased to 18.19 % last year.
- Gross recovery increased from Rs. 18.30 crores to Rs. 22.30 crores, a rise of 22.30%.

Business Environment Global

- Global economy subdued due to global financial volatility, common quantitative easing, Reserve Bank of India's sluggish growth.
- The IMF estimates that in 2015, world growth will improve, but economic recovery is slow.
- Downside risks to global economic growth include possible recession in major economies, especially in the US.



Profit:

The Total income of the Corporation (excluding provisioning write back) for the Financial Year 2013-14 is Rs. 215.85 crores against Rs. 215.81 crores, achieved during the Financial Year 2012-13. However, the Corporation has registered a net profit of Rs.31.07 crores in the financial year 2013-14 which is less than the net profit of Rs.35.03 crores recorded during last year.

The decline in Net Profits is mainly due to increased interest payments, financial charges and reduction in recovery of Bad Debts and lack of growth in total income.

Capital/ Reserves:

- Net Capital and Reserves has increased from Rs. 375.78 crores in 2012-13 to Rs. 406.85 crores in 2013-14.
- Capital Adequacy Ratio has slightly decreased from 18.74% in 2012-13 to 18.33% in 2013-14 calculated on the same basis.
- The accumulated losses of the Corporation as on 31-03-2014 has come down to Rs.33.83 Crores from Rs.64.90 Crores at the end of last financial year
- During the year Government of Tamilnadu has provided Rs.37.50 crores (to be converted into Equity subsequently) as Ways and Means Advance to TILC for investing in the Equity Shares of M/s. Neyvelli Lignite Corporation Limited. Accordingly the Corporation has purchased 59.70 lakhs shares for Rs.35.82 crores in August 2013. The W

Table-1. Operational
Corporation

SANCTIONS
DISBURSEMENTS
RECOVERY

- Sanction and registered growth respectively in the preceding year.
- As a measure to support to clients ensure effective cycle been increasing assistance under BF
- The above said sch Increasing patron entrepreneurs since them in meeting requirements eff consequence, Bill accounted for a overall sanctions.

Table-1A. Performance
Term Loan and Bill Fi

	WCTL	
	2013-14	2012-13
Sanction	127.71	126.71
Disbursement	104.04	112.71

- Under the 3% Interest Subvention Scheme for MSME loans, Claims for Rs.3.90 crores (upto quarter ending 30.09.2013) have been secured from the State Government and released to the beneficiaries. Claims for quarters ending 31.12.2013 and 31.03.2014 are totally estimated at Rs. 4.48 crores.
- The Branch Offices of the Corporation across the State organized Business Meets and Loan Melas to reach out to entrepreneurs and disseminate the advantages arising from the 3% Interest Subvention Scheme. Special meetings were organized for interaction with our erstwhile customers who had migrated to Banks/FIs in an effort to renew business.
- Risk Categorisation of customers into Low, Medium & High as per the parameters followed by SIDBI has been introduced in the current year to further strengthen the implementation of the KYC guidelines and more importantly to help improve the credit risk management.
- The Bill Finance Scheme for contractors of TANGEDCO was extended to cover Coal Based Power Suppliers of TANGEDCO and considerable business has been generated in this sector.
- The TIIC has been a pioneer in supporting First Generation Entrepreneurs with the introduction of schemes like Grow an Entrepreneur Scheme and Entrepreneur Development Scheme (EDS) meant for encouraging New and Young Entrepreneurs.
- Presently, TIIC is playing a pivotal role in implementing the New Entrepreneur cum Enterprise Development Scheme (NEEDS) of the Government.
- The TIIC operated a more liberalized Generator Loan Scheme to help reduce the hassles of the Industries arising from power cuts / shortages.

- Subsidy:** TIIC is the operating agency for most of the incentive schemes of the Central and State Governments.

- The MSME Department of Government of India has made provision for online filing of application, processing and release of subsidy under CLCS. Likewise the TUF subsidy of Government of India is also now processed online. This has facilitated entrepreneurs in accessing the subsidies on a fast track mode.

- State Capital Subsidy for Large Scale Industries (Mega Subsidy):** The Corporation has been nominated as the Nodal Agency for sanction and disbursement of Incentives / Capital subsidies for Mega / Large Scale Industries in Tamilnadu whose Investments are upto Rs.300 crores.

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			
		2013-14		2012-13	
		No.	Amt.	No.	Amt.
1	Applications pending at the beginning of the year	43	24.05	24	10.37
2	Applications received during the year	1978	1384.84	2386	1213.86
	TOTAL	2021	1408.89	2410	1224.23
3	Applications disposed off during the year				
	a) Gross Sanctions (All types)	1867	1236.90	2139	972.53
	b) Closed, Withdrawn etc.	113	144.32	228	227.65
4	Applications pending at the end of the year	41	27.67	43	24.05
	TOTAL	2021	1408.89	2410	1224.23

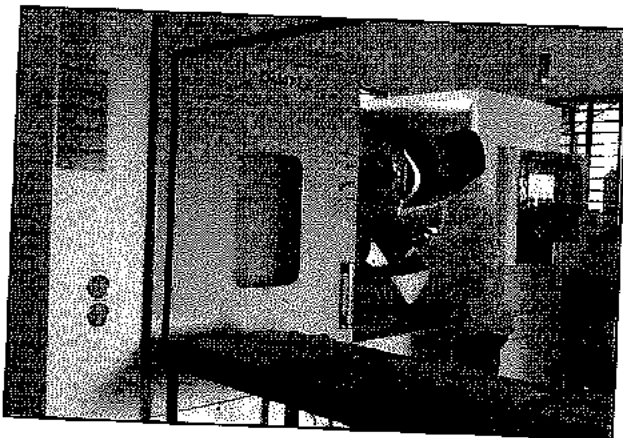


Scheme-wise performance

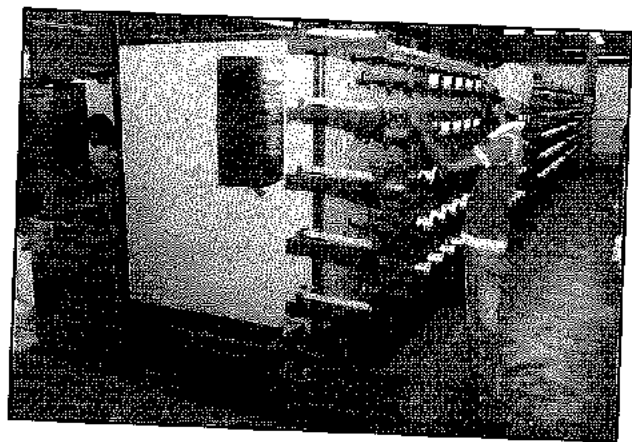
The Corporation made use of its various schemes to gather advances. The Table - 3 below, furnishes data on Scheme wise Sanctions and Disbursement.

Table-3. Scheme-wise Sanctions and Disbursement during 2013-2014

Sl.No.	Description	(Rs. in Crores)		
		Sanctions (Gross) No.	Amt.	Disbursement Amt.
1	Micro / Small Enterprises Funding scheme	32	4.98	6.48
2	Equipment Finance Scheme	78	53.89	43.20
3	Textile Industry Under Technology Upgradation (RTUF) scheme	11	13.73	15.50
4	Wind Mills	5	10.20	8.35
5	Generator	50	2.68	3.30
6	Transport operators	32	7.79	2.83
7	Medical Practitioners / Hospitals	7	2.74	2.95
8	Single Window Scheme Term Loan	27	9.96	10.03
9	Hotels	2	0.80	1.81
10	Working Capital Loans			
	a. WCTL General /Single Window	66	42.69	22.53
	b. Working Capital Term Loan Scheme	208	84.48	81.43
	c. Service Sector Units	2	0.54	0.08
	d. Bill Finance Scheme	481	565.88	565.88
11	Open Term Loans	103	42.11	24.48
12	Entrepreneur Development Scheme (EDS)	35	0.52	0.66
13	New Entrepreneur & Enterprise Scheme (NEEDS)	112	49.83	18.58
14	Others	616	344.08	213.57
Total		1867	1236.90	1021.66



LMW CNC Lathe



Nylon Monofilament Extruder

DISTRICT-WISE DEPLOYMENT OF CREDIT

The Table - 4 below, furnishes data on TIIIC's distribution of credit in the districts where in it is observed that the Districts of Chennai, Coimbatore, Kancheepuram and Thiruvallur recorded high credit absorption.

Table-4. District-wise deployment of Credit

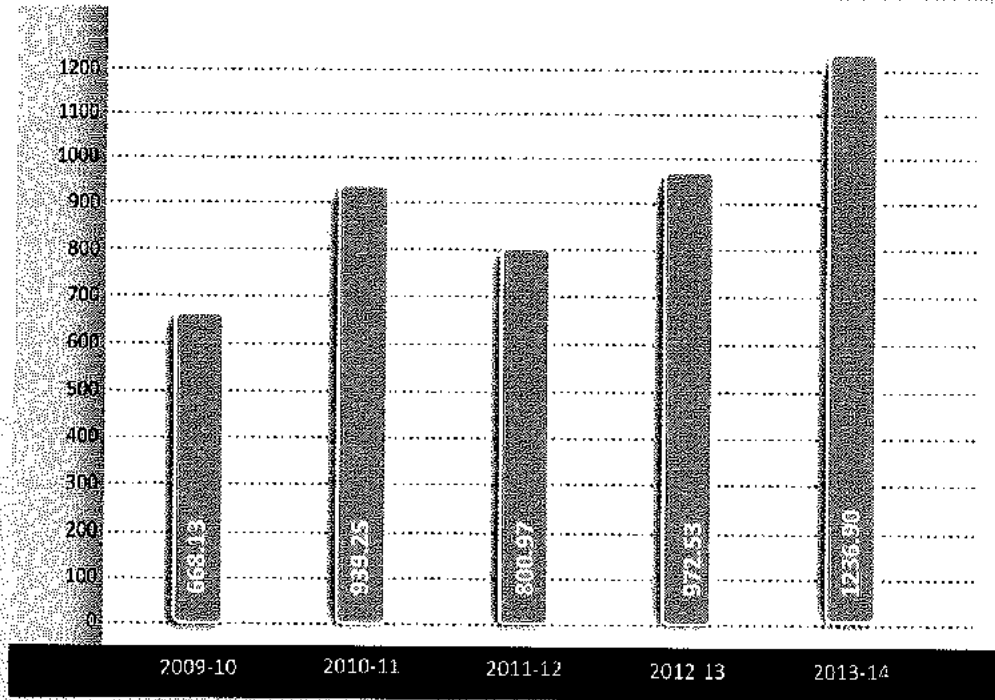
(Rs. in Crores)

Sl. No.	Name of the District	Sanctions 2013-2014		Sanctions 2012-2013		Cumulative Sanctions Upto 31.03.2014	
		No	Amt.	No	Amt.	No	Amt.
1	Ariyalur	13	6.25	10	1.53	70	22.99
2	Chennai	69	211.63	75	134.21	15851	2180.22
3	Coimbatore	155	111.28	239	114.68	13099	1676.39
4	Cuddalore	80	14.85	75	13.26	4306	169.33
5	Dharmapuri	33	15.82	27	8.75	5144	279.07
6	Dindigul	58	25.39	58	33.04	2477	344.51
7	Erode	57	31.00	68	35.76	3317	537.22
8	Kancheepuram	131	147.72	130	103.79	8871	1141.14
9	Kanyakumari	68	51.95	69	27.73	3621	379.97
10	Karur	50	30.56	45	22.34	779	159.07
11	Krishnagiri	80	44.20	108	42.40	647	236.75
12	Madurai	75	40.66	104	29.75	9726	476.76
13	Nagapattinam	10	1.90	7	1.54	675	35.57
14	Namakkal	25	12.93	27	10.28	938	128.13
15	Perambalur	5	1.23	13	3.61	138	15.06
16	Pudukkottai	67	20.32	72	25.27	3372	240.23
17	Ramnad	20	11.30	28	6.74	3724	116.15
18	Salem	54	30.26	50	19.33	5874	405.82
19	Sivagangai	42	11.90	50	11.60	1773	122.62
20	Thanjavur	40	20.27	45	19.69	4083	174.33
21	The Nilgiris	—	—	2	0.08	169	8.04
22	Theni	11	1.66	14	3.45	677	61.48
23	Thiruvallur	183	147.20	214	97.25	2517	780.69
24	Thiruvannamalai	43	10.30	37	7.12	1052	64.77
25	Tirunelveli	78	25.12	75	18.97	4677	245.29
26	Tiruppur	46	29.44	68	39.57	327	168.73
27	Tiruvarur	21	6.45	16	3.37	320	25.14
28	Trichy	70	38.65	113	31.74	5920	369.31
29	Tuticorin	78	46.94	59	31.16	2850	272.93
30	Vellore	32	10.42	34	13.33	4415	242.51
31	Villupuram	76	29.47	90	17.79	913	136.03
32	Virudhunagar	97	49.83	117	43.40	3460	399.70
33	Pondicherry Union Territory	—	—	—	—	47	6.46
Total		1867	1236.90	2139	972.53	115829	11622.42



