



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

The Tamilnadu Industrial Investment Corporation Limited



72nd ANNUAL REPORT 2020-2021

எழுபத்தி இரண்டாம் ஆண்டு அறிக்கை

The Growth Catalyst

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

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



The Growth Catalyst

**SEVENTY SECOND
ANNUAL REPORT AND STATEMENT OF ACCOUNTS
MARCH 31, 2021**

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Board of Directors

as on 25.11.2021

1. **Thiru Hans Raj Verma, IAS.,**
Chairman & Managing Director, TIIC
2. **Thiru V. Arun Roy, IAS.,**
Secretary to Government
MSME Department, Government of Tamilnadu
3. **Tmt. Reeta Harish Thakkar, IAS.,**
Special Secretary to Government
Finance Department, Government of Tamilnadu
4. **Tmt. Jayashree Muralidharan, IAS.,**
Special Secretary to Government
Industries Department, Government of Tamilnadu
5. **Thiru Ravindran A. Lakshmanan, IAS.,**
General Manager
Small Industries Development Bank of India (SIDBI)
6. **Dr. G. Santhanam, IAS (Retd.)**
Independent Director
7. **Thiru S. Rajendiran**
Independent Director
8. **Thiru D. Srinivasan**
Independent Director

Auditors

M/s. Vardhaman & Co.
Chartered Accountants
Chennai

Principal Bankers

Indian Bank
Union Bank of India
Canara Bank
State Bank of India

SYNOPSIS OF BALANCE SHEET

		Rs. in lakhs
As on 31.03.2020	CAPITAL & LIABILITIES	As on 31.03.2021
42,100	Paid up Capital	42,100
28,041	Reserves & Surplus	32,664
1,250	Loan in lieu of capital	1,250
27,814	Deposits	28,061
15,000	Bonds	—
—	Refinance from SIDBI	—
16,253	Line of Credit – Banks	45,055
18,841	Other Liabilities	21,174
149,299	Total	1,70,304
PROPERTY & ASSETS		
13,300	Cash & Bank Balances	8,562
3,614	Investments	4,122
104,737	Loans & Advances	129,823
17,250	Fixed Assets	17,275
10,398	Other Assets	10,522
—	Profit & Loss A/c	—
149,299	Total	1,70,304

YEARS AT A GLANCE

Rs. in lakhs

RESOURCES	As on March 31st	
	2020	2021
Share Capital	42,100	42,100
Reserves & Surplus	28,041	32,664
Loan in lieu of Capital	1,250	1,250
Bonds	15,000	—
Deposits	27,814	28,061
Refinance from SIDBI	—	—
Line of Credit – Banks	16,253	45,055

FINANCIAL HIGHLIGHTS	2019-2020	2020-2021
Gross Income	18,191	20,012
Financial cost	5,660	4,839
Establishment and administrative expenses	5,394	4,770
Other provisions / writeoff	3,109	3,355
Net Profit before tax	4,028	7,048
Net Profit after tax	3,019	5,044

OPERATIONS	2019-2020		2020-2021	
	No.	Amount	No.	Amount
(i) Total assistance sanctioned (All types gross)	994	85,886	2,690	1,30,533
(ii) Amount of assistance disbursed	—	55,708	—	84,978
(iii) Amount of assistance outstanding (All types)	—	1,07,227	—	1,31,024

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED
692, Anna Salai, Nandanam, Chennai - 600 035

NOTICE is hereby given that the 72nd Annual General Meeting of the Company will be held at the Registered Office at No.692, Anna Salai, Nandanam, Chennai 600 035 on Friday, the 17th December, 2021 at 5.00 P.M. to transact the following business both by physical presence and through video conferencing.

I. ORDINARY BUSINESS:

- a) To receive, consider and adopt the Audited Financial Statement of the Corporation for the Financial Year ended 31st March, 2021 and Reports of the Board of Directors and Auditors thereon.
- b) Declaration of dividend.

II. SPECIAL BUSINESS:

- a) Reappointment of Dr. G.Santhanam, IAS (Retd.) as Independent Director in the Board of the Corporation in pursuant to Section 149 of Companies Act, 2013.
- b) Reappointment of Thiru D. Srinivasan as Independent Director in the Board of the Corporation in pursuant to Section 149 of Companies Act, 2013.
- c) Reappointment of Thiru S. Rajendiran, Retired Deputy General Manager, Indian Overseas Bank as Independent Director in the Board of the Corporation in pursuant to Section 149 of Companies Act, 2013.
- d) Appointment of Thiru K. Mariappan, Industrialist as Independent Director in the Board of the Corporation in pursuant to Section 149 of Companies Act, 2013.

III. To transact other business of which due notice is given to the company.

(By order of the Board)

Place : Chennai-35

Dated : 25.11.2021

D. DURAIRAJ

COMPANY SECRETARY

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 immense pleasure in presenting the **72nd** Annual Report of the Corporation along with Audited Balance Sheet as at 31.03.2021 and Profit & Loss Account for the financial year ended 31st March 2021. The highlights of performance for the financial year 2020-21 are given below.

Highlights

- The Corporation has registered net profit for the **eighteenth** consecutive year. For the Financial year ended 31.03.2021, it has made a net profit of Rs.50.44 crores as against Rs.30.18 crores last year.
- The Operating Profit (profit before write-off of loans and Taxes) for the financial year 2020-21 is Rs.109.08 crores as against Rs.71.38 crores during the last year.
- The total loan portfolio for the financial year 2020-21 stood at Rs.1,310.24 crores.
- Standard Assets for the financial year 2020-21 is Rs.1,285.23 crores as against Rs.978.86 crores during last year.
- The Gross NPA as on 31.03.2021 is 1.91% as against 8.71% during the last year. Likewise, the net NPA as on 31.03.2021 is 1.00% as against 6.54% during the last year.
- The Capital Adequacy Ratio is 38.11% as on 31.03.2021 as against 47.87% in previous year i.e. 31.03.2020.
- Gross recoveries is Rs.739.05 crores for 2020-21 as against Rs.751.86 crores during 2019-20.

1.0 Economic Scenario:

- The COVID-19 pandemic which triggered the **Great Lockdown** inflicted high and rising human costs worldwide and the necessary protection measures severely impacted economic activity. One year into the COVID-19 pandemic, high uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. Economic recoveries are diverging across countries

and sectors, reflecting variation in pandemic-induced disruptions the extent of policy support and vaccination coverage. There were higher-than-expected growth rates in the second half of the year for most countries after lockdowns were eased and as economies adapted to new ways of working. As a result, the global economy is projected to grow at 6% in 2021 and moderate to 4.4% in 2022 as per the World Economic Outlook (WEO) of the International Monetary Fund (IMF).

- The World Bank, Asian Development Bank and International Monetary Fund were forecasting India's FY22 growth to be upwards of 10%. The Economic Survey 2020-21 boldly stated that since June 2020, India has experienced a V-shaped economic recovery. The United Nations' world economic situation and prospects had projected the Indian economy to grow by 7.5% in the calendar year 2021 and 10.1% in the calendar year 2022.
- India's second wave of COVID-19 hit at a time when the country's mood was optimistic. India has been particularly affected by a brutal second wave that is overwhelming the public health system in large parts of the country. The fluid situation of the economy after the inception of the second wave, makes the growth outlook for the current financial year look fragile.



Chemical unit at Thoothukudi

1.1. Credit Flow 2020-21

During FY20, Bank credit growth decelerated to an over five-decade low of 6.14 percent in the fiscal ended March 31, 2020, amid a faltering economy, lower demand, and risk aversion among banks. RBI had said credit growth is likely to remain modest, reflecting weak demand and risk aversion due to the disruptions caused by the corona virus pandemic. However, the bank credit off-take was only 5.6 percent in FY21. The slowdown in Scheduled Commercial Banks' credit growth during 2020-21 has been broad-based across all major sectors, except agriculture.

On a year-on-year (y-o-y) basis, non-food bank credit growth decelerated to 4.9% in March 2021 from 6.7% in March 2020. Credit growth to industry decelerated to 0.4% in March 2021 from 0.7% in March 2020. Credit to medium industries registered a robust growth of 28.8 per cent in March 2021 as compared to a contraction of 0.7 per cent a year ago. Credit growth to micro and small industries decelerated to 0.5 per cent in March 2021 from 1.7 per cent a year ago, while credit to large industries contracted by 0.8 per cent as compared to a growth of 0.6 per cent a year ago. Credit growth to the services sector decelerated sharply to 1.4% in March 2021 from 7.4% in March 2020.

1.2. Tamil Nadu Economy

- The Gross State Domestic Product growth has been estimated at 2.02% during



Cookware unit at Triunelveli

2020-21 against an all India negative growth rate of 7.7 per cent in 2020-21. (As per Tamil Nadu Government Budget)

- To place Tamil Nadu back on the expected growth trajectory and to limit longer-term fiscal deterioration, the Government constituted a High-Level Committee of economists and experts chaired by Dr.C.Rangarajan, former Governor of the Reserve Bank of India to advise on the medium-term policy response. The Committee made 413 recommendations and observations relating to immediate relief and revival measures and sector-specific measures covering agriculture and allied activities, manufacturing including MSME and emerging sectors, construction and real estate, banking and finance, tourism, social sectors, inter-state migrant labour and state finances.
- Developments in 2020-21 have reaffirmed Tamil Nadu as the most preferred investment destination in India. Of the 304 Memoranda of Understanding (MoUs) signed in the Global Investors Meet, 2019 (GIM), till date 81 projects have commenced commercial production and 191 projects are at various stages of implementation, accounting for a very high 89 per cent project implementation.
- During the COVID-19 period, Tamil Nadu attracted the largest number of investments at the all-India level. 101 MoUs were signed with an investment commitment of Rs.88,727 crores and an employment potential of 1,69,496 persons.
- The Chennai Kanyakumari Industrial Corridor project is being implemented at a total cost of Rs.6,448 crores with ADB assistance. The Chennai-Bangalore Industrial Corridor Project and the Chennai-Kanyakumari Industrial Corridor Project are expected to further transform the economic landscape of the state in the next few years.

- The Tamil Nadu Rural Transformation Project assisted by the World Bank was very effectively leveraged in 2020-21 to deliver a COVID Assistance Package worth Rs.300 crores.
- The Government of Tamil Nadu released the New Industrial Policy to respond to the changing economic scenario and technology besides offering direction and support for future growth of the State. The 'Industrial Policy 2021' aims to achieve an annual growth rate of 15% in the manufacturing sector while attracting investments worth Rs.10 lakh crores (US\$ 137.8 billion) and creating employment opportunities for 20 lakh people by 2025.
- To maintain Tamil Nadu's leading position in the Micro, Small and Medium Enterprises sector, the Government of Tamil Nadu has released a New MSME Policy on 16th February, 2021. The new Policy will leverage the changed definition to enable MSME units to expand and grow and to make Tamil Nadu the most vibrant ecosystem for MSMEs to thrive and scale up.
- TIDCO is developing a FinTech City at Kavanoor near Chennai over an extent of 260 acres to attract domestic and overseas financial institutions and Fintech companies. A new FinTech Policy is being finalized which will enable Chennai to develop as a global hub for fintech enterprises.
- The Government will infuse Rs.1,000 crores as fresh additional capital to TIIC to strengthen and expand its role as a term lending institution accepting the recommendations of the Dr. C. Rangarajan Committee. A provision of Rs.300 crores has been made in the Interim Budget Estimates 2021-22 for this.
- Tamil Nadu has been witnessing the rapid implementation of business reforms (Ease of doing business initiative), to render the State the most favourable investment destination in the country.