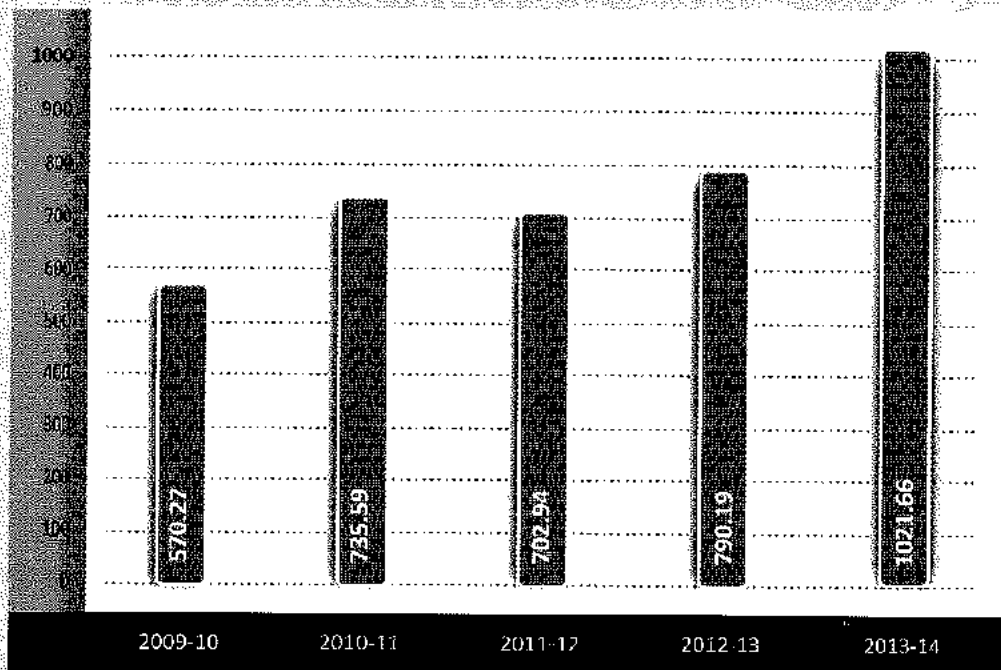
SANCTIONS during last 5 years

Rs. in Crores



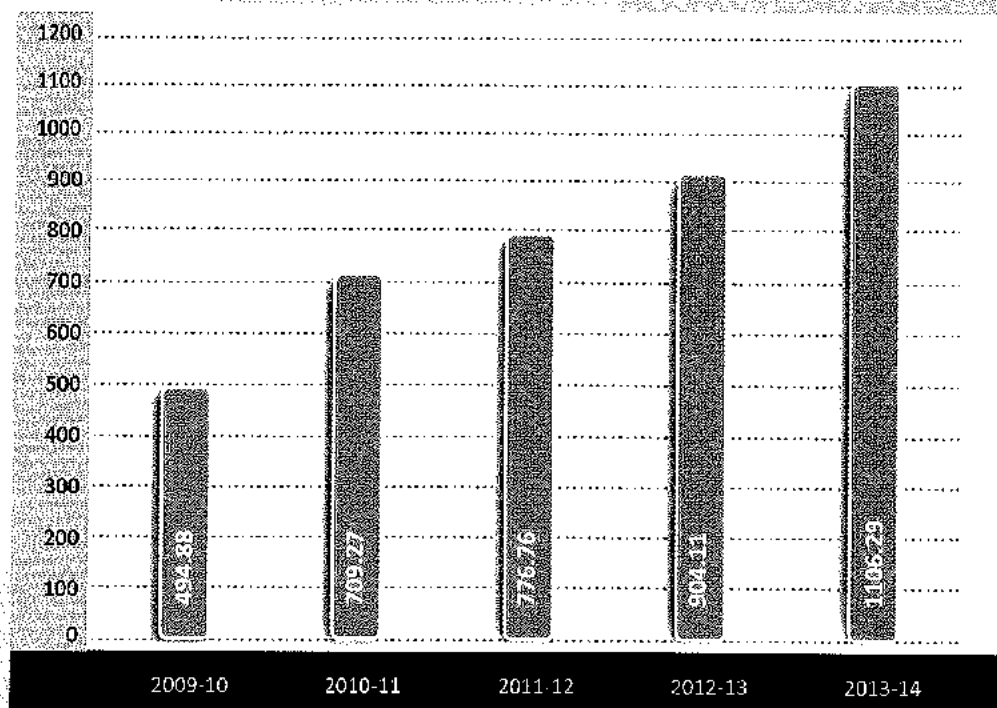
DISBURSEMENTS during last 5 years

Rs. in Crores



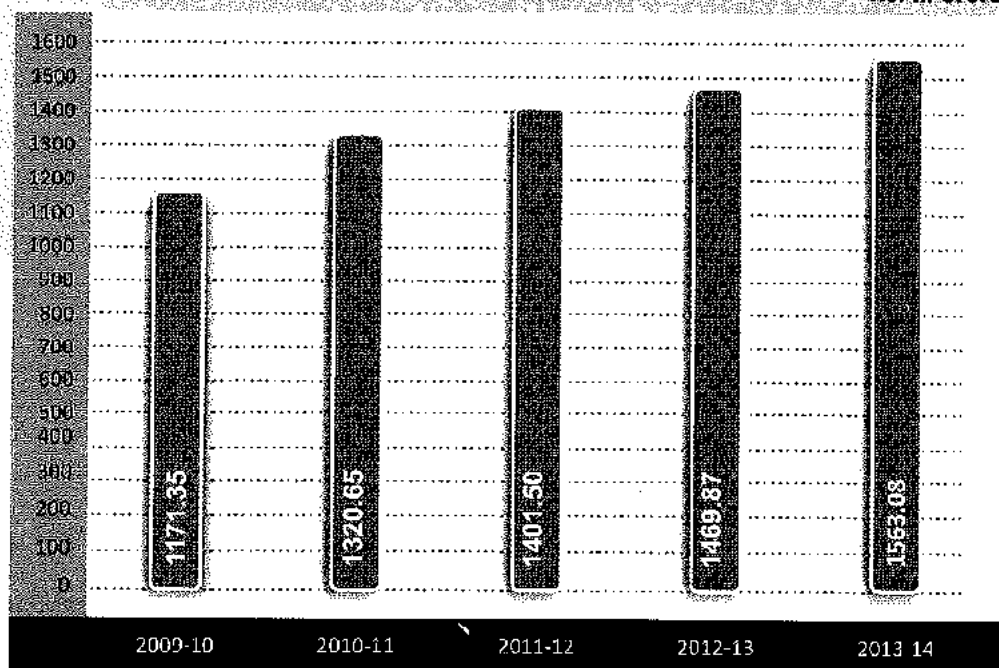
RECOVERIES during last 5 years (Gross)

Rs. in Crores



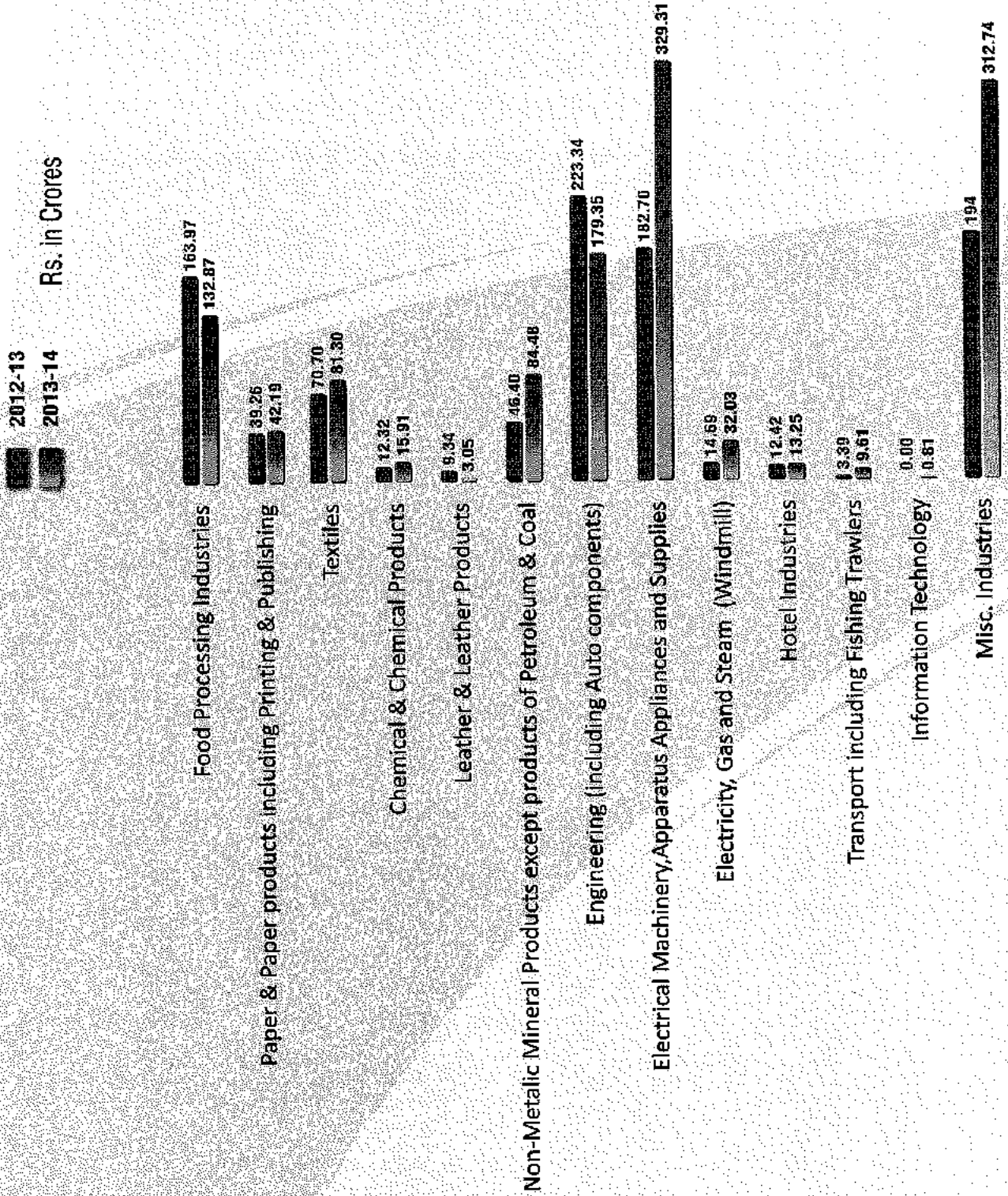
OUTSTANDING during last 5 years (Gross)

Rs. in Crores





INDUSTRY-WISE CLASSIFICATION OF SANCTIONS FOR 2 YEARS



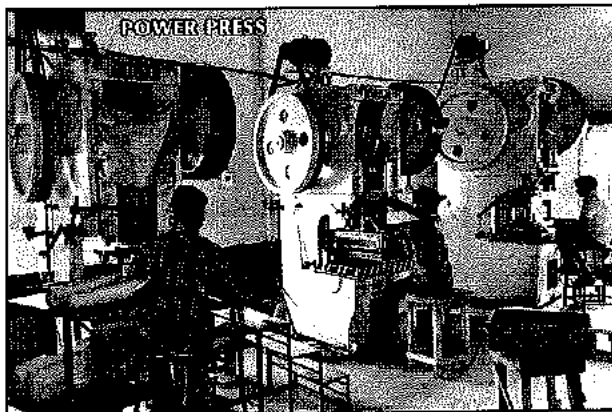
INDUSTRY-WISE DISTRIBUTION OF CREDIT

The Table 5 below shows Industry-wise distribution in the Corporation's advances :

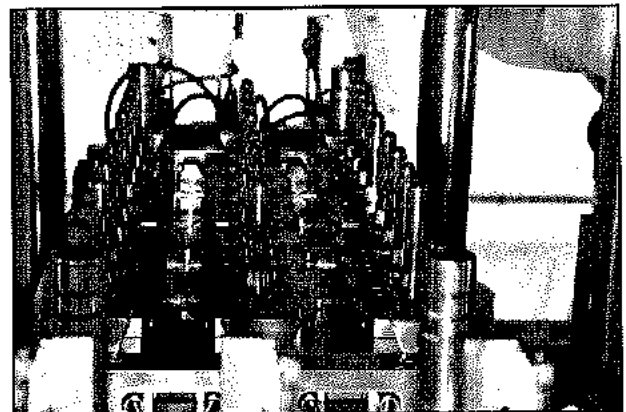
Table-5. Industry-wise distribution of Credit