PERFORMANCE OF TIIC:

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

Profit:

The Total income of the Corporation for the Financial Year 2020-21 is Rs.200.12 crores as against Rs. 181.91 crores, achieved during the Financial Year 2019-20. The Corporation has registered a net profit of Rs.50.44 crores in the financial year 2020-21 as against the net profit of Rs. 30.18 crores recorded during last year.

Dividend:

The Board has recommended a Dividend of 1% for the financial year 2020-21, which is same as that of previous year viz 2019-20.

Capital/ Reserves:

Net Capital and Reserves was Rs. 701.41 crores as on 31-03-2020 and it has increased to Rs.747.65 crores as on 31-03-2021 due to increase in net profit during the current year. Capital Adequacy Ratio has decreased from 47.87 % in 2019-20 to 38.11 % in 2020-21.

Loans and Advances:

The Corporation has achieved the following performance in respect of sanction and disbursement for the FY ending 2020-21 as against the performance in the FY 2019-20.

Table-1. Operational Performance of the Corporation

(Rs. in crores)

LOAN	2020-21	2019-20
SANCTIONS	1,305.33	858.86
DISBURSEMENTS	849.78	557.08
RECOVERY	739.05	751.86

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

(Rs. in crores)

	WCTL		BFS	
	2020-21	2019-20	2020-21	2019-20
Sanction	38.04	38.86	188.99	204.47
Disbursement	8.54	18.02	188.99	204.47

- The Corporation has achieved 124.04% of Term loan Sanction target and 110.13 % in respect of Term loan Disbursement target. In respect of Bill finance, 37.80% of sanction and disbursement Target have been achieved. The overall sanction target achieved is 93.24%.
- The Corporation has achieved growth rate of 70.59% in respect of Term loan sanction and 87.40% in respect of Term loan disbursement as compared to the previous financial year 2019-20. The overall disbursement target achieved is 77.25%.

Strategies adopted to improve the performance:

- To support assisted units to meet emergent funds requirement in surviving the crisis due to COVID 19, a new scheme viz., Covid Relief and Upliftment Scheme (CORUS) was introduced and implemented successfully.
- A new scheme viz., Covid Relief and Upliftment Scheme Plus (CORUS PLUS) to non-assisted units to meet their emergent expenses due to COVID 19 pandemic for reforming to new normal was introduced and implemented by the Corporation.
- During the year, the Corporation re-registered itself as MLI under the Credit Guarantee Fund Trust for Micro & Small Enterprises (CGTMSE) wherein NEEDS Scheme is made eligible for credit coverage under CGTMSE.
- A special Corporate loan of Rs.100.00 crores to M/s.Tamilnadu News Print and Papers Limited, Chennai for meeting the long term and short term funds requirement towards the business development of the company was approved by Board. The company fully availed the assistance. Further in respect of M/s. TNPL, the bills receivables facility for a limit of Rs.50.00 crores was renewed for a period of 1 year. M/s.Ather Energy Pvt. Ltd., Hosur, a startup company for manufacture of Electric Vehicles (EV) (Two wheeler) was sanctioned a term loan of Rs.43.00 crores by Board.
- New Schemes for funding to micro finance institution under NBFC-MFI and Fintech Companies were introduced and implemented besides Solar Power Project Scheme for sale of power to third party and modified Corporate Loan Scheme were implemented.
- Industrial Infrastructure Initiate Scheme (IIS) was introduced and implemented wherein an Interim loan is considered for purchase of SIDCO / SIPCOT plot / shed initially.
- The Corporation has revised its delegation of power in respect of loan sanction by which Branch Offices have been empowered to consider loans upto 3 crores (new) / 5 crores (existing assisted units) at their level and the consolidated delegation of powers in respect of other procedures / relaxations related to



Health care unit at Villupuram



Laser cutting unit at Trichy

sanction and disbursement was made in order to reduce the timelines for loan sanctions and thus improve operational performance.

- Continued implementation of special schemes like Privileged Customer Scheme, EFS Fast Track, Medical Practitioners Scheme to attract more customers.
- By providing enhanced interest subvention of 6% from existing 3% to Micro, Small Enterprises by Government of Tamilnadu, our lending interest rates are competitive compared to commercial banks; enhancement of MSME capital subsidy from Rs.30 lakhs per unit to Rs.50 lakhs per unit by Government of Tamilnadu.
- Concessions for BFS in terms of processing fees, reduction in rate of interest and extension of credit period were considered in order to bring back the erstwhile customers of BFS to TIIC fold. We have sanctioned Rs.187 crores loan to 15 BFS contractors / suppliers under special rate of interest of 9% p.a.

Risk Management Policy:

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

- The Corporation has appointed a Chief Risk Officer, who identifies the Risk Factors in the loan proposals and submit the same to Head Office Screening Committee constituted for prima facie clearance of the loan proposals to be placed before the Executive Committee and Board. The Risk factors identified by Chief Risk Officer are incorporated in the Appraisal Memorandum along with the mitigating measures by the Project Department for consideration of the appropriate Sanctioning Authority.
- During the year, modification in delegation of power in respect of Sanction and Disbursement was made empowering the Branches/BMs/RMs to make quick credit decision. This will enable the Senior Officers to focus on making strategic decisions and removing road blocks rather than micro managing the day to day affairs.

Other Strategies:

- Business Continuity Plan and Disaster Recovery Plan will be developed by the Corporation to continue to perform its operations effectively when faced with adverse situations in the future.
- To reach Corporation's outstanding portfolio growth target of over 30%, each Branch will endeavor for an increase of 30% in its loan portfolio.



Engineering unit at Ambattur

- To improve the operational effectiveness and to reduce the work load on its workforce, without deviating from the norms of the Corporation, the appraisal memorandums will be simplified. It improves the customer experience and enhances staff productivity.
- The Corporation proposes to revise its credit rating mechanism to enable objective credit decision making. This will enable the processing officer in sound decision making, help price the loans appropriately and lend at attractive rates once they assess the credit risk besides preventing inefficient allocation of credit.
- The availability of 6% interest subvention on loans to Micro and Small Enterprises and 3% interest subvention to Medium Enterprises by TIIC and the State Capital subsidy @ 25% of the eligible machinery cost will continue to be powerful USPs to attract entrepreneurs to TIIC. The availability of these benefits will be extensively publicized among industries across the State through advertisements, business campaigns and loan mela.
- Individual sanction targets will be fixed for all employees of the Corporation. An individual target of Rs.4.50 crores per employee (excluding record clerks, Drivers & office Assistants) is fixed so as to reach the sanction target for the current financial year 2021-22.
- Marketing Support Executives will be actively engaged by the Corporation in all the branches for effective field level marketing.
- The Corporation will continue to work closely with the District Industries Centres to identify and encourage more young entrepreneurs under Government of Tamil Nadu's NEEDS scheme. SIPCOT and SIDCO allottees will be targeted for assistance under the Industrial Infrastructure Initiative schemes.
- To effectively market the financing schemes of TIIC, Special Business Campaigns will be organized during appropriate time wherein concession in processing fee shall be extended for attracting new business.
- Conducting SME Outreach programmes in institutes of importance to attract the new generation entrepreneurs.
- Educating employees on addressing workplace health and hygiene concerns which will be required in the new norms, post lockdown.
- The Corporation will diversify its asset portfolio and prevent concentration of loans to a specific sector in the industry. This might help the Corporation to maintain a healthier liquidity position and assist the Corporation in mitigating liquidity risk events and capital erosion.



Plastic Products Manufacturing unit at Chennai



Railway Bridge Fabrication unit at Salem

- Constant Monitoring of the portfolio to identify the sickness of the units in the earlier stage and taking remedial action so as to ensure that the Corporation maintains a clean asset portfolio.
- Early identification of stressed assets will be taken up and branches will be given monthly targets on NPA reduction. Continual efforts for upgrading slippages by the monitoring and recovery department will improve standard asset portfolio.
- NPA management through reschedule and if need be, TIIC's Liquidity Stimulus Package (TLSP) will be effectively undertaken to improve overall operational performance.
- Implementation of e-auction in all the branches in order to improve the disposal of assets under possession through auction sale.

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			
		2020-21		2019-20	
		No.	Amt.	No.	Amt.
1	Applications pending at the beginning of the year	255	287.54	104	107.03
2	Applications received during the year	3,072	2,009.75	1,385	1,265.59
TOTAL		3,327	2,297.29	1,489	1,372.62
3	Applications disposed off during the year				
a)	Gross Sanctions (All types)	2,690	1,305.33	994	858.86
b)	Closed, Withdrawn etc.	427	766.70	240	264.41
4	Applications pending at the end of the year	210	225.26	255	287.54
TOTAL		3,327	2,297.29	1,489	1,372.62

Scheme-wise performance

The Corporation has formulated many Loan Schemes to fulfill the requirements of various categories of beneficiaries. The Table-3 below, furnishes data on Scheme wise Sanction and Disbursement during the year 2020-21.