(Rs.In Crores)

Sl. No.	Description	Sanctions (Gross)			Cumulative Sanctions upto 31.03.2014		
		2013-14			2012-13		
		No.	Amt.	%	No.	Amt.	%
1	Food Processing Industry	306	132.87	10.74	372	163.97	16.86
2	Sugar Factories & Refineries	—	—	—	—	—	—
3	Paper & Paper Products including Printing & Publishing	91	42.19	3.41	126	39.26	4.04
4	Textiles	90	81.30	6.57	101	70.70	7.27
5	Chemical & Chemical Products	17	15.91	1.29	28	12.32	1.27
6	Leather & Leather Products	8	3.05	0.25	31	9.34	0.96
7	Non-metallic Mineral Products except products of Petroleum & Coal	149	84.48	6.83	154	46.40	4.77
8	Engineering (Incl. Auto Components)	393	179.35	14.50	610	223.34	22.97
9	Electrical Machinery, Apparatus Appliances and Supplies	81	329.31	26.62	80	182.70	18.79
10	Electricity, Gas and Steam (Windmill)	7	32.03	2.59	11	14.69	1.51
11	Transport Equipments	—	—	—	—	—	—
12	Hotel Industries	28	13.25	1.07	34	12.42	1.28
13	Transport including Fishing Trawlers	49	9.61	0.78	83	3.39	0.35
14	Information technology	1	0.81	0.07	—	—	—
15	Misc. Industries not elsewhere classified	647	312.74	25.28	509	194.00	19.95
16	Loans to Govt. Corporations	—	—	—	—	—	—
	TOTAL	1867	1236.90	100.00	2139	972.53	100.00









Power Press

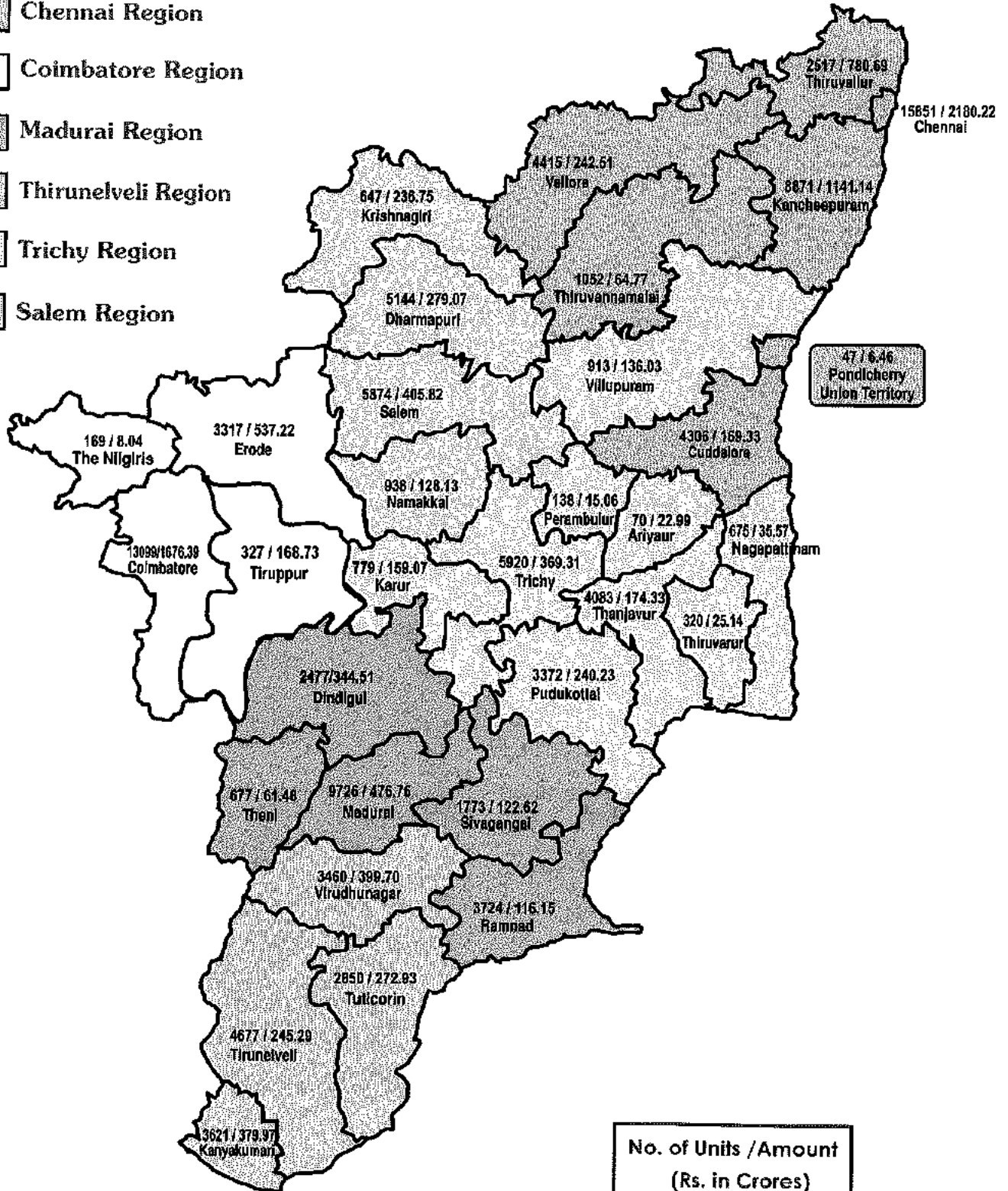


Preform Injection Moulding



District-wise Sanctions (Cumulative)

-  Chennai Region
-  Coimbatore Region
-  Madurai Region
-  Thirunelveli Region
-  Trichy Region
-  Salem Region



No. of Units / Amount
(Rs. in Crores)

DISBURSEMENT:

- During the year under report, the Corporation disbursed Rs.1,021.66 crores. The cumulative disbursement upto 31.03.2014 (since inception) is Rs. 8,692.96 crores, extended under various schemes.

ASSET QUALITY:

- The Corporation continues to place emphasis on quality of Assets in it's Loan Portfolio. As on 31-03-14, the share of Standard Assets stood at 90.36% of the Loan Portfolio. As witnessed in the entire National Banking Scenario, TIIC also experienced Increase in NPAs.

Table-6. Loan Portfolio

(Rs. in Crores)

ASSET	2013-14	2012-13	2011-12	2010-11
STANDARD	1412.41	1338.65	1308.22	1177.93
SUB-STANDARD	70.59	66.79	26.34	42.74
DOUBTFUL	79.34	63.23	66.94	99.98
LOSS ASSETS	0.74	1.20	—	—
TOTAL	1563.08	1469.87	1,401.50	1,320.65
WRITTEN OFF	148.92	139.02	131.59	90.89
Total Performing Assets (PA)	1412.41	1338.65	1308.22	1177.93
Total Non-Performing Assets (NPA)	150.67	131.22	93.28	142.72
% of Performing Assets to total advances	90.36	91.07	93.34	89.20
% of NPA to Total advances (Gross NPAs)	9.64	8.93	6.66	10.80
% of Net NPA to (Net) advances	6.47	5.70	2.98	3.51

- The Increase in NPA is due to the various problems faced by the Industries due to economic slowdown globally and nationally.

Strategies for Asset Quality:

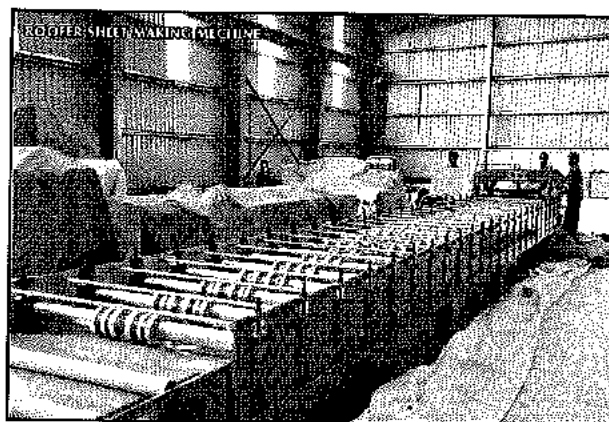
The Corporation has been taking the following steps to attain its objective of maintaining a healthy Credit Portfolio:

- Emphasis on comprehensive Risk Management.

- Improving the quality of sanctions by better appraisal.
- Monitoring of stressed accounts in standard category 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.
- Settlement of chronic NPA's either through legal route or compromise Settlement.

Loan Monitoring and Rehabilitation Department:

- The Loan Monitoring and Rehabilitation Department monitors the Asset quality of the Loan portfolio, stressed assets in Standard assets portfolio, and the Slippage of cases from standard to sub-standard category.
- The Department Initiates necessary measures to upgrade the asset status

*Roof Sheet Manufacturing*

- o The inspection of units and insurance coverage for assets financed by the Corporation are periodically monitored and reported to The Audit Committee.
- During 2013-2014, the Loan accounts of 109 deserving units were rescheduled involving revision in repayment of principal to the tune of Rs. 4281.34 lakhs to help them tide over their constraints.
- During the financial year 2013-2014, TIIC operated "TIIC's Liquidity Stimulus Package Loan (TLSP) 2013-2014 Scheme" to help the assisted units to tide over their liquidity constraints due to the economic slow down etc., 142 No. of cases for an amount of Rs.15.20 crores were assisted during the year.
- The Corporation has put in place a mechanism to enable Stressed Assets Monitoring (Defaults within 30/60 days) at Branch, Regional and Head Office Level to prevent slippages and to maintain Assets Quality.
- **Loans Monitoring Committee** headed by Principal Secretary / Managing Director reviews loans above Rs.100 Lakhs and initiates suitable action wherever necessary.

Income Generation through Corporate Agency/Insurance:

- o The Corporation earned a sum of Rs.11.57 lakhs as commission for the

insurance premium during the financial year 2013-14.

Recovery Department:

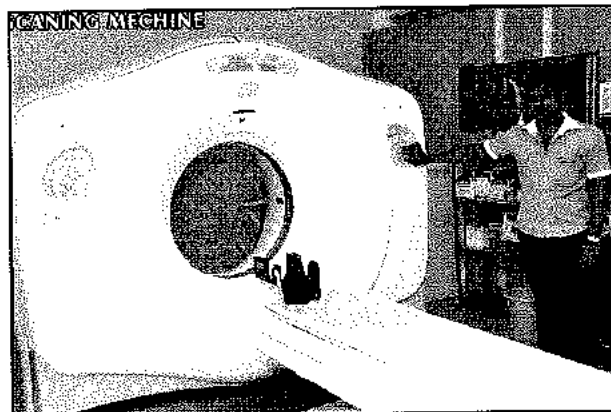
- The Recovery Department monitors the achievement of Recovery of Principal and Interest Recovery Targets of the Corporation.
- It focuses on the major NPA accounts by reviewing the cases and taking suitable action either through OTS or legal route.
- Emphasis is placed on Compromise / Negotiated Settlement schemes for loans above Rs.10.00 lakhs and on various OTS Schemes in vogue for loans up to Rs.10.00 lakhs.

Quality Certification:

The Corporation has IS/ISO 9001:2008 certification from Bureau of Indian Standards (BIS) for its Quality Management Systems. Renewal audit has been carried out by Bureau of Indian Standards (BIS) during December 2013 and the ISO Certification has been renewed upto November 2016 for the process of Sanction and Disbursement of loans including Documentation for Chennai Branch and Head Office.

Employment generation:

The financial assistance extended by the Corporation has generated additional employment for about 12,800 persons during the year 2013-2014.



Scanning Machine

Resources:

- ✓ An amount of Rs.150.00 crores was successfully raised by issue of Non SLR, unsecured, Government guaranteed redeemable private placement of bonds during Jan/Feb 2014.
- SIDBI has laid down a road map for phasing out refinance operations to State

Financial Corporations. As per the road map, SIDBI sanctioned only 50 % of our refinance principal repayment to SIDBI i.e. Rs. 58.34 crores.

- The Corporation also placed special emphasis on raising of Fixed Deposits and it managed to register a Net increase of Rs. 56.80 crores in Fixed Deposits.

Table-7. Details of applications made to SIDBI

(Rs. In Crores)

Year	Amount sanctioned	O/s. at the beginning of the year	Refinance drawn	Repayment made	O/s. at the end of the year
	Amt.	Amt.	Amt.	Amt.	Amt.
2011-12	72.00	585.20	72.00	56.40	600.80
2012-13	61.00	600.80	61.00	98.95	562.85
2013-14	58.34	562.85	58.34	120.79	500.40

Treasury:

- The Corporation redeemed SLR bonds on maturity, to the extent of Rs. 0.75 crores during the year. The balance outstanding SLR bonds of Rs. 0.25 crores as on 31.03.2014 was redeemed during April 2014.

Investment in Shares:

The Corporation has an investment portfolio in its kitty comprising investments in Indian Equities.

Recently, the Government of Tamilnadu has provided Rs.37.50 crores as Ways and Means Advance to invest in the Equity Shares of M/s. Neyvelli Lignite Corporation Limited (NLC) being off-loaded by the Central Government. Accordingly, the Corporation purchased 59,70,126 Shares of Rs.10/- each at a premium of Rs.50/- per share amounting to Rs.35.82 crores. This ways and means advance of Rs.37.50 crores is proposed to be converted into share capital in the current Financial Year 2014-15.

Corporate Governance:

- The Corporation is a Public Sector undertaking under the Government of Tamilnadu. 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,
 - a Chairman and a Managing Director, both full time
 - a Board of Directors which plays a supervisory and advisory role
 - several committees charged with specific roles like Executive Committee, Audit Committee, Staff Committee etc.
 - executives with specific functionalities in the organizational process



COMPOSITION OF TIIC's BOARD OF DIRECTORS:

The Board comprises of the following Directors:

- Chairman
- Managing Director
- Director representing MSME Department
- Director representing Industries Department
- Director representing Finance Department
- Two Directors representing SIDBI
- A nominee director of the State Government and
- A nominee director of the State Government from TANSTIA

As on 31.03.2014, the Corporation's Board had the following Directors:

Sl. No.	Name of the Director	Designation	Nature of Directorship	Date of appointment
1.	Thiru Aadirajaram, B.A.B.L.,	Chairman	Executive	03.03.2014
2.	Thiru S.K. Prabakar, IAS.,	Pri. Secretary / Managing Director	Executive	13.12.2012
3.	Thiru K. Dhanavel, IAS Secretary to Government, Micro, Small & Medium Enterprises Dept.	Director	Non-Executive	30.01.2013
4.	Thiru Hanish Chhabra, IAS., Deputy Secretary to Government, Industries Department	Director	Non-Executive	08.01.2014
5.	Thiru N. Venkatesh, IAS., Dy. Secretary to Government, Finance Department	Director	Non-Executive	26.09.2013
6.	Thiru S. Sundar CGM (Retd.), State Bank of India	Independent Director	Non-Executive (Govt. Nominee)	20.09.2005
7.	Thiru V. Sridharan General Manager, SIDBI	Director	Non-Executive	23.06.2011
8.	Tmt. Bhama Krishnamurthy Chief General Manager, SIDBI	Director	Non-Executive	26.09.2013
9.	Thiru K. Gopalakrishnan President, TANSTIA	Independent Director	Non-Executive (Govt. Nominee)	06.03.2013

Directors who served on the Board during 2013-14 and relinquished their posts due to change in assignment:

Sl. No.	Name of the Director Tvl./Tmt.	Period of Time
1.	M.S. Shanmugam, IAS., Joint Secretary to Government, Industries Department	25.07.2011 to 08.01.2014
2.	Prashant Wadhwa, IAS., Deputy Secretary to Government, Finance Department	20.10.2011 to 26.09.2013
3.	Yalangi Venugopal Rao, Deputy General Manager, SIDBI	10.08.2012 to 26.09.2013
4.	T.G. Venkateshbabu, M.Sc., Chairman	19.06.2013 to 27.02.2014

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.

No.	Committee	Members	Chairman	Main responsibility areas
1.	Executive Committee	1. The Chairman, TIIC 2. The MD., TIIC 3. Director representing SIDBI 4. Independent Director (nominee of the State Government)	The 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. Independent Director (Nominee of the State Government) 2. Director representing SIDBI 3. The MD., TIIC	The 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.
3.	Default Review Committee	1. The Chairman, TIIC 2. The MD., TIIC 3. Director representing SIDBI 4. Independent Director (Nominee of the State Government)	The Chairman, TIIC	Overseeing and directing the Corporation's performance in areas relating to NPAs, compromise settlements, etc. within the overall powers of the Board and above those of the Regional Committee.
4.	Staff Committee	1. The Chairman, TIIC 2. The MD., TIIC 3. Director representing Government Finance Dept. 1. The MD., TIIC 2. Director representing Government Industries Dept. 3. Director representing Government Finance Dept.	The Chairman, TIIC The MD., TIIC	H.R. areas like recruitment, promotions for the post of Assistant General Manager and above HR areas like recruitment, promotions for the post of Manager and below.

MEETINGS:

The Board of Directors met nine times in the Financial Year 2013-14. The Annual General Meeting was held in Chennai on 26th September, 2013.

The Executive Committee of the Board met eight times during the year; the Default Review Committee met five times, the Audit Committee met four times and the Staff Committee met six times.

Grievance Cell

During the FY 2013-14, the Grievance Cell of the Corporation received 74 petitions through the Hon'ble Chief Minister's Special Cell and disposed 70 petitions. There were 4 petitions, received in March 2014 pending at the end of FY 2013-14.

Internal Audit

Internal Audit Department at Head office is having a team of officials presently headed by a Deputy General Manager who is directly reporting to the Principal Secretary / Managing Director.



- There is a Regional Audit Team at each Regional Office of the Corporation, which functions under the direct supervision of the Internal Audit Department.
- The Regional Audit Teams undertake concurrent Audit of the branches falling under their jurisdiction at regular intervals as mandated by the approved Audit Policy of the Corporation.
- Head Office Audit Team also carries out Audit of Branches and Regional offices on yearly basis.
- Head office Audit Team carried out audit of 17 branches and 5 Regional offices during the FY 2013-14.
- Status position of all the above Audits is placed before "Audit Committee of the Corporation" on quarterly basis, and instructions for improvements for effectiveness of the audit system are followed up meticulously
- The HO Audit Department gathers data on cash transaction of Rs.10 lakhs and above from the branches relating to Prevention of Money Laundering Act (PLMA) and reports sent to Director, FIU-INDIA, New Delhi on monthly basis.
- Based on the decision of Audit Committee in its meeting held on 23/07/2013, the scheme of **Pre-disbursement Credit Audit** for Term Loan sanction for Rs.2.00 Crores and above was introduced and the same is in operation.

Statutory Information regarding employees under Section 217 (2A) of the Companies Act, 1956.

Employees in receipt of remuneration in excess of **Rs. 2.00 lakhs** per month or **Rs.24.00 lakhs** per annum - NIL

Listing on the Stock Exchange

SLR Bonds issued by the Corporation were listed in the Madras Stock Exchange and the Non-SLR Bonds of Rs.150 Crores issued by Corporation during the year 2013-14 are now

listed in the Bombay Stock Exchange.

Compliance Officers

- Thiru R.Jayaprakasam, Company Secretary, was the Compliance Officer for complying with the various provisions of SEBI and the provisions of the Listing Agreement with the Madras Stock Exchange where the SLR Bonds were listed.
- Thiru S.Sakthivel, General Manager (Funds & Resources), is the Compliance Officer for complying with various provisions of SEBI and the provisions of the Listing Agreement with Bombay Stock Exchange.
- Thiru R.Jayaprakasam, Company Secretary, is the Public Information Officer as required under the Right to Information Act. He reports to the Corporation's Managing Director.
- Thiru R. Narayanan, Deputy General Manager (IA/ISO), is the Nodal Officer for Know Your Customer (KYC) and Anti-Money Laundering (AMC) compliance, as per RBI / SIDBI directions. No unsatisfactory report was generated by the Corporation in 2013-14.

1. Risk Management Policy

"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 also 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 the loan proposals to be placed before the Executive Committee and Board. The same is incorporated in the Appraisal Memorandum along with the 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 as given below:

Credit Policy

The Corporation reviewed and issued a fresh / comprehensive credit policy on the 1st August, 2008.

During the current year, the Corporation proposes to revise the same in tune with the Risk Management Frame Work already adopted.

Human Resource

The Corporation attaches considerable importance for the development and maintenance of its Human Resources. During the year 2013-14, the Corporation has promoted 24 officials in various cadres. Action is being taken to fill up the vacancies through Direct Recruitment. Action is also being taken to fill up the vacancies in various cadres by promotion method.

The Corporation's staff strength as on 31.03.2014 was as follows :

Management	Total Strength
Chairman	1
Principal Secretary/Managing Director	1
Senior Officers	167
Junior Officers/Assistants	239
Office Assistants/Drivers/Record Clerks	94
Total	502

Training

Knowledge updation and upgradation of skills of staff members at every level is given due importance by the Corporation. Comprehensive Training is imparted on all aspects to enhance Personal Strengths, Trade Skills, Customer Relationship Management and Information Technology (IT) capabilities etc. by conducting In-House Training programmes and by regularly deputing selected candidates to Training programmes conducted by reputed institutions like NIBSCOM, College of Agricultural Banking, RBI, Institute of Company Secretaries of India and Anna Institute of

Management, Chennai.

Computerisation

The development of a new Web Centric Solution to computerize the operations of the Corporation is under progress. The project will be implemented during the current financial year after passing various stages of validation, development, verification, testing, migration and pilot run. The Implementation of the project would go a long way in quickening the credit approval and improving the work flow besides improving the Loans Monitoring and MIS.

Corporate Social Responsibility

The Corporation actively participated in sponsoring Seminar/Workshops for the promotion of Women Entrepreneurs, MSMEs and physically challenged to fulfill the obligations under Corporate Social Responsibility.

A Corporate Social Responsibility committee is also being constituted to proactively discharge the Corporate Social Responsibility functions.

The corporation donated Rs.0.10 lakh to the Women Entrepreneurs Promotional Association (WEPA), Rs.0.10 lakh to Women Entrepreneurs Association of Tamilnadu (WEAT), Rs.2.00 lakhs to TANSTIA (for STICON seminar) and Rs. 0.10 lakh to DEAF ENABLED FOUNDATION during the year 2013-14.

Directors' Responsibility Statement

Directors hereby confirm 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, 2014.
- 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. C.S. Hartharan & Co., Chartered Accountants, the Statutory Auditors. Their report is appended.

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), ITCOT Consultancy and Services Ltd., the Electronics Corporation of Tamilnadu (ELCOT) and the Tamilnadu Small and Tiny Industries Association (TANSTIA) for their continuous co-operation and assistance.

The Board of Directors is glad 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 : 12.08.2014

S.K. PRABAKAR
PRINCIPAL SECRETARY/MANAGING DIRECTOR

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

Sl. No.	Name of the Director	Designation	Other Directorships
1.	Tvl. Aadirajaram, B.A.B.L.	Chairman	NIL
2.	S.K. Prabakar, I.A.S.,	Prl. Secretary / Managing Director	DIRECTOR: <ol style="list-style-type: none"> Guindy Industrial Estate Infrastructure Upgradation Company (GIEUC) Chettinad Cement Corporation Ltd. Seshasayee Paper and Boards Ltd. State Industries Promotion Corporation of Tamilnadu (SIPCOT) Tamilnadu Small Industries Development Corp. Ltd. (TANSIDCO) ITCOT Consultancy & Services Limited (ITCOT) Tamilnadu State Marketing Corporation Ltd. (TASMAC) MEMBER: <ol style="list-style-type: none"> Tamilnadu Industrial Guidance & Export Promotion Bureau (GUIDANCE) Tamilnadu Technology Development & Promotion Centre
3.	K. Dhanavel, I.A.S., Secretary to Govt., Micro, Small and Medium Enterprises Department, Government of Tamilnadu	Director	DIRECTOR: <ol style="list-style-type: none"> Tamilnadu Small Industries Development Corporation Limited (TANSIDCO) Tamilnadu Small Industries Corporation Limited (TANSI) State Engineering and Servicing Company of Tamilnadu Limited CHAIRMAN: <ol style="list-style-type: none"> Prime Ministers Employment Generation Programme Monitoring Committee State Level Inter Institutional Committee (SLIC) State Level Project Steering Co-ordination and Monitoring Committee State Level Awards Selection Committee Governing Council of EDI MEMBER: <ol style="list-style-type: none"> Micro, Small & Medium Enterprises Board Empowered Committee State Level Bankers Committee
4.	Hanish Chhabra, I.A.S., Deputy Secretary to Govt., Industries Department, Government of Tamilnadu	Director	DIRECTOR: <ol style="list-style-type: none"> Tamilnadu Industrial Explosives Ltd. (TIEL) Tamilnadu Cements Corporation Limited (TANCEM) Tamilnadu Salt Corporation Limited (TANSALT) Tamilnadu Sugar Corporation Ltd.