Table-3. Scheme-wise Sanctions and Disbursement during 2020-2021

(Rs. in Crores)

Description	Sanctions (Gross)		Disbursement Amt.
	No.	Amt.	
Micro / Small Enterprises Funding Scheme	6	1.31	0.67
Equipment Finance Scheme /EFS-Fast Track	161	128.63	73.84
Wind Mills	3	0.63	1.35
Generator	9	0.90	0.56
Transport Operators	9	1.00	1.56
Medical Practitioners / Hospitals	9	24.53	5.53
Single Window Scheme Term Loan	9	4.47	0.62
Hotels	2	1.74	0.64
Working Capital Loans:			
a) WCTL General / Single Window	41	12.95	0.64
b) Working Capital Term Loan Scheme	12	8.19	5.16
c) Job Work	1	0.50	0.12
d) Flexi Working Capital	23	16.40	2.62
e) Bill Finance Scheme	71	188.99	188.99
Open Term Loans	72	43.41	16.55
New Entrepreneur & Enterprise Scheme (NEEDS)	115	78.89	41.18
Others	2,147	792.79	509.75
TOTAL	2,690	1,305.33	849.78

DISTRICT-WISE DEPLOYMENT OF CREDIT:

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

Table-4. District-wise deployment of Credit

(Rs. in Crores)

Sl. No.	Name of the District	Sanctions 2020-2021		2019-2020		Cumulative Sanctions Upto 31.03.2021	
		No	Amt.	No	Amt.	No	Amt.
1	Ariyalur	4	1.65	8	4.95	118	40.36
2	Chengalpattu	6	4.36			6	4.36
3	Chennai	150	374.14	33	149.29	16,365	3,381.57
4	Coimbatore	297	91.67	98	85.00	14,190	2,264.54
5	Cuddalore	81	16.54	28	9.99	4,781	275.97
6	Dharmapuri	59	15.14	20	11.39	5,377	362.14
7	Dindigul	69	22.04	25	16.70	2,771	486.23
8	Erode	142	53.17	43	74.48	3,847	1,252.40
9	Kallakurichi	8	2.73			8	2.73
10	Kancheepuram	142	84.48	64	51.24	9,595	1,871.45
11	Kanyakumari	139	61.78	48	34.97	4,099	678.25
12	Karur	49	12.48	19	10.47	941	240.61
13	Krishnagiri	240	140.87	115	71.33	1,504	735.83
14	Madurai	120	34.79	37	17.19	10,227	711.16
15	Nagapattinam	12	2.51	8	2.56	736	59.33
16	Namakkal	41	9.81	13	9.14	1,131	212.59
17	Perambalur	8	2.12	4	2.61	171	29.52
18	Pudukkottai	33	7.36	12	5.92	3,542	307.33
19	Ramanathapuram	25	2.94	5	1.91	3,832	154.10
20	Ranipet	2	2.81			2	2.81
21	Salem	41	13.62	20	14.12	6,234	632.06
22	Sivagangai	23	6.06	9	4.67	1,978	188.04
23	Thanjavur	52	11.61	20	11.62	4,300	268.79
24	The Nilgiris					170	8.12
25	Theni	17	2.82	4	5.32	757	92.06
26	Tiruvallur	258	86.60	90	74.55	3,672	1,621.02
27	Tiruvannamalai	16	4.92	7	2.45	1,205	99.09
28	Tirupattur	1	3.20			1	3.20
29	Tirunelveli	105	49.67	47	26.85	5,119	455.97
30	Tiruppur	111	52.42	53	38.42	731	405.58
31	Tiruvarur	13	3.84	2	0.80	384	44.20
32	Tiruchirappalli	79	43.49	42	53.12	6,239	765.89
33	Thoothukudi	109	26.07	41	21.47	3,331	567.72
34	Vellore	43	13.78	14	10.87	4,612	320.61
35	Villupuram	49	14.92	29	14.59	1,227	270.25
36	Virudhu nagar	146	28.92	36	20.87	3,977	621.94
37	Pondicherry union Territory					47	6.46
TOTAL		2,690	1,305.33	994	858.86	127,227	19,444.28

INDUSTRY-WISE DISTRIBUTION OF CREDIT:

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

Table-5. Industry-wise distribution of Credit

(Rs.in Crores)

Description	Sanctions (Gross)						Cumulative Sanctions upto 31.03.2021		
	2020-21			2019-20					
	No.	Amt.	%	No.	Amt.	%	No.	Amt.	%
1 Food Processing Industries	429	165.24	12.66	165	136.71	15.92	12,202	2,014.79	10.36
2 Sugar Factories & Refineries	0	0.00	0.00	14	5.51	0.64	51	160.37	0.82
3 Paper & Paper Products including Printing & Publishing	145	206.59	15.83	34	84.41	9.83	5,845	990.63	5.09
4 Textiles	231	104.62	8.01	87	73.16	8.52	9,122	2,054.36	10.57
5 Chemical & Chemical Products	43	25.89	1.98	10	5.06	0.59	4,390	341.36	1.76
6 Leather & Leather Products	12	1.62	0.12	7	4.54	0.53	1,130	203.95	1.05
7 Non-metallic Mineral Products except products of Petroleum & Coal	183	58.84	4.51	2	2.49	0.29	2,156	763.02	3.92
8 Engineering (incl. Auto Components)	802	335.27	25.68	220	111.49	12.98	10,067	2,994.34	15.40
9 Electrical Machinery, Apparatus Appliances and Supplies	62	90.57	6.94			0.00	1,694	2,310.53	11.88
10 Electricity, Gas and Steam (Windmill)	3	0.63	0.05	2	11.10	1.29	152	516.62	2.66
11 Transport Equipments	0	0.00	0.00	0	0	0.00	474	45.71	0.24
12 Hotel Industries	39	10.02	0.77	8	16.53	1.92	1,144	345.53	1.78
13 Transport including Fishing Trawlers	13	3.55	0.27	9	4.46	0.52	47,557	718.96	3.70
14 Information technology	0	0.00	0.00	4	1.58	0.18	86	28.23	0.15
15 Misc. Industries not elsewhere classified	728	302.49	23.17	432	401.82	46.79	31,148	5,617.88	28.89
16 Loans to Govt. Corporations			0.00	0	0	0.00	9	338.00	1.74
Total	2,690	1,305.33	100.00	994	858.86	100.00	127,227	19,444.28	100.00

DISBURSEMENT:

During the year under report, the Corporation disbursed Rs.849.78 crores. The cumulative disbursement upto 31.03.2021 (since inception) is Rs.14,846.81 crores, extended under various schemes.

Subsidy:

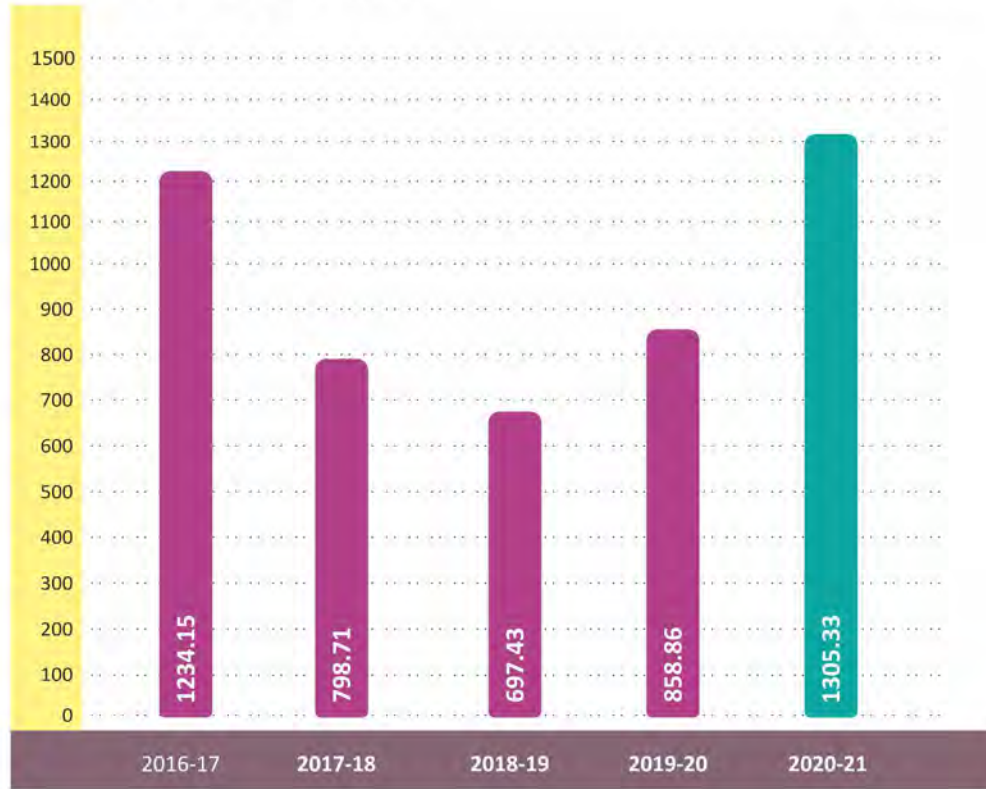
TIIC, being the operating agency for many incentive schemes of the Central and State Governments actively processed and released subsidies effectively to eligible entrepreneurs in 2020-21 as follows:

i) Details of Government Scheme on 3% / 6% Interest Subsidy to TIIC borrowers:

During the year 2020-21, the Corporation disbursed a sum of Rs.34.67 Crores under 3% / 6% Interest Subvention Scheme for MSME loans and Rs.1.90 Crores under 3% interest Subvention Scheme for NEEDS.

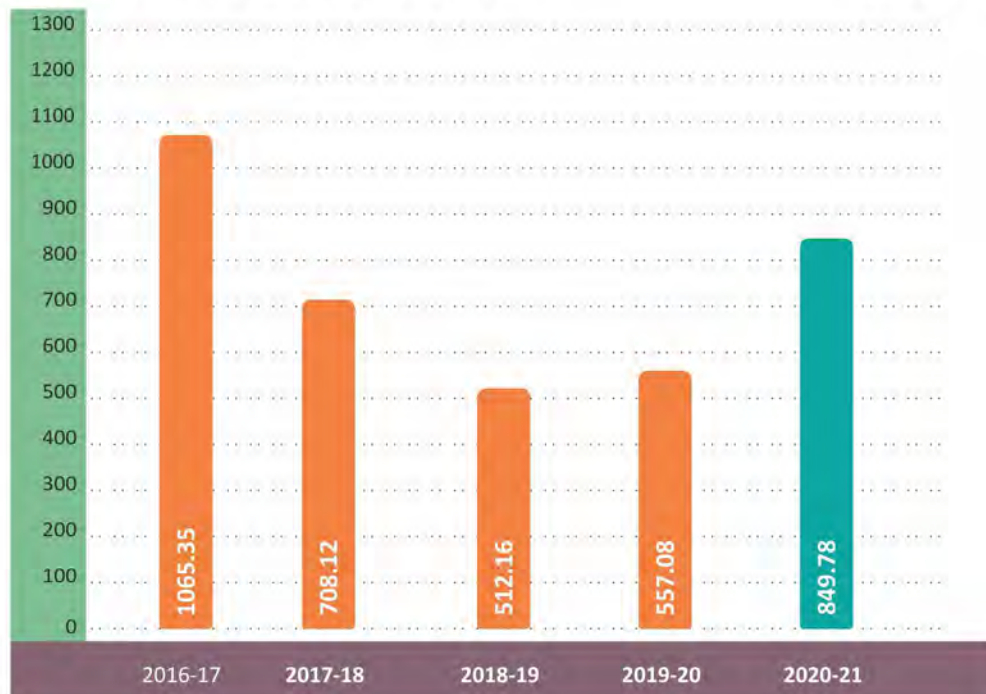
SANCTIONS during last 5 years

Rs. in Crores



DISBURSEMENTS during last 5 years

Rs. in Crores

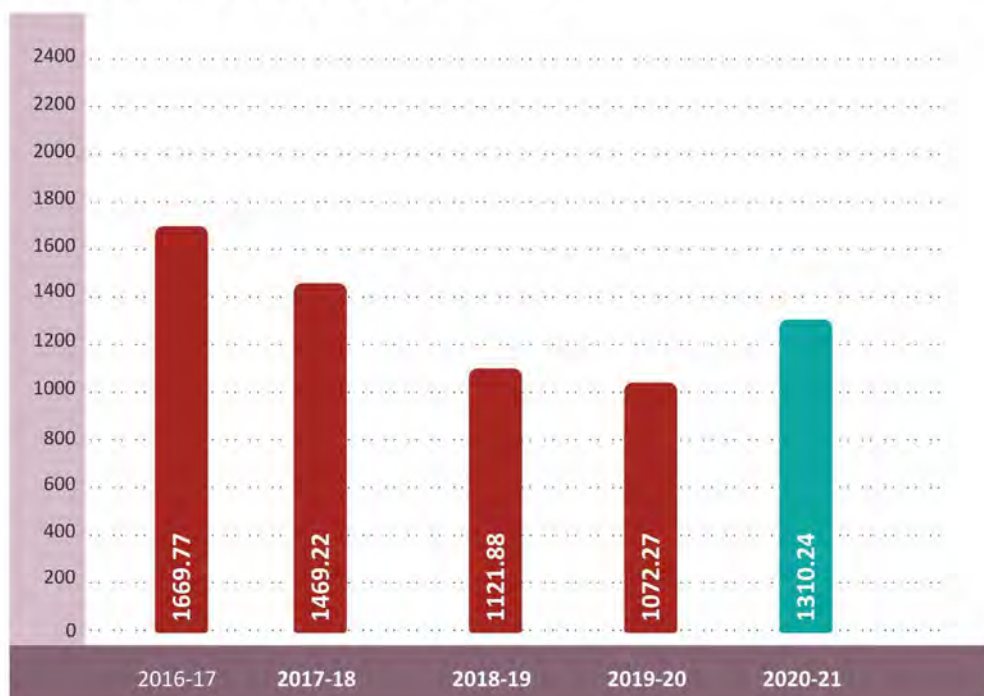


RECOVERIES during last 5 years (Gross)