Sl. No.	Name of the Director	Designation	Other Directorships
5.	N. Venkatesh, I.A.S., Deputy Secretary to Govt., Finance Department, Government of Tamilnadu	Director	<p>5. Tamilnadu Minerals Limited(TAMIN) 6. Tamilnadu Magnesite Limited 7. Power Finance and Infrastructure Development Corporation Limited (POWERFIN) 8. Software Technology Parks of India</p> <p>MEMBER: 9. PSG Science & Technology Entrepreneurial Park 10. Tamilnadu Energy Development Agency</p> <p>DIRECTOR: 1. Tamilnadu Salt Corporation Ltd. (TNSALT) 2. Tamilnadu State Transport Corporation (Kumbakonam) 3. Tamilnadu Small Industries Corporation 4. State Engineering Services Corporation of Tamilnadu (SESCOT) 5. Tamilnadu Paints and Allied Products Limited</p> <p>MEMBER: 6. IT Incubation Centre 7. Tamilnadu Khadi and Village Industries Board (TNKVIB)</p> <p>DIRECTOR: 1. BWDA Finance Ltd.</p>
6.	V. Sridharan General Manager, Small Industries Development Bank of India (SIDBI)	Director	
7.	Bhama Krishnamurthy Chief General Manager, Small Industries Development Bank of India(SIDBI)	Director	
8.	S. Sundar Chief General Manager (Retd) State Bank of India	Director	
9.	K. Gopalakrishnan President, TANSTIA	Director	<p>DIRECTOR: Tamilnad Mercantile Bank Limited</p> <p>NIL</p>

C.S. HARIHARAN & CO.
CHARTERED ACCOUNTANTS

"Bagirathi", Ground Floor
112/249, Royapettah High Road
Chennai - 600 014
PH: 044-4500 0141 / 0142
Email : csharharan01@yahoo.co.in

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED,
CHENNAI.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Tamil Nadu Industrial Investment Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Forming an Opinion and Reporting on Financial Statements Act"). This responsibility includes the design, implementation and maintenance of internal control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required



and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As the Company is defined as a Banking Company by Company Law Board vide its Letter dated 28.06.1960, the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together, the "Order"), issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act) is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. Being a Government company, pursuant to the Gazette Notification No.GSR829(E) dated 21.10.2003 Issued by the Department of Company Affairs, Government of India, provisions of Clause (g) of subsection (1) of Sec.274 of the Companies Act, 1956 are not applicable to the Company

For **C.S. HARIHARAN & CO**
Chartered Accountants
Firm Registration No. 010865

Name : **S. SEETHARAMAN**
(Partner)
Membership No: 29330

Place : Chennai - 35
Date : 31.07.2014

ACCOUNTS

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

**BALANCE SHEET AS AT MARCH 31, 2014**

Particulars	Schedule Ref.	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
CAPITAL AND LIABILITIES			
Capital	A	2,834,956,000	2,834,956,000
Reserves and Surplus	B	1,571,774,627	1,571,774,627
Bonds	C	1,502,500,000	10,000,000
Borrowings	D	7,971,480,654	9,009,435,570
Deposits	E	3,192,831,097	2,624,832,228
Other Liabilities and Provisions	F	1,570,902,960	999,064,593
TOTAL		18,644,445,338	17,050,063,018
ASSETS			
Cash and Bank Balances	G	431,575,380	107,116,215
Investments	H	479,525,216	117,455,542
Loans and advances	I	15,100,595,558	14,168,546,062
Fixed assets	J	1,727,073,525	1,727,789,354
Other assets	K	567,329,566	280,143,867
Profit and Loss Appropriation Account (Accumulated losses)		338,346,093	649,011,978
TOTAL		18,644,445,338	17,050,063,018
Significant accounting policies and Notes to Accounts	S		

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

Place : Chennai-35
Date : 31-07-2014

S. SEETHARAMAN
Partner

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Schedule Ref.	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
INCOME (A)			
Income from operations	L	1,940,524,286	1,929,461,732
Other Income	M	217,985,035	228,659,133
Total Income (A)		2,158,509,321	2,158,120,865
EXPENDITURE (B)			
Interest expended	N	1,146,559,781	1,066,004,145
Other financial expenses	O	24,392,258	2,285,620
Personnel expenses	P	408,944,368	392,638,788
Administrative expenses	Q	66,367,290	56,911,561
Depreciation	J	8,057,294	7,781,747
Waiver and Write offs	R	184,412,396	172,434,530
Total Expenditure (B)		1,838,733,387	1,698,056,391
PROVISIONS (C)			
Provision for Standard Assets/(Written back)		460,354	4,962,981
Depreciation on Investments		(3,862,114)	3,271,112
Provision for Taxes		12,511,809	101,480,128
Total Provisions (C)		9,110,049	109,714,221
Net Profit carried to Balance sheet	A-(B+C)	310,665,885	350,350,253
Significant accounting policies and Notes to Accounts	S		
EARNINGS PER SHARE - Basic/Diluted (Face value of Rs.1,000/- each)		Rs. 109.58	Rs. 123.58
R. JAYAPRAKASAM Company Secretary	S.K. PRABAKAR Principal Secretary/Managing Director	AADIRAJARAM Chairman	

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

Place : Chennai-35
Date : 31-07-2014

S. SEETHARAMAN
Partner



PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	For the year ended 31.03.2014 Rs.	For the year ended 31.03.2013 Rs.
Balance as per last Balance Sheet - General Reserve/(Accumulated losses)	(649,011,978)	(999,362,231)
Add:		
Profit/(Loss) for the year as per Profit and Loss Account	310,665,885	350,350,253
Profit transferred to general reserve/ (Accumulated losses)	(338,346,093)	(649,011,978)

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

Place : Chennai-35
Date : 31-07-2014

S. SEETHARAMAN
Partner

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
Schedule-A: Capital		
1. Authorised Capital 35,00,000 (30,00,000) Equity Shares of Rs.1,000 each	3,500,000,000	3,000,000,000
2. Issued Equity Share Capital: 28,35,000 Equity Shares (Previous year 28,35,000 numbers) of Rs.1,000 each	2,835,000,000	2,835,000,000
3. Subscribed and paid up 27,49,956 Equity Shares of (Previous year 27,49,956 numbers) of Rs.1,000 each fully paid	2,749,956,000	2,749,956,000
85,000 (Previous year 85,000) Special Equity Shares of Rs.1,000/- each (Issued u/s 4A of SFC Act, 1956)	85,000,000	85,000,000
Total	2,834,956,000	2,834,956,000
Schedule B: Reserves and Surplus		
i) Reserves Revaluation Reserve: Revaluation of lands held	1,535,003,100	1,535,003,100
ii)a) SPECIAL RESERVE FUND (In terms of Sec.35A of the State Financial Corporation's Act, 1951 representing dividend foregone by the Govt.of Tamilnadu and IDBI)	24,999,716	24,999,716
b) Venture Capital Fund	11,771,811	11,771,811
Total	1,571,774,627	1,571,774,627
Schedule-C: Bonds		
SLR Bonds Guaranteed by Government of Tamilnadu as to principal and interest	2,500,000	10,000,000
Non SLR Bonds Guaranteed by Government of Tamilnadu as to principal and interest.	1,500,000,000	—
Total	1,502,500,000	10,000,000



SCHEDULE OF BONDS AS ON 31.03.2014

SERIES NO.	BOND DESCRIPTION	PREVIOUS YEAR Rs.	BOND AMT. AT ORIGINAL COUPON RATE Rs.	BOND AMT. ROLLED OVER TO 7.50%, 8% & 8.50% Rs.	THIS YEAR (TOTAL) Rs.
60	11.33% Bonds 2010	7,500,000	--	--	--
61	10.50% Bonds 2011	2,500,000	--	2,500,000	2,500,000
1	9.85% Non-SLR Bonds	--	1,500,000,000	--	1,500,000,000
TOTAL		10,000,000	1,500,000,000	2,500,000	1,502,500,000

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

Place : Chennai-35
Date : 31-07-2014

S. SEETHARAMAN
Partner

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
Schedule-D: Borrowings		
1. a) By way of refinance from SIDBI (other than NEF Scheme)	4,621,588,988	5,051,473,800
b) National Equity Fund Scheme (Secured by declaration to hold the security of the borrowers of the Corporation in respect of refinance obtained upon trust for SIDBI)	382,399,701	577,032,970
2. Loan in lieu of capital - IDBI (Unsecured)	125,000,000	125,000,000
3. Term Loans from Banks (Sec. by book debts)	2,368,337,794	2,800,200,000
4. Overdraft from banks (Sec.by book debts)	474,154,171	455,728,800
Total	7,971,480,654	9,009,435,570
Schedule-E: Deposits		
1. From Temples, Educational institutions etc.	1,738,495,970	1,508,450,745
2. Inter-Corporate Deposits	1,454,335,127	1,116,381,483
Total	3,192,831,097	2,624,832,228



SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
Schedule-F: Other liabilities and Provisions		
1. Seed Capital from SIDBI	384,000	384,000
2. Advances & Deposits from Constituents & others	287,097,202	267,955,882
3. Liability for others	983,554,317	542,127,624
4. Provision on Standard Assets	52,768,063	47,805,082
Add: Provision for Current Year	460,354	4,962,981
	53,228,417	52,768,063
5. Subvention from Government	14,146,440	14,146,440
6. Wealth Tax	3,182,584	2,402,584
Add: Provision for the year	810,000	780,000
	3,992,584	3,182,584
8. Income Tax	118,500,000	—
Add: Provision for the year	110,000,000	118,500,000
	228,500,000	118,500,000
Total	1,570,902,960	999,064,593

Schedule-G: Cash and Bank Balances

1. Cash in hand	11,852,898	9,197,675
2. Balance with banks		
i) Reserve Bank of India	197,862	161,447
ii) Current A/c with scheduled Banks	419,219,120	97,451,593
iii) Term Deposits with Banks	305,500	305,500
Total	431,575,380	107,116,215

Schedule-H: Investments

Investment in shares		
Quoted	451,235,276	108,299,495
Non-Quoted	28,289,940	9,156,047
Total	479,525,216	117,455,542

SCHEDULE FOR INVESTMENT IN SHARES AS ON 31ST MARCH 2014

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)	Rs. (3)	Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
I-Market value							
1	Neyveli Lignite Corporation	5,970,126	10	358,207,560	61.15	365,073,205	358,207,560
2	IDBI Bank Ltd.(Formerly Industrial Development Bank of India)	35,680	10	2,899,000	65.45	2,335,256	2,335,256
3	Kothari Sugars & Chemicals Ltd.	10,350	10	4,485,000	6.65	68,828	68,828
4	Railis India Ltd.	801,150	1	667,660	172.80	138,438,720	667,660
5	Sakthi Sugars Ltd.	495,099	10	11,254,130	18.05	8,936,537	8,936,537
6	Seshasayee Paper & Boards Ltd.	1,800,000	10	16,000,000	182.00	327,600,000	16,000,000
7	Sical Logistics Ltd (Formerly South India Corporation (Agencies) Ltd	160,467	10	16,368,640	55.50	8,905,919	8,905,919
8	Sicagen India Ltd	160,467	10	0	13.07	2,097,304	0
9	Tamilnadu News Print & Papers Ltd.	400,000	10	44,000,000	128.30	51,320,000	44,000,000
10	Elgi Rubber Company Ltd	1,179,696	1	158,000	22.00	25,953,312	158,000
11	Sesa Sterlite Limited (Formerly Madras Aluminium Company Ltd)	2,450,000	1	7,000,000	187.95	460,477,500	7,000,000
II-Balance Sheet Value							
12	Reed Relays and Electronics India Ltd.	41,956	10	2,097,850	286.26	12,010,325	2,097,850
13	Ambattur Enterprises Ltd. (Formerly T&R Welding Products (India) Ltd.)	3,680	100	368,000	920.24	3,386,483	368,000
14	Kamar Chemicals & Industries Ltd.	137,550	10	1,834,000	—	—	—
15	Sun Paper Mill Ltd.	43,500	10	435,000	6.71	291,885	291,885
16	M I L Industries Ltd.	168,000	10	1,680,000	28.61	4,806,480	1,680,000
17	Pandyan Hotels Ltd.	4,985	100	—	662.89	3,304,507	—
18	Sree Maruthi Marine Industries Ltd., (Maruthi Crystal Salt Co., Ltd)	20,000	10	—	3.61	72,200	—
19	Wavin India Ltd.	59,275	10	—	0.74	43,864	—
20	Sivanandha Pipe Fittings Ltd.	33,600	10	560,000	15.41	517,776	517,776
III-Others							
21	Indian Steel Rolling Mills Ltd.	46,620	10	310,800	—	1	1
22	MICO Farm Chemical Ltd.	7,480	100	748,000	—	1	1
23	Seshasayee Industries Ltd.	241,750	10	2,417,500	—	1	1
24	Boktyu Tanneries Ltd.	41,900	10	—	—	—	—
25	Secals Ltd.	125,000	10	5,475,000	—	1	1
26	Sivanandha Steels Ltd.	357,600	10	7,152,000	—	1	1
TOTAL				484,118,140	—	1,415,640,106	451,235,276