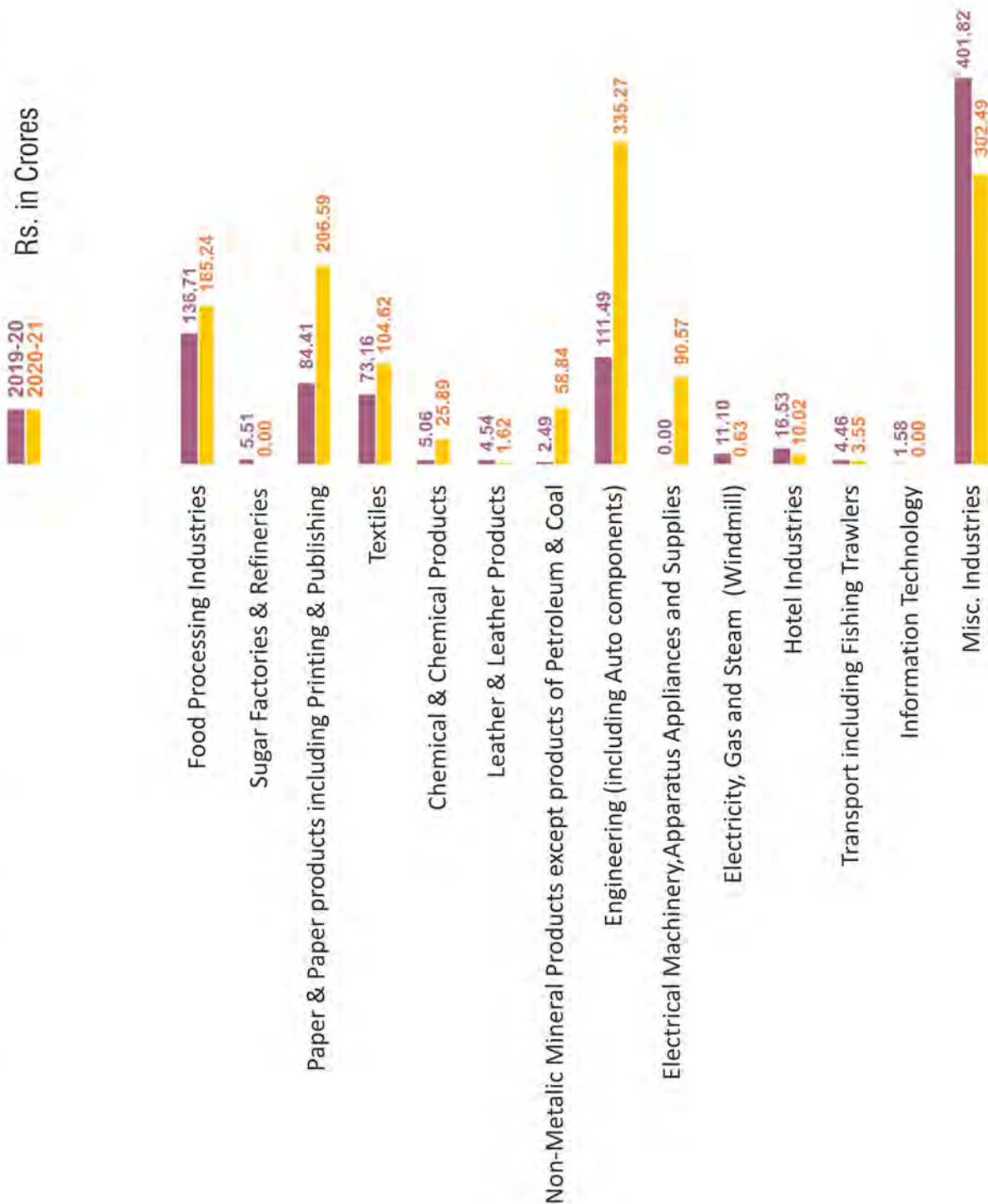
Rs. in Crores

**OUTSTANDING during last 5 years (Gross)**

Rs. in Crores



INDUSTRY-WISE CLASSIFICATION OF SANCTIONS FOR 2 YEARS



ii) Details of subsidy claim disbursed during 2020-21:

(Rs. in crores)		
	No.	Amount
State Government Subsidy:		
State Capital Subsidy	247	34.52
Generator Subsidy	—	—
NEEDS - Individual based Capital Subsidy	126	7.57
Central Government Subsidy:		
Credit Linked Capital Subsidy (CLCS)	122	7.07
Technology Upgradation Fund Scheme (TUF)	—	—

ASSET QUALITY:

The Corporation accords utmost priority to maintaining the quality of Loan Portfolio. As on 31-03-2021, the share of Standard Assets stood at 99.00% of the Loan Portfolio. Despite the stresses witnessed in National Banking Scenario on account of growing NPAs, TIIC is by strenuous recovery efforts and persistent monitoring has been successful in maintaining its Standard Assets components in its Loan Portfolio.

Table-6. Loan Portfolio

(Rs. in Crores)				
ASSETS	2020-21	2019-20	2018-19	2017-18
STANDARD	1,285.23	978.86	1,052.66	1,326.55
SUB-STANDARD	15.35	63.69	26.32	50.76
DOUBTFUL	-	19.67	31.35	76.56
LOSS ASSETS	9.66	10.05	11.55	15.35
TOTAL	1,310.24	1,072.27	1,121.88	1,469.22
WRITTEN OFF	269.46	264.51	265.53	236.77
Total Performing Assets (PA)	1,285.23	978.86	1,052.66	1,326.55
Total Non-Performing Assets (NPA)	25.01	93.41	69.22	142.67
% of Performing Assets to total advances	98.09	91.29	93.83	90.29
% of NPA to Total advances (Gross NPAs)	1.91	8.71	6.17	9.71
% of Net NPA to (Net) advances	1.00	6.54	4.08	6.56

Strategies for Enhancing Asset Quality:

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

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

Loan Monitoring and Rehabilitation:
1. Brief Note on Loan Monitoring and Rehabilitation Department:

- The Loan Monitoring & Rehabilitation Department monitors the health and performance of the assisted units, repayment of loan dues and thereby arresting slippage. The department plays an active role in revival of potentially viable sick units by timely rehabilitation/restructuring of the accounts.
- The department strives to maintain the quality of the assets of the Corporation and to prevent the loan portfolio of TIIC from being contaminated.
- Timely corrective action in the form of restructuring and recovery of dues based on trigger points, so that the loan cycle runs smoothly and resources are ploughed back to ensure fresh lending.
- The department reviewing the Assets Portfolio of the Corporation on regular intervals and reports to the Management on the status of SMA and NPA level.

- The review reports of SMA accounts of the respective Committees are analyzed, on monthly basis and closely monitored to arrest slippage and reduce NPA.
- The department monitors the Inspection of the units by the officials and also availability of Insurance for the assisted units and report to the Audit Committee of the Corporation periodically.
- The department has put in a place a mechanism to enable Stressed Assets Monitoring at Branch and Head Office level to prevent slippages and to maintain asset quality.
- Regular review are being conducted at Head Office for monitoring the loan portfolio.
- A Loan Monitoring Committee chaired by MD at Head Office has been reviewing the case of loan sanctions above Rs.1.00 Crore.
- To identify sickness at the earlier stage and to take corrective action i.e. within 90 days from the date of principal and interest demand, SMA(0), SMA(1) and SMA(2) accounts i.e. the Special Mention Accounts are monitored by the following Committees.
 - Branch Level Committee
 - Regional Level Committee
 - Head Office Committee

Details of Reschedulement:

- No. and Amount of units re-habilitated during 2020-21 - NIL -
- Cumulative No. of units rehabilitated (No. & Amount) upto 31/03/2021 during the past 5 years. - NIL -
- No. of units and Amount accorded re-schedulement during 2020-2021 was

(Rs.in lakhs)

No.	AMOUNT
9	621.57

- No of units and Amount accorded re-phasement during 2020-2021 was

(Rs.in lakhs)

No.	AMOUNT
1	92.06

RECOVERY DEPARTMENT:

1. Brief Note on Recovery Department:

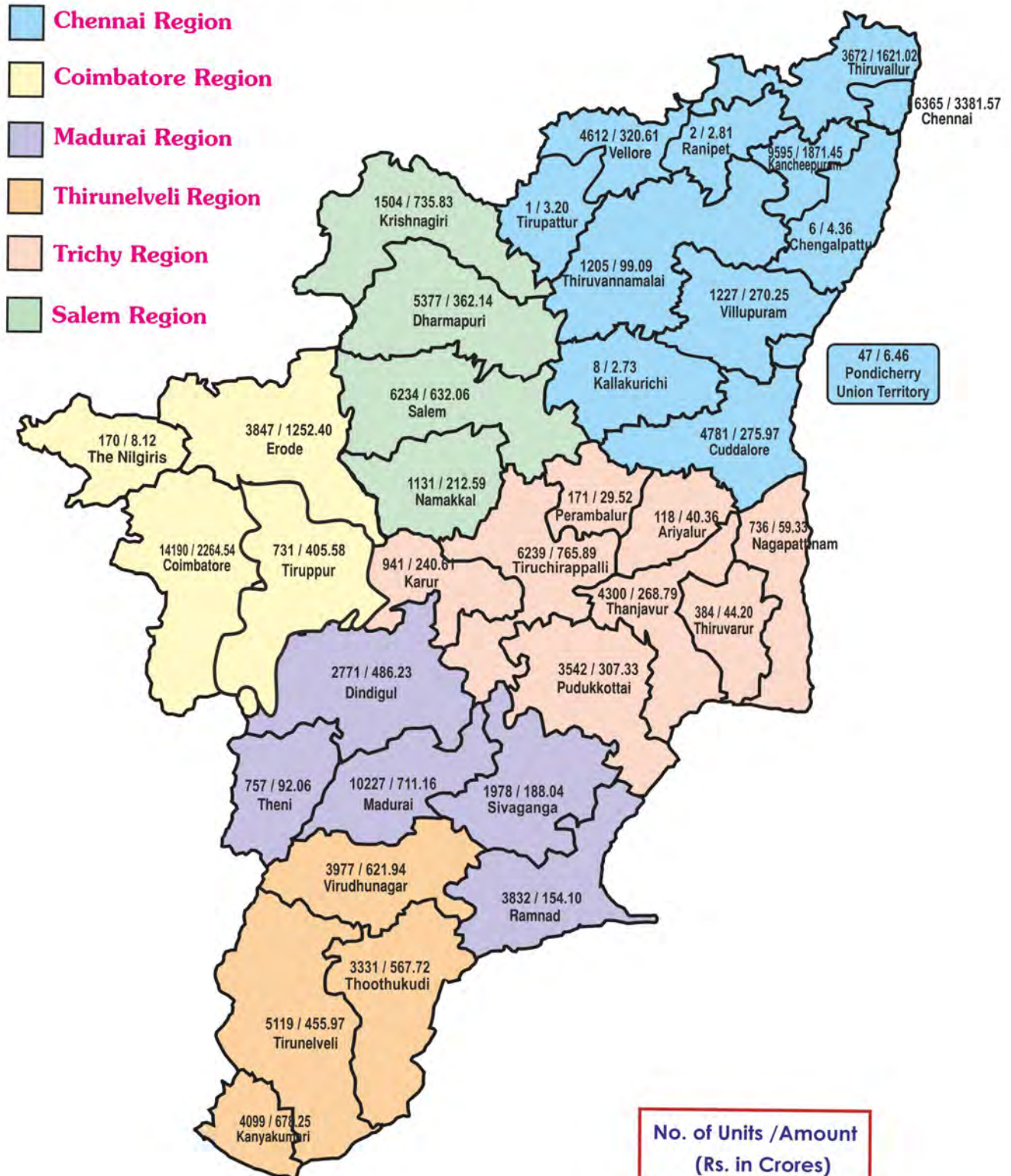
- The Recovery Department monitors the achievement of principal and interest collection targets of the Corporation.
- It focuses on the NPA accounts by reviewing the cases and taking suitable action either through Legal recovery measures or OTS route.
- The department works hand in hand with Legal Department for dealing with recovery of the loans.
- Legal recovery action are taken against the defaulting borrowers under various laws such as SFC Act, SARFAESI Act, RR Act etc.
- Emphasis is placed on Compromise / Negotiated Settlement Schemes for loans above Rs.10.00 lakhs and on various OTS Schemes in vogue for loans upto Rs.10.00 lakhs.
- To improve transparency in auction procedures, E-auction process has been introduced.
- By the above activities, level of NPAs and write-off cases have been reduced considerably over the years and contained in recent years.
- Recovery agents have been empanelled to look after select NPA cases to enable recovery at the earliest.

2. RECOVERY (Principal + Interest) made out of OTS during the FY 2020-21

(Rs. in crores)

Principal	:	10.80
Interest	:	1.01
Total	:	11.81

District-wise Sanctions (Cumulative)



3. Amount and No. of Units granted waiver in respect of Principal/Interest for the year 2020-21

(Rs. in lakhs)

S. No.	Description	No. of cases	Principal waiver	Interest Waiver	Other dues	Total
1.	Principal & Interest waiver involved cases	59	1213.58	128351.64	—	129565.22
2.	Only interest waiver involved cases	26	—	2968.60	—	2968.60
Total		85	1213.58	131320.24	—	132533.82

4. Details of Principal/Interest Waiver and Recovery (both Principal and Interest) in fully settled during the year 2020-21

(Rs. in lakhs)

Approved during	No. of Units	Principal Waiver	Interest Waiver	Recovery	
				Prl.	Int.
2020-21	53	553.35	60479.94	1018.92	94.88
Previous years	1	—	8.38	61.35	6.27

5. Details of Units taken Possession and subsequently returned possession after receiving of concrete proposals during the year 2020-21:

1.	No. of units taken possession for the year 2020-21	32
2.	No. of units returned to the owners	26

6. Number of Units sold/disposed during the year 2020-21

- 5

Employment generation:

The financial assistance extended by the Corporation has resulted in generation of additional employment for about 10,250 persons during the year 2020-2021.



Soft drinks unit at Erode



Tools and stamping unit at Maraimalai Nagar

Funds & Resources:

The Corporation mobilizes its funds, apart from share capital, through issue of Bonds with Government guarantee, inter corporate deposits and Bank loans.

Insurance Business:

The Corporation earned a sum of Rs.29.17 lakhs as commission for the insurance premium during the financial year 2020-21.

CORPORATE GOVERNANCE:

- The Corporation is a Public Sector undertaking under the Government of Tamil Nadu. It supports industrial growth in the State, with focus on Micro, Small and Medium Enterprises (MSME). It follows regulations as laid down by SIDBI.
- The Corporation has adequate focus on Corporate Governance to meet the requirements of different stake holders 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
 - a Board of Directors which plays a supervisory and advisory role
 - several committees charged with specific roles
 - executives with specific functionalities in the organizational process

TIIC's BOARD OF DIRECTORS COMPOSITION:

The Board has –

- Chairman
- Managing Director
- Director representing MSME Department
- Director representing Industries Department
- Director representing Finance Department
- Director representing SIDBI and
- Four Independent Directors

As on 31.03.2021, the Corporation's Board were in the following Directors:

Sl. No.	Name of the Director	Designation	Nature of Directorship	Date of appointment
1.	Thiru N. Muruganandam, IAS.	Principal Secretary to Government/ Chairman	Non-Executive	14.03.2019
2.	Tmt. Sigy Thomas Vaidhyan, IAS.	Managing Director	Executive	13.10.2020
3.	Thiru Mangat Ram Sharma, IAS., Principal Secretary to Government, MSME Department, Government of Tamil Nadu	Director	Non-Executive	08.02.2021
4.	Tmt. Reeta Harish Thakkar, IAS., Special Secretary to Government, Finance Department, Government of Tamil Nadu	Director	Non-Executive	07.10.2020
5.	Thiru Raja Gopal Sunkara, IAS., Dy. Secretary to Government, Industries Department, Government of Tamil Nadu	Director	Non-Executive	08.02.2021

Sl. No.	Name of the Director	Designation	Nature of Directorship	Date of appointment
6.	Thiru Satyaki Rastogi, General Manager, SIDBI	Director	Non-Executive	10.09.2020
7.	Thiru S. Anburajan President, Tamil Nadu Small and Tiny Industries Association (TANSTIA)	Independent Director	Non-Executive	17.07.2019
8.	Thiru S. Rajendiran Retired Deputy General Manager Indian Overseas Bank	Independent Director	Non-Executive	28.11.2019
9.	Dr. G. Santhanam, IAS (Retd) Retired as Secretary to Government of Tamil Nadu, Handlooms, Handicrafts, Textiles, Sericulture and Khadi Department	Independent Director	Non-Executive	28.11.2019
10.	Thiru D. Srinivasan Managing Director Sree Annapoorna Sree Gowrishankar Hotels Private Limited	Independent Director	Non-Executive	28.11.2019

Directors who served on the Board during 2020-21 and relinquished their posts due to change in assignment:

Sl. No.	Name of the Director Tvl./Tmt.	Period of Time	
		From	To
1.	Thiru Rajendra Kumar, IAS	27.12.2019	23.07.2020
2.	Dr. K. Gopal, IAS	23.07.2020	07.12.2020
3.	Thiru K. Balasubramanian, IAS	04.12.2017	22.06.2020
4.	Tmt. Chitra Alai	17.09.2014	10.09.2020
5.	Thiru R. Ananda Kumar, IAS	26.07.2017	07.10.2020
6.	Dr. M. Aarthi, IAS	05.01.2018	22.06.2020
7.	Tmt. E. Sundaravalli, IAS	22.06.2020	13.10.2020

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

COMMITTEES OF THE BOARD

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

Sl. No.	Committee	Members	Chairman of the Committee	Main responsibility areas
1.	Executive Committee (EC)	1. Chairman, TIIC 2. Managing Director, TIIC 3. Thiru. Satyaki Rastogi, General Manager, SIDBI 4. Thiru S. Rajendiran Independent Director 5. Dr. G. Santhanam, IAS (Rtd) Independent Director	Chairman, TIIC	All areas relating to loans and advances utilizing the overall powers of the Board, above that of the Corporation's Regional Committee.
2.	Audit Committee	1. Thiru S. Rajendiran Independent Director 2. Dr. G. Santhanam, IAS (Retd) Independent Director 3. Thiru Satyaki Rastogi, General Manager, SIDBI 4. Thiru D. Srinivasan Independent Director 5. Director representing Finance Department to the Govt. of T.N.	Dr. G.Santhanam, IAS, (Retd) Independent Director	Overseeing and directing the total audit functions of the Corporation; all internal inspections; audits by the external audits/SIDBI/AG; Periodic and Annual financial reports; write-off & bad loans.
3.	Default Review Committee	1. Chairman, TIIC 2. Managing Director, TIIC 3. Thiru. Satyaki Rastogi, General Manager, SIDBI 4. Thiru S. Rajendiran Independent Director 5. Dr. G. Santhanam, IAS(Rtd) Independent Director	Chairman, TIIC	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-I (for AGM & above cadres)	1. Chairman, TIIC 2. The Managing Director, TIIC 3. Director representing Finance Department to the Govt. of T.N.	Chairman, TIIC	H.R. areas like recruitment, promotions for the post of Assistant General Manager and above
	Staff Committee-II (for Senior Manager & below)	1. The Managing Director, TIIC 2. Director representing Finance Department to the Govt. of T.N. 3. Director representing Industries Department to the Government of Tamilnadu	MD., TIIC	HR areas like recruitment, promotions for the post of Senior Manager and below.
5.	Corporate Social Responsibility Committee (CSR)	1. Chairman, TIIC 2. Managing Director, TIIC 3. Director representing Industries Department to the Govt. of Tamil Nadu 4. Thiru D. Srinivasan Independent Director 5. Director representing Finance Department to the Govt. of Tamilnadu	Chairman, TIIC	i) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company ii) Recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities

Sl. No.	Committee	Members	Chairman of the Committee	Main responsibility areas
				iii) Monitor the Corporate Social Responsibility Policy of the Company from time to time
6.	Nomination & Remuneration Committee (NRC)	1. Chairman, TIIC 2. Thiru D. Srinivasan Independent Director 3. Director representing Industries Department to Govt of Tamil Nadu, 4. Thiru S. Rajendiran Independent Director	Chairman, TIIC	NRC shall identify persons who are qualified to become Directors and recommend to Board their appointment & removal and remuneration to Directors.
7.	Stakeholders Relationship Committee (SRC)	1. Director representing Industries Department to the Govt. of Tamil Nadu 2. Thiru D. Srinivasan Independent Director 3. Thiru S. Rajendiran Independent Director	Director representing Industries Department	SRC shall consider and resolve the grievances of security holders of the Company
8	Tender Committee	1. Managing Director, TIIC 2. Director representing Finance Department to the Govt. of Tamil Nadu 3. Thiru D. Srinivasan Independent Director 4. Dr. G. Santhanam, IAS (Retd) Independent Director	MD, TIIC	To evaluate the Report of Tender Screening Committee and forward its recommendations to the Board for its decision.
9	Review Committee for Wilful Defaulters	1. Managing Director, TIIC 2. Thiru S. Rajendiran Independent Director 3. Dr. G. Santhanam, IAS (Retd) Independent Director 4. Thiru D. Srinivasan Independent Director 5. Thiru S. Anburajan Independent Director	MD, TIIC	To review the cases conform to the decisions of Identification Committee which is constituted for classifying the borrowers / guarantors as wilful defaulters.
10.	Risk Management Committee	1. Managing Director, TIIC 2. Thiru Satyaki Rastogi General Manager, SIDBI 3. Dr. G. Santhanam, IAS (Retd) Independent Director 4. Thiru S. Rajendiran Independent Director 5. Thiru D. Srinivasan Independent Director	MD, TIIC	To consider high and medium risks periodically and give Executive Directions for risk mitigation and to monitor the implementation of risk management strategies.