SCHEDULES TO BALANCE SHEET

II. FULLY PAID REDEEMABLE CUMULATIVE PREFERENCE SHARES (NON-QUOTED)

Sl. No. (1)	Name of the Company (2)	No. of Shares (3)	Face Value Rs. (4)	Book Cost Rs. (5)	Net Value after Depreciation Rs. (6)
1	Ergodyne Private Ltd.	900	100	90,000	1
2	Industrial Venture Capital Ltd	1,000,000	10	10,000,000	1
3	Mod Shoe Co. P Ltd.	1,453	100	145,300	1
4	Southern Structurals Ltd.	44,392	10	177,568	1
5	Sleek Textiles Industries Ltd.	500,000	10	5,000,000	1
6	Sakthi Pipes Ltd.	9,703	100	—	—
7	Zenith Lamps & Electricals Ltd.	48,575	10	—	—
TOTAL (A)				15,412,868	5

III FULLY PAID EQUITY SHARES (NON-QUOTED)

Sl. No. (1)	Name of the Company (2)	No. of Shares (3)	Face Value Rs. (4)	Book Cost Rs. (5)	Net Value after Depreciation Rs. (6)
1	Chettinad Cement Corporation Ltd	1,233,910	10	26,158,892	26,158,892
2	ITCOT Consultancy and Services Ltd.	2,000	100	200,000	200,000
3	Lakshmi Precision Tools Ltd.	34,900	10	523,500	523,500
4	Malladi Drugs & Pharmaceuticals Ltd.	770,000	5	500,000	500,000
5	Guindy Industrial Estate Infrastructure Upgradation Company	2,500	10	25,000	1
6	India Forge & Drop Stampings Ltd.	71,179	10	907,535	907,535
7	Industrial Venture Capital Ltd.	1,000,000	10	10,000,000	1
8	Marshall & Sons (India) Ltd.	79,372	10	198,430	1
9	Devl Spinning Mills Ltd.	1,000	1,000	1,000,000	1
10	Kumaragiri Electronics Ltd.	35,000	10	350,000	1
11	Rockfort Fastners Ltd.	25,000	10	250,000	1
12	Forge Mech Private Ltd.	3,900	10	39,000	1
13	Madras Forgings & Allied Industries(CBE)	4,849	100	484,900	1
14	Southern Castings Ltd.	46,310	10	—	—
15	Sakthi Pipes Ltd.	14,850	100	—	—
16	Trac Industries & Components Ltd.	9,960	100	—	—
17	Ramasayee Agro Industries Ltd.	2,500	100	—	—
18	Upper India Bearings & Bushings Ltd.	20,000	10	—	—
19	Tuber Pharma Chemicals Ltd.	20,000	10	—	—
20	Tamilnadu Alloy Foundry Co Ltd.	90,000	10	—	—
21	Omega Cables Ltd.	10,330	10	—	—
22	Micro Tools Ltd.	11,135	100	—	—
TOTAL (B)				40,637,257	28,289,935
			Non-quoted shares (A) + (B)		28,289,940

SCHEDULES TO BALANCE SHEET
SUMMARY FOR QUOTED / NON-QUOTED SHARES AS ON 31ST MARCH 2014

	Current year (Rs.)	Previous year (Rs.)
COST OF FULLY PAID SHARES		
QUOTED		
EQUITY	484,118,140	145,069,472
NON QUOTED		
EQUITY	40,637,257	21,478,365
REDEEMABLE PREFERENCE	15,412,868	15,412,868
TOTAL	540,168,265	181,960,705
MARKET / BOOK VALUE	479,525,216	117,455,542
DEPRECIATION REQUIRED	60,643,049	64,505,163
DEPRECIATION HELD	60,643,049	64,505,163
NET VALUE OF INVESTMENTS AS PER BALANCE SHEET	479,525,216	117,455,542

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

Place : Chennai-35
Date : 31-07-2014

S. SEETHARAMAN
Partner



SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
Schedule-I: Loans and Advances		
Loans and Advances (After adjusting cumulative provision of Rs.53,01,61,189 (Rs.53,01,61,189))	15,100,595,558	14,168,546,062
Different types of loans		
1. General Loan	10,078,157,599	9,973,266,414
2. Working Capital Term Loan	2,744,995,956	2,485,305,109
3. Generator	104,996,253	124,341,354
4. Transport loans	171,178,641	162,838,148
5. Bill Finance	1,815,586,167	1,212,118,929
6. Bridge loans	420,459,309	316,409,179
7. GES	217,367,168	309,228,923
Add : Interest accrued	78,015,654	115,199,195
Less : NPA Provision	(530,161,189)	(530,161,189)
Total	15,100,595,558	14,168,546,062

SCHEDULES SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED IN THE BALANCE SHEET AS AT 31.03.2014**1. Asset classification:**

Asset	Term Loans and Hire Purchase Loans			
	Gross (Rs.)	NPA Provisioning (Rs.)	Restructure Provisioning (Rs.)	Net
Standard	14,124,110,824 (13,386,522,356)	—	501,730 (26,012,991)	14,123,609,094 (13,360,509,365)
Sub-Standard	705,850,757 (667,906,204)	106,860,711 (100,555,526)	2,357,210 (468,170)	596,632,836 (566,882,508)
Doubtful	793,444,407 (632,293,070)	415,982,040 (392,272,903)	49,702 —	377,412,665 (240,020,167)
Loss Assets	7,350,759 (11,985,621)	4,409,796 (10,851,599)	— —	2,940,963 (1,134,022)
TOTAL	15,630,756,747 (14,698,707,251)	527,252,547 (503,680,028)	2,908,642 (26,481,161)	15,100,595,558 (14,168,546,062)

(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. 709 lakhs

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

Place : Chennai-35
Date : 31-07-2014

S. SEETHARAMAN
Partner



Schedule-J: SCHEDULE OF FIXED ASSETS AS ON 31.03.2014

Sl. No.	Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 1.4.2013 (Rs.) (1)	Additions (Rs.) (2)	Deletions (Rs.) (3)	Cost as on 31.3.2014 (Rs.) (4)	As on 01.04.2013 (Rs.) (5)	Additions (Rs.) (6)	Deletions (Rs.) (7)	As on 31.3.2014 (Rs.) (8)	WDV as on 31.3.2014 (Rs.) (9)	WDV as on 31.3.2013 (Rs.) (10)
1	Land - Freehold *	1,617,181,448	—	—	1,617,181,448	—	—	—	—	1,617,181,448	1,617,181,448
2	Building	122,556,455	—	—	122,556,455	33,550,592	2,023,766	—	35,574,358	86,982,097	89,005,863
3	Plant & Machinery - Leased Assets - Office Equipments, Electrical fittings etc - Computer, UPS	45,895,773	—	—	45,895,773	45,895,773	—	—	45,895,773	—	—
		46,057,885	554,782	43,926	46,568,741	37,534,371	1,289,378	37,331	38,786,418	7,782,323	8,523,514
		45,464,558	3,612,204	—	49,076,762	41,069,208	2,000,979	—	43,070,182	6,006,580	4,395,355
	SUB TOTAL	137,418,216	4,166,986	43,926	141,541,276	124,499,347	3,290,357	37,331	127,752,373	13,788,903	12,918,869
4	Furniture & Fittings	16,695,245	560,928	—	17,256,173	15,458,415	383,620	—	15,842,035	1,414,138	1,236,830
5	Vehicles	24,442,945	2,630,712	865,100	26,208,557	16,996,601	2,359,551	854,534	18,501,618	7,706,939	7,446,344
	TOTAL	1,918,294,309	7,358,626	909,026	1,924,743,909	190,504,955	8,057,294	891,865	197,670,384	1,727,073,525	1,727,789,354
	Previous year	1,916,393,802	4,336,378	2,435,871	1,918,294,309	183,761,014	7,781,747	1,037,806	190,504,955	1,727,789,354	1,732,632,788

* Includes amount added on revaluation Rs. 1,535,003,100 PY Rs. 1,535,003,100

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

S. SEETHARAMAN
Partner

Place : Chennai-35
Date : 31-07-2014

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2014 (Rs.)	As on 31.03.2013 (Rs.)
Schedule-K: Other Assets		
Deferred Tax Asset	148,752,159	50,453,968
Staff housing loan	36,058,435	43,545,350
Other Advances & Deposit/other dues recoverable from borrowers after adjusting cumulative provision of Rs.49,65,721 (L.Y Rs.49,65,721)	40,023,004	43,492,037
Prepaid Expenses	793,908	407,037
Advance Income Tax	323,083,639	124,429,366
Advance Interest Tax	494,144	494,144
Advance Wealth Tax	3,162,140	2,359,828
Advance Fringe Benefit Tax	815,697	815,697
Dividend Deficit Account	14,146,440	14,146,440
Total	567,329,566	280,143,867



SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Schedule-L : Income from operations		
Interest on loans and advances	1,936,818,142	1,923,262,304
Interest on Investments and Deposits	3,706,144	6,199,428
Total	1,940,524,286	1,929,461,732
Schedule-M : Other Income		
Dividend on shares	47,899,617	38,860,432
Profit on sale of assets	299,520	425,985
Other Income		
Investigation fees	49,640,692	34,765,635
Upfront fee	23,249,748	22,617,568
Risk Coverage Receipts	21,507,836	20,225,459
Miscellaneous receipts	16,671,422	19,085,214
Bad debts recovered	55,772,243	88,906,372
Interest on advances to staff	2,943,957	3,772,468
Total	217,985,035	228,659,133
Schedule-N: Interest expended		
Interest on borrowings from SIDBI	475,696,414	509,310,199
Interest on borrowings from banks	289,441,940	288,256,581
Interest on deposits	270,740,805	238,161,520
Interest on bonds	23,673,113	13,767,130
Interest on others	87,007,509	16,508,715
Total	1,146,559,781	1,066,004,145
Schedule-O : Other Financial expenses		
Bank charges	125,002	119,538
Guarantee fee paid to Govt. of T.N	842,056	1,726,020
Others	441,062	440,062
Bond Issue expenses	22,984,138	—
Total	24,392,258	2,285,620

SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31.03.2014 (Rs.)	For the year ended 31.03.2013 (Rs.)
Schedule-P: Personnel expenses		
Salaries and allowances - CMD	590,579	1,139,177
Salaries - others	371,542,005	357,430,348
Contribution to Provident Fund	33,795,935	30,430,943
Staff Amenities and Welfare Exp	2,497,441	3,192,701
Staff Training and Seminar Expn	518,408	445,619
Total	408,944,368	392,638,788
Schedule-Q: Administrative expenses		
Travelling & Conveyance		
- CMD	—	15,221
- Others	6,196,026	5,969,384
Directors sitting fees & expenses	86,690	66,214
Rent,Rates,Insurance and Lighting	19,839,519	17,990,282
Postage,Telegrams & Telephones	3,715,719	3,507,674
Printing & Stationery	1,541,746	1,652,449
Publicity & Advertisement & Business promotion expenses	10,429,111	4,484,129
Repairs & Renewals	5,216,268	4,668,225
Inspection & Recovery cost	2,516,810	2,223,309
Audit Fees	306,064	291,730
Legal & other professional expn.	1,827,866	2,122,084
Books and Periodicals	283,510	289,210
Expenses on Office Vehicles	7,361,342	6,523,757
Computer Maintenance Expenses	2,582,629	2,473,258
Donation	134,000	91,000
Sundries	4,329,990	4,543,635
Total	66,367,290	56,911,561
Schedule R: Waiver and Write off		
Loans Written off	176,319,401	163,539,984
Other dues written off	8,083,245	8,857,038
Loans waived	—	23,300
Other dues waived	9,750	14,208
Total	184,412,396	172,434,530



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR
ENDED 31ST MARCH, 2014.**

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 and guidelines issued by the Small Industries Development Bank of India (SIDBI).

2. Revenue Recognition

- a) Income and Expenditure are generally accounted on accrual basis unless otherwise stated.
- 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.

3. Fixed Assets, Depreciation and Revaluation

- a) Fixed Assets 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) is provided under the Straight Line Method, and in respect of all other assets on Written Down Value method, and is as per the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is calculated based on the number of days the assets have been put to use. Individual assets costing less than Rs. 5,000/- are depreciated in full.
- d) The book value of land whose value has undergone significant change is reviewed once in ten 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.

4. 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.