MEETINGS:

The Board of Directors has met five times during the year 2020-21. The Annual General Meeting (AGM) was held in Chennai on 21.12.2020.

During the year, the Executive Committee met two times, Default Review Committee met three times, Audit Committee met three times, Tender Committee met one time and the Staff Committee-II met one time.

Report on Corporate Social Responsibility:

Particulars of Corporate Social Responsibility activities carried out by the company in terms of section 135 of the Companies Act, 2013.

Composition of the CSR Committee for the year 2020-21:

Sl.No	Designation	Status
1	The Chairman, TIIC	Chairman
2	The Managing Director, TIIC representing Industries Department	Member
3	Director representing Industries Department to the Govt. of Tamil Nadu	Member
4	Thiru D.Srinivasan, Independent Director	Member
5	Director representing Finance Department to the Govt. of Tamil Nadu	Member

- The Corporation is eligible to spend on their ongoing projects/programmes, falling within the CSR activities specified under the act 2013, as mandated by the Ministry of Corporate Affairs for carrying out the CSR activities.
- The Committee formulated and recommended a CSR Policy in terms of Section 135 of the Act, 2013 along with a list of projects/programmes to be undertaken for CSR spending in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014.
- Based on the recommendation of the CSR Committee, the Board has to approve the projects/programmes carried out as CSR activities by the non-profitable organizations having an established track record for more than the prescribed years in undertaking similar programmes/projects. Constituting more than 2% of average net profits, made during the three immediately preceding financial years.

Average Net profit of the company for the last three financial years (Rs.32.04 cr.+ Rs.51.08 cr + Rs.40.28 cr.) / 3	(Rs.41.13 crores) Rs.4,113 lakhs
Prescribed CSR Expenditure (2% of the amount of Rs.4,113 lakhs)	(Rs.82.26 lakhs which is rounded off to Rs.82.00 lakhs) Rs.82.00 lakhs
Total amount spent for the FY 2020-2021	Rs.82.00 lakhs
Amount unspent, if any	NIL

Compliance function:

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

Compliance with the provisions of the Companies Act, 2013:

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

Compliance in respect of dematerialization of fully paid Equity Shares

Under Sec 9A (1) B of Companies Act 2013, all unlisted public limited company to dematerialize the Equity shares. The Corporation appointed NDML as R&T agent and NSDL as depository to hold the securities in dematerialized form. The TIIC Equity share was allotted with ISIN No.INE638F01018. 84 % of shares have been demated.

Compliance in respect of appointment of Woman Director in the Board :

TIIC is also required to appoint a woman director pursuant to the provisions of section 149(1) of the companies Act, 2013. Dr. (Tmt) M Aarthi, IAS, Tmt. E.Sundaravalli, IAS and Tmt. Sigy Thomas Vaidhyan, were in our Board during the year 2020-21. Hence, the Corporation is in compliance with the requirement of appointment of woman director on the Board.

Compliance in respect of conducting of Secretarial Audit.

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

M/s. Kiran Varma M.G., a practicing Company Secretary was appointed to conduct the Secretarial Audit for 2020-21. The copy of the secretarial audit report in the prescribed Form MR-3 of the Companies Act 2013 is annexed to this report. There were no adverse remarks in the secretarial audit report for the year 2020-21.

Compliance Officers for the year 2020-21

1. The Key Managerial Personnel as per Companies Act 2013
 - i) Managing Director, TIIC ii) Thiru D.Durairaj, Company Secretary/Deputy

General Manager, iii) Thiru S.Chockanathan, Officer on Special Duty (Funds & Resources).

2. Thiru T. Kirubakaran, General Manager, was the Principal Officer, for Know Your Customer (KYC) and Anti-Money Laundering (AMC) compliance, as per RBI / SIDBI directions. He reports to CMD/ MD.
3. Thiru D. Durairaj, Company Secretary/ Deputy General Manager, was the Compliance Officer for complying with the various provisions of SEBI and the provisions of the Listing Agreement with the Bombay Stock Exchange. He reports to the CMD/MD.
4. Thiru D. Durairaj, Company Secretary/ Deputy General Manager, was the Public Information Officer as required under the Right to Information Act, 2005. He reports to the CMD/MD.
5. Thiru R.B. Ganesarajaram, Officer on Special Duty (LM&R/Rec.), was the Chief Risk Officer. He identifies the risk factors in the loan proposals to be placed before the Executive Committee and the Board of Directors and submit the same to Head Office Screening Committee.
6. Thiru S. Chockanathan, Officer on Special Duty (Funds & Resources), was the Chief Financial Officer. He reports to CMD/MD.
7. Thiru D. Durairaj, Company Secretary/ Deputy General Manager is the Corporate Social Responsibility Officer. He will prepare and submit CSR proposals to MD/CSR Committee/Board.
8. Thiru S. Banuchandran, Senior System Administrator, was the Chief Information Security Officer (CISO) for implementing, enforcing and supporting the E-Security Policy, 2010. He reports to the CMD/MD.
9. Tmt. Chitra Shenbagavalli, Senior Manager, is the Chairperson for Complaints Committee for prevention of sexual harassment of women employees working in the Corporation.

No unsatisfactory report was generated by the Corporation in 2020-2021.

Listing on the Stock Exchange

Non-SLR Bonds issued during 2014 are listed in the Bombay Stock Exchange. Corporation executed call option and redeemed the bonds during February 2021. The non-SLR bonds were delisted.

Risk Management Policy

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

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

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

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

Human Resource

I) A brief note on the Department for compilation of Annual Report:

The Corporation believes that our human resources have a direct and significant impact on the overall performance. The Corporation has undertaken initiative to strengthen the workforce in the wake of a large number of superannuation besides addressing training needs and leadership development.

II) Details of number of persons recruited during the year:

Nil

iii) Details of promotion given to officials during the year:

The Corporation has given promotion to the officials as detailed below, during the financial year 2020-21:

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

iv) Staff Strength of the Corporation as on 31.03.2021:

As on 31.03.2021, the staff strength in the Corporation was as follows:

Management	Total strength
Chairman	1
Managing Director	1
Officers and above	163
Junior Officers/Assistants	75
Record Clerks/Drivers/Office Assistants	40
Total	280

Training:

- The Corporation considers its human resource as one of the most essential components for Corporation's governance and business. The Corporation is periodically imparting training to the staff by conducting In-house Training Programmes and by deputing them to the various External Training Programmes to enable them to update their knowledge besides upgradation of skills. During the year to implement E-Office, video conference training has been given to all the employees of the Corporation through TNeGA.

- ii) During 2020-21 external training programme for skill development covered (i) Principles of Lending, Due Diligence & KYC Norms, Working Capital Assessments, Recovery & Resolution of Stressed Assets, Credit Monitoring and Supervision of Advances, Cyber security in the wake of Digital Transformation, Disposal of Public Grievance Petitions, Internet Security and Social Media. The Host Institutes like NIBSCOM, Noida which provided training to the employees through on-line mode and Anna Institute of Management, Chennai.
- iii) 137 officials have attended the In-House training programme conducted on various dates during the year 2020-21.
- iv) 65 officials have attended the Out station/External Training programme conducted on various dates during the year 2020-21.

INTERNAL AUDIT:

- Internal Audit Department at Head Office is headed by a General Manager and supported by Concurrent Auditors appointed for select 9 branches and by Regional Audit Cells (RAC) at rest of the Branches.
- The Concurrent Auditors audit the select 9 Branch Offices and head Office every month and furnish their findings report to the respective Branch Offices for rectification / compliance.
- Based on their quarterly audit of the Branch Offices, Regional Audit Cell furnish their findings / report to the respective Branch Offices for rectification / compliance.
- Compliance reports from the Branch Offices are scrutinized by the Internal Audit Department and placed before the CMD/MD for approval. Upon CMD / MD's approval, audit closure letters are issued to the Branch Offices.
- Apart from this, pre-disbursement credit audit of all term loan cases of sanctions with the quantum of Rs.200 lakhs and

above are carried out at the Regional Appraisal Process Cell (RAPC) level and reports are furnished to the respective Branches for compliance before effecting disbursement. Thus credit risk arising out of the higher quantum loans are checked prior to disbursement.

- The details of audit conducted and the major observation by audit officials are placed before the Audit Committee on quarterly basis and the audit committee oversees the audit function and gives their remarks for improving or modifying the audit process.
- Accountant General Office, Chennai has carried out Audit for the year 2019-20 from 21/07/2020 to 01/10/2020 and the report was received by the corporation and suitable replies were furnished by the corporation.
- Audit work of the concurrent auditors was renewed for one year from 10/04/2020 to 09/04/2021.
- The system of furnishing Flash Reports highlighting important findings by audit for quick reference to the top management is in place from the audits carried out since 01/10/2018.
- The system of furnishing Audit Report in Uniform Format by Concurrent Auditors and Regional Audit Cells (RAC) is in place from the audits carried out since 01/10/2020.
- CTR (Cash Transactions Reports) are gathered from all the Branch Offices every month and if necessary cash transactions involving more than Rs.10.00 Lakhs are reported to the Director, FIU-INDIA New Delhi. Branch Offices have been advised to encourage remittances by cheque/RTGS.
- ISO certification renewed under ISO 9001-2015 for the period from 29/11/2019 to 28/11/2022. The scope of license is sanction and disbursement of loans at Head Office and Chennai branch office.

Computerisation

A Software Application developed with Power Builder Ver.12 as the front end and SQL 2014 as the back end is in use from April 2019 and the same is used for capturing accounting transactions regularly for generating various reports.

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

The revamped interactive Website developed is hosted in AWS Server, wherein all the scheme details of TIIC are displayed in the website. The website has a dedicated Customer Portal through which a Customer can login and access their Loan Account details. A non customer can submit their Loan Enquiry through website.

The Corporation has been implementing the SBI Collect Online Payment facility from August 2019, wherein the clients can remit their Loan Dues through Online Payment and also make Online Payment of Investigation Fees, Registration Fees etc. The Corporation is in the process of obtaining Security Audit certificate for the Website. On obtaining Security Audit Certificate, TIIC has proposed to put in place Online Payment Gateway - Multiple Option Payment System (MOPS) provided by State Bank of India and also from ICICI Bank.

The in-house team of Systems Department had developed the following Online facilities/Applications during 2020-21:

- Online submission of Loan Application for CORUS Scheme
- Provision for exercising option for Moratorium - COVID 19 through Online and automated all the accounting entries and creation loan accounts in the PB Application
- Dashboard for review of performance under Special Schemes like Corus-II,

Corporate Loan, Industrial Infrastructure Initiative Scheme etc.

- Development of an Application for reviewing the performance of Marketing Executives

The Corporation plans to develop a new web based application for digitisation of operations of all departments based on latest technologies. In this regard, the software requirement gathering is under way and the project will be taken forward in the coming year.

Directors' Responsibility Statement

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

- All accounting standards which have to be mandatorily followed have been complied with in the preparation of accounts for the year ended 31st March, 2021.
- 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. Varadhaman & Co., Chartered Accountants, the Statutory Auditors. Their report is appended.
- The Corporation has a proper and adequate internal control system to ensure that all the assets of the Corporation are safeguarded and protected against any loss and that all the transactions are properly authorised and recorded. Information provided to management is reliable and timely and statutory obligations are adhered to.

- The Company has an established internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the Audit Committee. Based on the periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of internal Financial Controls.

Statutory Statements:**Material changes and commitments**

There have been no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

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

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

Extracts of Annual Return:

An extract of Annual Return as referred under section 92(3) and section 134 (3A) in form MGT-9 of Company (Management and Administration) rules 2014 is given as annexure to this report.

Details of material related party transactions

There are no material related party transactions under Sec.188 of the Act, 2013

read with the Companies (Meetings of Board and its Powers) Rules, 2014.

Reporting of fraud

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

Other Laws

As per the requirement of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under, our Corporation has constituted an Internal Complaints Committee (ICC). During the year under review, there were no cases received/ filed pursuant to the provisions of the Sexual Harassment of Woman at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Acknowledgements:

The Board of Directors wishes to thank the Government of Tamilnadu, Small Industries Development Bank of India (SIDBI), Commercial Banks, MSME Development Institute and other State level institutions viz., State Industries Promotion Corporation of Tamilnadu (SIPCOT), Tamilnadu Industrial Development Corporation Limited (TIDCO), Small Industries Development Corporation Limited (SIDCO), 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 takes great pleasure in recording its appreciation of the dedicated services rendered by the erstwhile Directors on the Board and the Officers and Staff of the Corporation.

For and on behalf of Board of Directors

THE TIIC LIMITED
CHENNAI 600 035

HANS RAJ VERMA
CHAIRMAN & MANAGING DIRECTOR

Date : 22.10.2021

Some of the Directors, by virtue of their posts, hold certain other Directorships, as appointed by the State Government. As on 31.3.2021:

Sl. No.	Name of the Director	Designation	Other Directorships/Partnership
1.	Thiru N. Muruganandam, IAS.	Principal Secretary to Government Industries Department Chairman, The TIIIC Limited	DIRECTOR: <ol style="list-style-type: none"> 1. Tamil Nadu Industrial Development Corporation Limited 2. Tamil Nadu Generation and Distribution Corporation Board 3. State Industries Promotion Corporation of Tamil Nadu Limited 4. Titan Industries Limited 5. TIDEL Park Limited 6. Tamil Nadu Minerals Limited 7. Tamil Nadu Newsprint and Paper Limited 8. Tamil Nadu Petroproducts Limited 9. Tamil Nadu Cement Corporation Limited 10. Tamil Nadu State Marketing Corporation Limited Private Companies <ol style="list-style-type: none"> 1. IIT Madras Research Park (Sec 8 Company) 2. Tamil Nadu Trade Promotion Organisation 3. Tamil Nadu Startup and Innovation Mission
2.	Tmt. Sigy Thomas Vaidhyan, IAS.,	Managing Director	DIRECTOR: <ol style="list-style-type: none"> 1. Tamil Nadu Small Industries Development Corporation Limited (SIDCO) 2. Seshasayee Paper & Boards Limited 3. State Industries Promotion Corporation of Tamil Nadu (SIPCOT) 4. ITCOT Consultancy and Services Limited (ITCOT) 5. Guindy Industrial Estate Infrastructure Upgradation Company (GIEIUC) 6. Chettinad Cement Corporation Limited
3.	Thiru Mangat Ram Sharma, IAS., Principal Secretary to Government, MSME Dept. Government of Tamil Nadu	Director	DIRECTOR: <ol style="list-style-type: none"> 1. Tamil Nadu Small Industries Development Corporation Limited (SIDCO) 2. Tamil Nadu Small Industries Corporation Limited (TANSI) 3. Entrepreneurship Development and Innovation Institute (EDI)
4.	Tmt. Reeta Harish Thakkar, IAS., Special Secretary to Government, Finance Department, Government of Tamil Nadu	Director	DIRECTOR: <ol style="list-style-type: none"> 1. Tamil Nadu State Transport Corporation Limited, Salem 2. Tamil Nadu Fisheries Development Corporation Limited 3. Tamil Nadu Forest Plantation Corporation Limited 4. State Express Transport Corporation Tamil Nadu Limited, Chennai 5. Tamil Nadu Magnesite Limited 6. Tamil Nadu Corporation for Development of Women Ltd 7. Arasu Rubber Corporation Limited

Sl. No.	Name of the Director	Designation	Other Directorships/Partnership
			8. The Tamil Nadu Tea Plantation Corporation Limited 9. Coimbatore Smart City Limited 10. Salem Smart City Limited 11. Tamil Nadu Adi Dravidar Housing and Development Corporation Limited (TAHDCO)
5.	Thiru Raja Gopal Sunkara, IAS., Dy. Secretary to Government, Industries Department, Government of Tamil Nadu	Director	Nil
6.	Thiru. Satyaki Rastogi General Manager, Small Industries Development Bank of India (SIDBI)	Director	Nil
7.	Thiru S. Anburajan President, Tamil Nadu Small and Tiny Industries Association (TANSTIA)	Independent Director	DIRECTOR: Small Industries Product Promotion Organisation
8.	Dr. G. Santhanam, IAS (Retd) Independent Director		DIRECTOR: 1. Namo Enterprises Private Ltd., 2. Bhishma Technology Services Pvt Ltd 3. RV Matrix Software Technologies Private Limited 4. Bhishma Media Lab Tamil Pvt Ltd 5. Rana Technology Solutions Pvt Ltd
9.	Thiru S. Rajendiran Retired Deputy General Manager Indian Overseas Bank	Independent Director	Nil
10.	Thiru D. Srinivasan	Independent Director	DIRECTOR: 1. Sree Annapoorna Sree Gowrishankar Hotels Pvt Ltd 2. Sree Annapoorna Kitchen Equipments Private Limited 3. Sree Annapoorna Gowrishankar Estates and Constructions Pvt. Ltd 4. Tamil Nadu Food Industries Association 5. Elyana Constructions Pvt. Ltd., 6. Alankar Supermarket Pvt. Ltd., 7. Elysium Cuisines LLP 8. South India Hotels and Restaurants Association

Form No.MGT-9**Extract of ANNUAL RETURN as on the Financial Year ended 31.03.2021**

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

I. REGISTRATION AND OTHER DETAILS :

i)	CIN	:	U93090TN1949SGC001458
ii)	Registration Date	:	26-03-1949
iii)	Name of the Company	:	Tamilnadu Industrial Investment Corporation Limited
iv)	Category / Sub-category of the company	:	—
v)	Whether listed company	:	No
vi)	Name, address and contact details of Registrar and Transfer agent, if any	:	M/s. NSDL Database Management Limited Registrar & Transfer Agent 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Power Parel, Mumbai 400 013.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY :

Term Loan lending

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

- NIL -

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

i) Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoter									
(1) Indian									
i) State Government	--	3035228	3035228	72.10	3035228	--	3035228	72.10	--
(2) Foreign	--	--	--	--	--	--	--	--	--
B. Public Shareholding									
(1) Institutions									
i) SIPCOT	--	500000	500000	11.88	--	500000	500000	11.88	--
ii) Small Industries Development Bank of India (SIDBI)	170000	--	170000	4.04	170000	--	170000	4.04	--
iii) TIDCO	500000	--	500000	11.88	500000	--	500000	11.88	--
iv) Government of Puducherry	--	1500	1500	0.03	--	1500	1500	0.03	--
v) Insurance Companies	675	485	1160	0.02	675	485	1160	0.02	--
vi) Other Banks including Co-op. Banks	1675	393	2068	0.05	1675	393	2068	0.05	--
(2) Non-Institutions	--	--	--	--	--	--	--	--	--
Grand Total	672350	3537606	4209956	100%	3707578	502378	4209956	100%	

ii) Shareholding of promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Govt. of Tamilnadu	3035228	72.0964	--	3035228	72.0964	--	--
2	Govt. of Puducherry	1500	0.0356	--	1500	0.0356	--	--
3	Small Industries Development Bank of India	170000	4.038	--	170000	4.038	--	--
4	Punjab National Bank	60	0.0014	--	60	0.0014	--	--
5	Indian Bank, Chennai	233	0.0055	--	233	0.0055	--	--
6	Kumbakonam City Union Bank, Kumbakonam	10	0.0002	--	10	0.0002	--	--
7	Syndicate Bank, Manipal	50	0.0012	--	--	Merged with Canara Bank		
8	Andhra Bank, Hydredabad-1	25	0.0006	--	--	Merged with Union Bank of India		
9	Bank of India, Mumbai-21	200	0.0048	--	200	0.0048	--	--
10	Indian Overseas Bank, Chennai	117	0.0028	--	117	0.0028	--	--
11	Canara Bank, Bangalore (Merger of Syndicate Bank shares of 50 nos.)	25	0.0006	--	75	0.0018	--	0.0012
12	State Bank Of India, Chennai	1167	0.0277	--	1167	0.0277	--	--
13	Corporation Bank, Mangalore	25	0.0006	--	--	Merged with Union Bank of India		
14	Tamilnadu State Co-operative Bank, Chennai	12	0.0003	--	12	0.0003	--	--
15	Ramachandran Co-operative Central Bank Ltd., Ramachandrapuram (AP)	1	0.00002	--	1	0.00002	--	--
16	Prakasapuram Co-operative Central Bank Ltd, Prakasapuram, Tirunelveli	2	0.00004	--	2	0.00004	--	--
17	Karur town Co-operative Bank Ltd., Karur	1	0.00002	--	1	0.00002	--	--
18	The Saraswat Co-op. Bank Ltd., Mumbai	5	0.00012	--	5	0.00012	--	--
19	Co-operative Central Bank Ltd., Nellore	2	0.00004	--	2	0.00004	--	--
20	Tamilnadu Co-operative State Land Development Bank Ltd, Chennai-4	100	0.0023	--	100	0.0023	--	--
21	Rajampet Co-operative Town Bank Ltd., Rajampet	1	0.00002	--	1	0.00002	--	--
22	Mannargudi Co-operative Urban Bank Ltd., Mannargudi	5	0.00012	--	5	0.00012	--	--
23	Co-operative Central Bank Ltd., Vizianagaram	2	0.00004	--	2	0.00004	--	--
24	Co-operative Central Bank Ltd., Thanjavur	2	0.00004	--	2	0.00004	--	--