5. Advances

Loans and Advances including Hire Purchase Financing are classified as Standard, Sub Standard, Doubtful and Loss as per the prudential norms prescribed by SIDBI and necessary

provision required thereon is provided. Provision on Non-Performing Assets has been netted off against loans and advances/ other dues.

6. 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 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.

7. 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.

8. Leases

The Properties taken on Lease/ rental basis are under a term of Lease/ Agreement for a period of less than 11 months and are renewable/ cancelable by mutual consent of both parties of the agreement/ Lease.

9. 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 recognized 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 recognized 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, Provision for employee benefits, are recognized to the extent of virtual certainty of its realization against profits.

10. 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 rates applicable to Data processors along with the computer.

11. 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.

12. Contingent Liabilities/ Provisions

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.

13. 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.

14. 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. Principal
2. Other dues
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****(Expressed as weighted averages)**

	31.03.2014	31.03.2013
Discount Rate	8.90%	8.00%
Salary Escalation Rate	7.50%	4.50%
Attrition rate	4.00%	2.00%
Expected rate of return on Plan Assets	9.00%	9.00%

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

	(Rs. in lakhs)	
PVO as at the beginning of the period	2952.23	2771.55
Interest Cost	230.34	212.28
Current Service Cost	91.14	167.01
Past Service cost - (non vested benefits)	0	0
Past Service cost - (vested benefits)	0	0
Benefits paid	(145.86)	(235.98)
Actuarial (gain)/ loss on obligation	(3.16)	37.37
PVO as at the end of the period	3124.69	2952.23

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

Fair value of plan assets as at the beginning of the period	2952.23	2771.54
Expected return on plan assets	261.97	246.61
Contributions	62.82	173.13
Benefits paid	(145.86)	(235.98)
Actuarial gain/ (loss) on plan assets	(6.47)	(3.07)
Fair value of plan assets as at the end of the period	3124.69	2952.23

IV. ACTUAL RETURN ON PLAN ASSETS

Expected return on plan assets	261.96	246.61
Actuarial gain/ (loss) on plan assets	(6.46)	(3.07)
Actual return on plan assets	255.50	243.54



	31.03.2014	31.03.2013
	(Rs. in lakhs)	
V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain/ (loss) for the period - obligation	3.16	(37.37)
Actuarial gain/ (loss) for the period - Plan Assets	(6.46)	(3.07)
Total (gain)/ loss for the period	3.30	40.45
Actuarial (gain)/ loss recognized for the period	3.30	40.45
Unrecognized actuarial (gain)/ loss at the end of the period	0	0
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS		
Present value of the obligation	3124.69	2952.23
Fair value of Plan Assets	3124.69	2952.23
Difference	0	0
Unrecognized transitional liability	0	0
Unrecognized past service cost - non vested benefits	0	0
Liability recognized in the Balance Sheet	0	0
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	91.14	167.01
Interest cost	230.34	212.28
Expected return on plan assets	(261.96)	(246.61)
Net actual (gain)/ loss recognized in the year	3.30	40.44
Transitional liability recognized in the year	0	0
Past Service cost - (non vested benefits)	0	0
Past Service cost - (vested benefits)	0	0
Expenses recognized in the Statement of Profit and Loss	62.82	173.13
VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	0	0
Expense as above	62.82	173.13
Contribution paid	(62.82)	(173.13)
Closing net liability	0	0
IX. AMOUNT FOR THE CURRENT PERIOD		
Present value of obligation	3124.69	2952.23
Plan Assets	3124.69	2952.23
Surplus/ (Deficit)	0	0
Experience adjustments on plan liabilities - (loss)/ gain	20.04	62.37
Experience adjustments on plan assets - (loss)/ gain	(6.47)	(3.07)

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

	31.03.2014	31.03.2013
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%
Money Market Instrument	5.00%	5.00%
Total	100.00%	100.00%

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

	(Rs. in lakhs)	
Particulars	31.03.2014	31.03.2013
Best Estimate of Contribution	91.14	167.01

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

	31.03.2014	31.03.2013
Discount Rate	8.90%	8.00%
Salary Escalation Rate	7.50%	4.50%
Attrition Rate	4.00%	2.00%
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**

	31.03.2014	31.03.2013
PVO as at the beginning of the period	2029.57	1666.93
Interest Cost	158.47	127.89
Current Service Cost	68.02	108.45
Past Service cost - (non vested benefits)	—	—
Past Service cost - (vested benefits)	—	—
Benefits paid	(97.25)	(136.38)
Actuarial gain/ (loss) on obligation	226.28	262.68
PVO as at the end of the period	2385.09	2029.57



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

	(Rs. in lakhs)	
	31.03.2014	31.03.2013
Fair value of plan assets as at the beginning of the period	0	0
Expected return on plan assets	0	0
Contributions	97.26	136.38
Benefits paid	(97.26)	(136.38)
Actuarial gain/ (loss) on plan assets	0	0
Fair value of plan assets as at the end of the period	0	0
IV. ACTUAL RETURN ON PLAN ASSETS		
Expected return on plan assets	—	—
Actuarial gain (loss) on plan assets	—	—
Actual return on plan assets	—	—
V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain/ (loss) for the period - obligation	(226.28)	(262.68)
Actuarial gain/ (loss) for the period - Plan Assets	0	0
Total (gain)/ loss for the period	226.28	262.68
Actuarial (gain)/ loss recognized for the period	226.28	262.68
Unrecognized actuarial (gain)/ loss at the end of the period	0	0
VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS		
Present value of the obligation	2385.09	2029.57
Fair value of Plan Assets	0	0
Difference	2385.09	2029.57
Unrecognized transitional liability	—	—
Unrecognized past service cost - non vested benefits	—	—
Liability recognized in the Balance Sheet	2385.09	2029.57
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	68.02	108.45
Interest cost	158.48	127.90
Expected return on plan assets	0	0
Net actual (gain)/ loss recognized in the year	226.28	262.68
Transitional liability recognized in the year	—	—
Past Service cost - (non vested benefits)	—	—
Past Service cost - (vested benefits)	—	—
Expenses recognized in the Statement of Profit and Loss	452.78	499.03

31.03.2014 31.03.2013
(Rs. in lakhs)**VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET**

Opening net liability	2029.57	1666.93
Expense as above	452.78	499.03
Contribution paid	(97.26)	(136.39)
Closing net liability	2385.09	2029.57

IX. AMOUNT FOR THE CURRENT PERIOD

Present value of obligation	2385.09	2029.57
Plan Assets	0	0
Surplus/ (Deficit)	(2385.09)	(2029.57)
Experience adjustments on plan liabilities - (loss)/gain	36.39	(90.34)
Experience adjustments on plan assets - (loss)/gain	0	0

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

Government of India Securities/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%
Total	0.00%	0.00%

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

Best Estimate of Contribution	0	0
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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**

Name	Designation	Period
Thiru S.K.Prabakar	CMD	From 1-4-2013 to 18-6-2013
Thiru T.G.Venkateshbabu	Chairman	From 19-6-2013 to 27-2-2014
Thiru Aadirajaram	Chairman	From 3-3-2014 onwards
Thiru S.K.Prabakar	MD	From 19-6-2013 onwards

Remuneration paid to Key Managerial Personnel Rs. 5.90 lakhs (Previous Year Rs. 8.80 lakhs).



4. Earnings per Share:

The calculation on basic and diluted earning per share is given below:

	(Rs. in lakhs)	
	31.03.2014	31.03.2013
Earnings for the year (Basic and Diluted)	3106.66	3503.50
Weighted average number of shares taken for computation	28,34,956	28,34,956
Number of shares outstanding at the year end	28,34,956	28,34,956
Earnings Per Share (Rs.)	109.58	123.58

5. Deferred Tax Assets/ Liabilities:

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

	(Rs. in lakhs)	
DTA/DTL COMPONENTS	31.03.2014	31.03.2013
Deferred Tax Assets		
1. Loan Loss Provisions	901.39	37.31
2. Provision for employee benefits	810.69	689.85
Total - DTA (A)	1712.08	727.16
Deferred Tax Liabilities		
On account of Depreciation (B)	224.56	222.62
Net Deferred Tax [(A) - (B)]	1487.52	504.54
Deferred Tax Asset Previous Year	504.54	326.54
Provision for Deferred Tax	982.98	178.00

6. Revaluation of Lands:

Revaluation of lands owned by the Corporation was done through appraisals conducted by independent qualified valuers on 31-03-2007 and the resultant appreciation held under revaluation reserve as on 31.03.2014 is Rs.15,350.03 lakhs.

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) To meet the additional provision requirement towards Standard Assets, the Corporation has provided Rs.4.60 lakhs (P.Y. Rs.49.63 lakhs) during the year on the Standard Assets as per SIDBI provisioning norms.

3) MOVEMENT OF PROVISIONS:

(Rs. in lakhs)

PARTICULARS	NPA	INVESTMENTS	OTHER ASSETS	TOTAL
Opening Provisions for advances/ investments/ other assets	5302	645	49	5996
Add: Addition during the year	0	0	0	0
Less: Write Offs/ Write Backs/ Recovery during the year	0	(39)	0	(39)
Closing Balance	5302	606	49	5957

4) 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)

Current Year Previous Year

A.	Interest Income as a percentage of average working funds	11.27%	11.77%
B.	Non-Interest income as a percentage of average working funds	1.25%	1.37%
C.	Operating Profit as a percentage of average working funds	2.97%	3.90%
D.	Operating Profit per employee (Rs. in lakhs)	10.25	12.41
E.	Net Risk Weighted Assets (Rs. in lakhs)	1,76,707	1,62,236
F.	Core Capital Adequacy Ratio	13.41%	13.39%
G.	Tier II Capital Adequacy	4.92%	5.35%
H.	Capital Adequacy Ratio (CAR)	18.33%	18.74%
I.	Percentage of Net NPAs to Net Loans and Advances	6.47%	5.70%
J.	Percentage of Net NPA (Sub Standard) to Net Loans and Advances	3.95%	4.00%
K.	Percentage of Net NPA (Doubtful) to Net Loans and Advances	2.52%	1.70%

L) Movement in NPAs

(Rs. in lakhs)

FINANCIAL YEAR		2013-14			2012-13		
LOAN CATEGORY	GROSS	PROV	NET	GROSS	PROV	NET	
SUB STANDARD	7059	1092	5967	6679	1010	5669	
DOUBTFUL	7934	4160	3774	6323	3923	2400	
LOSS	73	44	29	120	109	11	
TOTAL	15066	5296	9770	13122	5042	8080	

5. Credit exposures as percentage to total assets, in respect of:

- The largest single borrower is Rs.1853 lakhs, 0.99% to total assets.
- The largest single borrower group is Rs.1853 lakhs, 0.99% to total assets.
- The 10 largest borrowers is Rs.12,225 lakhs, 6.56% to total assets.
- The 10 largest borrower group is Rs.12,225 lakhs, 6.56% to total assets.



6. LIQUIDITY:

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	49491	47918	36975	26299	5036	17343	183062
LIABILITIES	50616	42074	20453	5195	18507	49600	186445
GAP	-1125	5844	16522	21104	-13471	-32257	-3383

D. OTHER MATTERS

The Government of Tamilnadu has extended financial assistance of Rs.37.50 crores during July 2013 as interest bearing ways and means advance (to be converted into Share Capital) to TILC for investment in the shares of Neyveli Lignite Corporation Limited. As per the orders of the State Government TILC has purchased 59,70,126 shares of Rs.10 each (at a price of Rs.60 per share) offloaded by the Government of India. Pending conversion, the amount has been shown under Other liabilities and interest provided.

The State Government vide G.O (Ms) No.74 dated 18.06.2014 Issued orders for conversion of the above ways and means advance of Rs.37.50 crores into Share Capital. The same will be converted to Share Capital during FY 2014-15.

- Under the direction of Government of Tamil Nadu (GO No.51) dated 18 08 2004 and GO No.19 dated 07 02 2005 of Industries (MIC 1) Department and followed up with GO No 35 and 36 dated 12 04 2006, the Corporation was appointed as the "NODAL" agency on behalf of the Government of Tamil Nadu for providing assistance to selective sugar mills to clear the sugar cane arrears. These monies are to be paid back to the Government immediately on receipt of the same from the sugar mills. Out of the sum of Rs.31.00 crore disbursed to a sugar Mill under the aforesaid Scheme, the entire amount has been repaid. However, the Corporation has remitted a sum of Rs. 1860.00 lakhs as of 31st March 2014 and the balance amount of Rs.1240.00 lakhs is shown under "Other Liabilities". The Corporation is paying interest @ 3.75% p.a., on this outstanding amount retained by them. Pending final reply from the Government on the Corporation's request to permit them to adhere to the original schedule for paying the balance amount to the Government, the Corporation has retained the amount paid in advance by the Sugar Mill.
- Loans and advances include Rs.102.45 crores of financial assistance extended to certain sugar mills under co-operative/ public sector under the directions of the State Government vide GO (MS) No.45 INDS (MIF 2) dated 07 03 2008.
- 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.

- d) Dividend deficit of Rs.141.46 lakhs represents minimum guaranteed dividend paid to IDBI & others out of funds received from the Government of Tamil Nadu by way of subvention. The deficit would be absorbed and the liability paid back on the Corporation generating adequate profits after recovery of losses carried forward.
- e) Income Tax department has raised certain demands in connection with accrued interest on sticky loans and deduction u/s 36, etc. The Corporation has earlier won the cases in the Tribunal. However the Department went on appeal to the High Court and the High Court has now given the verdict in favour of the Corporation. The concerned Assessment Officer has to give effect to the High Court Judgement. No tax demand as per income tax assessment orders is pending payment as at 31.03.2014.
- f) The minimum guaranteed dividend payable to the Government of Tamil Nadu at the rate of 3.5%/ 7.5% amounting to Rs.317.49 lakhs for the financial years from 1997-98 to 1999-2000 has not been provided for due to carry forward losses.

E. Contingent Liabilities:

(Rs. in lakhs)

Particulars	Current Year	Previous Year
(i) Claims of borrowers not acknowledged as debts	375	218
(ii) Others	454	372

- 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.

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

S. SEETHARAMAN
Partner

Place : Chennai-35
Date : 31-07-2014



A) CASH FLOW FROM OPERATING ACTIVITIES:

	2013-2014 Rs.	2012-2013 Rs.
Net Profit/(Loss) before Tax	323,177,694	451,830,381
Adjustments for:		
Depreciation & lease charge for the year	8,057,294	7,781,747
Loan loss provisioning and writeoffs	460,354	4,962,981
Loss/(Profit) on Sale of Fixed Assets	(299,520)	(425,985)
	331,395,822	464,149,124
Adjustment for:		
(Increase) Decrease in Investments	(362,069,674)	3,271,112
(Increase) decrease in advances	(932,049,496)	(684,773,896)
(Increase)decrease in other assets	(188,887,508)	(35,551,333)
Increase (decrease) in other Liabilities	570,568,013	(760,969,161)
	(i) 581,042,843	(1,013,874,154)
Direct Taxes due / paid	(ii) (110,000,000)	(118,500,000)
	(i + ii) 691,042,843	(1,132,374,154)

B) CASHFLOW FROM INVESTMENT ACTIVITIES:

Purchase of Fixed Assets	(7,358,626)	(4,336,378)
Proceeds from sale of assets	316,681	1,327,150
	(7,041,945)	(3,009,228)

C) CASHFLOW FROM FINANCING ACTIVITIES:

Increase (decrease) in borrowings	454,545,084	(524,024,343)
Increase(decrease) in deposits	567,998,869	763,367,358
	1,022,543,953	239,343,015

(A+B+C)	324,459,165	(896,040,367)
Cash and Cash equivalents at the beginning of the year	107,116,215	1,003,156,582
Cash and Cash equivalents at the end of the year	431,575,380	107,116,215

D) DETAILS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

Cash In hand	11,852,898	9,197,675
Reserve Bank of India	197,862	161,447
Current A/c with Scheduled Banks	419,219,120	97,451,593
Term Deposits with Banks	305,500	305,500
TOTAL	431,575,380	107,116,215

R. JAYAPRAKASAM
Company Secretary

S.K. PRABAKAR
Principal Secretary/Managing Director

AADIRAJARAM
Chairman

As per our report of even date annexed
For **M/s. C.S. HARIHARAN & CO.**
Chartered Accountants

S. SEETHARAMAN
Partner

Place : Chennai-35
Date : 31-07-2014

ALKA REHANI BHARDWAJ, IA & AS

ACCOUNTANT GENERAL (E & RSA)
TAMIL NADU**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED 31ST MARCH 2014.**

The preparation of financial statements of Tamilnadu Industrial Investment Corporation Limited, Chennai for the year ended 31st March 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 31.07.2014.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Tamilnadu Industrial Investment Corporation Limited, Chennai for the year ended 31st March 2014. 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 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 619(4) of the Companies Act, 1956.

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

ALKA REHANI BHARDWAJ
Accountant General

Place : CHENNAI
Date : 2.09.2014



PATTERN OF SHAREHOLDING AS ON 31.03.2014

(Rs. in Thousands)

S.No.	Pattern of Shareholding	Share Capital as on 31st March 2014	% as on 31.03.2014
1.	Government of Tamilnadu	26,60,228	93.84
2.	Small Industries Development	1,70,000	6.00
3.	Government of Puducherry	1,500	0.05
4.	General Insurance Corporation of India and Subsidiaries	785	0.03
5.	LIC of India	375	0.01
6.	Other Banks including Co-op. Banks	2,068	0.07
	TOTAL	28,34,956	100.00

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

HEAD OFFICE

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2533018 | 0452-
2521619 | rmmadurai@tiic.in |
| 4) SALEM
Sri Lakshmi Complex, 1st Floor
4/22, Omalur Main Road
Swarnapuri, Salem - 636 004. | 0427-
2448315 | 0427-
4042076 | rmsalem@tiic.in |
| 5) TIRUNELVELI
5C / 5B, Shakuntala Shopping Complex
II Floor, Trivandrum Road,
Vannarpettai,
Tirunelveli - 627 003 | 0462-
2502721 | 0462-
2502182 | rmtirunelveli@tiic.in |
| 6) TRICHY
K.R.T. Building, ??Floor,
No. 33, Promenade Road,
Contontment,
Trichy - 620 001. | 0431-
2414177 | 0431-
2416625 | rmtrichy@tiic.in |

BRANCH OFFICES

- | | | |
|--|------------------|--|
| 1) CHENNAI
New No. 692, Anna Salai, Ground Floor,
Right Wing, Nandanam,
Chennai - 600 035. | 044-
24315979 | bmchennai@tiic.in |
| 2) TIRUVALLUR
86, C&D, II Main Road,
Ambattur Industrial Estate,
Chennai - 600 058. | 044-
26257664 | bmtiruvallur@tiic.in |
| 3) TAMBARAM
Plot No. 28, I Floor, Ayyasamy Street
Tambaram West,
Chennai - 600 045. | 044-
22260910 | bmtambaram@tiic.in |



	TELEPHONE	FAX	E-MAIL
4) VELLORE Vasan ENT Clinic, I Floor, 73/A, Katpadi Main Road, Gandhi Nagar, Vellore - 632 006	0416- 2249861		bmvellore@tiic.in
5) CUDDALORE Arcot Woodlands (Annex), 3rd Floor 1, Bharathi Road, Cuddalore - 607 001	04142- 230831		bmcuddalore@tiic.in
6) COIMBATORE No. 94, Dr. Nanjappa Road, I Floor, United Shopping Complex, Coimbatore - 641 018.	0422- 2380520		bmcoimbatore@tiic.in
7) TIRUPUR Kumaran Shopping Complex, II Floor, Kumaran Road, Near Railway Station Tirupur - 641 601.	0421- 2207489		bmtirupur@tiic.in
8) ERODE C.S. Sengottiah Complex, II Floor, No. 23, Chidambaram Colony, 80 feet Road, Periyar Nagar, Erode - 638 001.	0424- 2262080		bmerode@tiic.in
9) KURICHI Plot No. 91, First Floor, Kurichi SIDCO Industrial Estate (West) Pollachi Main Road, Kurichi Village Coimbatore - 641 021	0422- 2670084		bmkurichi@tiic.in
10) MADURAI No. 1A, 2nd East Main Street, I Floor, Anna Nagar, Madurai - 625 020.	0452- 2533331		bmmadurai@tiic.in
11) DINDIGUL Plot No.9, Spencer Compound, II Floor, Tiruvalluvar Salai, Near Bus Stand, Dindigul - 624 003.	0451- 2433785		bmdindigul@tiic.in
12) KARAIKUDI Shri P.P.K.A. Complex, II Floor No. 45, Shanmuga Raja Road (Opposite to Dr. Ambedkar Statue) Sekkataikottai, Karaiikudi - 630 002.	04565- 238746		bmkaraiikudi@tiic.in
13) SALEM Sri Lakshmi Complex, ? Floor 4/22, Omalur Main Road, Swarnapuri, Salem - 636 004.	0427- 2440444	0427- 4042054	bmsalem@tiic.in

	TELEPHONE	FAX	E-MAIL
14) NAMAKKAL No. 20/127A-5A, First Floor 80 Feet Road, Salem Road Namakkal - 637 001	04286- 277667 277668		bmnamakkal@tlic.in
15) DHARMAPURI DDDC Building (Upstairs), Pennagaram Road, Dharmapuri - 636 702.	04342- 260866		bmdharmapurai@tlic.in
16) HOSUR No. 7, 1st Cross, 1st Floor, Kamaraj Colony, Hosur - 635 109.	04344- 222876		bmhosur@tlic.in
17) TIRUNELVELI 5C/5B, Shakuntala Shopping Complex, II Floor, Trivandrum Road, Vannarpettai, Tirunelveli - 627 003.	0462- 2502038		bmtirunelveli@tlic.in
18) TUTICORIN No. 4/35, N.P.S. Complex, II Floor, Polpettai, Near Bus Stand, Tuticorin - 628 002.	0461- 2346082		bmtuticorin@tlic.in
19) NAGERCOIL 143, Cape Road, Nagercoil - 629 001.	04652- 232859		bmnercoil@tlic.in
20) SIVAKASI No. 98/C4, Second Floor, Chairman Shanmuga Nadar Road, Sivakasi - 626 123	04562- 229322		bmsivakasi@tlic.in
21) TRICHY KRT Building, II Floor, No. 33, Promenade Road, Cantonment, Trichy - 620 001.	0431- 2460498		bmtrichy@tlic.in
22) PUDUKKOTTAI 'Meena Complex', II Floor, T.S. No.2430/31, West Main Street, Pudukkottai - 622 001.	04322- 222354		bmpudukkottai@tlic.in
23) THANJAVUR 2854, N.G.K. Apartments, Opp. to Arul Theatre, Nanjikottai Road, Thanjavur - 613 007.	04362- 230465		bmthanjavur@tlic.in



	TELEPHONE	FAX	E-MAIL
24) KARUR 526, North Pradakshanam Road, LIC Unit < Building, Karur - 639 001.	04324- 235581		bmkarur@tlic.in
25) VILLUPURAM 23A, Ranganathan Street, < Floor Woodlands Complex, Chennai-Trichy Trunk Road, Villupuram - 605 602	04146- 229131		bmvillupuram@tlic.in
FIELD OFFICES			
1) TIRUVANNAMALAI 4-A, Lakshmiapuram I Floor, Bye-Pass Road, Gandhi Nagar, Tiruvannamalai - 606 602.	04175- 253032		bmtiruvannamalai@tlic.in
2) RAMANATHAPURAM No.1130-C. < Floor, Opp. To Sothurani, Ramnad-Rameswaram Road, Bharathi Nagar, Ramanathapuram - 623 504.	04567- 232474		bmrarnad@tlic.in
3) THENI No. 3-A. < Floor, Jegannathan Street, Old T.V.S. Road, Bungalamedu, Theni - 625 531.	04546- 251982		bmtheni@tlic.in
4) VIRUDHUNAGAR No. 100, Railway Feeder Road, Virudhunagar - 626 001.	04562- 243911		bmvirudunagar@tlic.in
5) PERAMBALUR S.F. No. 143/2D, First Floor, Judu Complex, Trichy Main Road, Thurai mangalam Perambalur - 621 220	04328- 224659		bmperambalur@tlic.in

PRINCIPAL OFFICERS AT HEAD OFFICE

Sl. No.	Name of the official (Thiru/Tmt.)	Designation
1.	S. Sakthivel	General Manager
2.	A. Mohan	General Manager
3.	S. Govind Swamynathan	Deputy General Manager
4.	K. Chockkalingam	Deputy General Manager
5.	T. Kirubakaran	Deputy General Manager
6.	G. Srinivasan	Deputy General Manager
7.	R. Narayanan	Deputy General Manager
8.	K.V. Subramanian	Assistant General Manager
9.	R. Jayaprakasam	Assistant General Manager
10.	R. Viveganandan	Assistant General Manager
11.	S. Varadarajan	Assistant General Manager
12.	T.S. Sukumar	Assistant General Manager
13.	N. Kalathy	Assistant General Manager
14.	S. Sashikala	Assistant General Manager
15.	R. Srinivasan	Senior Manager
16.	S. Ashok	Senior Manager
17.	V.D. Anandan	Senior Manager
18.	R. Ravichandran	Senior Manager
19.	K. Seetharaman	Senior Manager
20.	B. Maragatham	Senior Manager



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

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