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
25	Malabar District Co-operative Bank Ltd, Calicut	1	0.00002	--	1	0.00002	--	--
26	Co-operative Central Bank Ltd, Elluru	1	0.00002	--	1	0.00002	--	--
27	Co-operative Central Bank Ltd., Kumbakonam	5	0.00012	--	5	0.00012	--	--
28	Srikakulam District Co-operative Central Bank Ltd, Srikakulam	6	0.00014	--	6	0.00014	--	--
29	Ramanathapuram District Co-operative Central Bank Ltd., Madurai	1	0.00002	--	1	0.00002	--	--
30	Karaikudi Co-operative Urban Ltd., Karaikudi	1	0.00002	--	1	0.00002	--	--
31	Vishakapatnam District Co-operative Central Bank Ltd., Vishakapatnam	2	0.00004	--	2	0.00004	--	--
32	Madurai District Central Co-operative Bank Ltd., Madurai	6	0.00014	--	6	0.00014	--	--
33	United India Insurance Company Ltd., Mumbai	375	0.0089	--	375	0.0089	--	--
34	Oriental Fire & General Insurance Company Ltd., Mumbai	250	0.0059	--	250	0.0059	--	--
35	The Kaiser-I Hind Insurance Company Ltd., Mumbai	10	0.00024	--	10	0.00024	--	--
36	New India Assurance Company Ltd., Mumbai	150	0.0036	--	150	0.0036	--	--
37	LIC of India, Mumbai	375	0.0089	--	375	0.0089	--	--
38	SIPCOT	500000	11.8766	--	500000	11.8766	--	--
39	TIDCO	500000	11.8766	--	500000	11.8766	--	--
40	Union Bank of India (after the merger of Andhra Bank and Corporation Bank)	--	--	--	50	0.0012	--	--
Total		4209956	100.00		4209956	100.00	--	0.00

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

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

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

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

v) Shareholding of Directors and Key Managerial Personnel : Nil

vi) INDEBTEDNESS:	Rs.
Bonds	—
SIDBI	—
Banks	4,63,04,57,618
Deposits	2,80,61,05,739
Total	7,43,65,63,357

vii) Remuneration of Directors and Key Managerial Personnel:

- A) Remuneration to Managing Director,
Whole time Directors - Rs. 33.83 lakhs
- B) Remuneration to other Directors — Nil
- C) Remuneration to Key Managerial Personnel other than MD/Manager/Whole time Directors

(Rs. in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1.	Gross Salary (in lakhs)	23.41	8.01	31.42
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961			
	(c) Profits in lieu of salary under section 17 (3) Income Tax Act, 1961			
2.	Stock option			
3.	Sweat Equity			
4.	Commission			
5.	Others, specify			
	Total	23.41	8.01	31.42

viii) Penalties / Punishment / Compounding of offences: Nil

CS Kiran Varma M.G. B.Com, ACS, LLB
Practising Company Secretary

New No: 60, Old No:34, Above IndianOverseas Bank
 South Usman Road, T.Nagar, Chennai - 600 017
 +91-95660 34192; cskvarma@outlook.com

Form No.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

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

To

The Members

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

CIN : U93090TN1949SGC001458

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

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

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period)
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act")
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (c) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015;

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

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

I, further report that,

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

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

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

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

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

UIDN: A044011C001098702

Place : Chennai
Date : 06.10.2021

Kiran Verma M G
Practising Company Secretary
ACS No. 44011
CoP No: 19211

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

CS Kiran Varma M.G. B.Com, ACS, LLB
Practising Company Secretary

ANNEXURE 'A'

To

The Members

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

CIN : U93090TN1949SGC001458

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

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

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

UIDN: A044011C001098702

Place : Chennai
Date : 06.10.2021

Kiran Varma M G
Practising Company Secretary
ACS No. 44011
CoP No: 19211

ANNEXURE – DETAILS OF CSR SPENT DURING 2020-21

a) Total amount to be spent for 2020-21 : Rs. 82.00 lakhs

b) Amount unspent if any : NIL

c) Manner in which the amount spent : (Rs. in lakhs)

S.No.	CSR Project or activity identified	Sector in which the project is covered	Projects or programs(1) Local area or other(2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs subheads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent through implementing agency
1	The Tamilnadu State Disasters Management Authority (SDMA)	Health	Chennai, Tamilnadu	82.00	82.00	82.00	—
	TOTAL			82.00	82.00	82.00	—

Company Secretary

Managing Director

VARDHAMAN & CO
CHARTERED ACCOUNTANTS

New No. 12 (Old No. 31-A)
 Krishna Street
 T. Nagar, Chennai – 600 017
 Tel : 044-24344627 / 24342596
 Email id : vardhaman_1973@hotmail.com

INDEPENDENT AUDITORS' REPORT

To the Members
 Tamilnadu Industrial Investment Corporation Limited

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS
1. Opinion

- 1.1 We have audited the financial statements of **Tamilnadu Industrial Investment Corporation Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of Significant Accounting Policies and other explanatory information ("the financial statements").
- 1.2 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with Section 133 of the Act & other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and Profit and its cash flows for the year ended on that date.

2. Basis for Opinion

- 2.1 We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.
- 2.2 We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Key Audit Matters

- 3.1 Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the matters described below are key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p>Refer Note No. D III: DIVIDEND POLICY</p> <p>As per the common dividend policy evolved by the State Government, vide G.O. Ms. No. 123 Finance Department dated 19th May 2014, the State PSUs have to declare 30% of the Net Profit (after tax) or 30% of the paid up share capital whichever is higher subject to availability of disposable profit. The Dividend payable for the Financial Year 2020-2021 as per the above G.O. is Rs. 11.48 crores / 38.28 crores based on available profit based on availability of disposable profit.</p> <p>The Corporation has proposed 1% dividend amounting to Rs. 4.21 crores leaving a gap of Rs. 7.27 crores/34.07 crores respectively.</p>	<p>Our Audit Procedure in relation to proposed "DIVIDEND" of the Company is:</p> <p>Assessed the appropriate and adequacy of the related disclosure in the Financial Statements.</p> <p>Consulted with legal experts to evaluate the appropriateness of the decision of the management with respect to "Dividend payable even though it is not conformity with G.O. Ms. No. 123 issued by the Finance Department dated 19.05.2014.</p> <p>(Our opinion is not modified in respect of this matter.)</p>

4. Emphasis of Matter

Attention is invited to Note D (iv) to the financial statements which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. Notwithstanding the impact on the financial performance of the company for the year the management believes that no adjustments are required to the financial statements for the current financial year. However, in view of the highly uncertain economic environment, caused by repetitive outbreaks of pandemic causing lockdowns for longer durations a definitive assessment of the impact on the subsequent periods including that of ability to continue normal operations is dependent upon circumstances as they evolve.

Our opinion is not modified in respect of this matter.

5. Information other than Financial Statements and Auditor's Report thereon

- 5.1 The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board's Report including Annexures to Board's Report and Shareholder's information.
- 5.2 Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.
- 5.3 In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 5.4 If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

- 6.1 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, and cash flows of the Company in accordance with the accounting principles generally accepted in India, under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

7. Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- e. Evaluate the overall presentation, structures and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

- 7.3 We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 7.4 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 7.5 From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosures about the matter when, in extremely rare circumstance, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

8. Report on Other Legal and Regulatory Requirements

- 8.1 As required under Section 143(5) of the Companies Act, 2013, we give in the **"Annexure A"** our report on the directions issued by the Comptroller and Auditor General of India.
- 8.2 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in **"Annexure B"**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 8.3 As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure C**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has no pending litigations which warrants impact on its financial statements.
 - ii. The Company did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For **VARDHAMAN & CO**
 Chartered Accountants
 Firm Registration No. 004522S

V. BASKARAN
 Senior Partner
 Membership No: 012202
 UDIN No. 21012202AAAABR5037

Place : Chennai
 Date : 22.10.2021

VARDHAMAN & CO
CHARTERED ACCOUNTANTS

New No. 12 (Old No. 31-A)
Krishna Street
T. Nagar, Chennai – 600 017
Tel : 044-24344627 / 24342596
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“ANNEXURE A”

As required direction under Section 143(5) of the Companies Act 2013,
our report on the directions issued by the Comptroller and Auditor General of India of
M/s Tamil Nadu Industrial Investment Corporation Limited

1. **Whether the Company has clear title / lease deed for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/ lease deeds are not available.**

From the examination of books and records, the company has clear title/lease deeds for freehold and leasehold land respectively.

2. **Whether there are any cases of waiver/write off of the debts/loans/interest etc. If yes, the reasons there for and the amount involved.**

- The Corporation has been adopting various measures for recovery of loan dues from its customers like action under Sec. 29 or Sec. 31 of SFCs act, action under Sarfasesi Act, filing case in DRT etc. despite such stringent recover measures, certain loan accounts have become increasingly sticky and possibilities of recoveries from them tend to be highly remote. The Corporation has been doing “technical write off” of such loan accounts every year out of the profits earned. The SIDBI guidelines provide as follows: “SFCs should either make full provision as per the guidelines or write-off such advances and claim such tax benefits as applicable, by evolving appropriate methodology in consultation with their auditors/tax consultants. Recoveries made in such accounts should be offered for tax purposes as per the rules. SFCs may write off advances at Head Office level, even though the relative advances are still outstanding in the branch books”.
- The Corporation has written off all Loss / Doubtful III and selected Doubtful II cases as on 31.03.2021 whose recovery prospects were highly uncertain and remote:

WAIVER AND WRITE OFF:

Particulars	For the year ended 31.03.2021 (in Rupees)
Loans written off	48,69,90,925
Other dues written off	1,64,79,891
Other dues waived	--
Loans waived	--
TOTAL	50,34,70,816

The details are as under:

(Rs. in lakhs)

Description of cases for write off (as on 31.03.2021)	Amount to be written off			
	No. of cases	Principal Rs.	Other dues Rs.	Total Rs.
All Doubtful cases written off (D2)	47	1,627.13	19.99	1,647.12
All Doubtful cases written off (D1)	115	3,242.78	28.73	3,271.51
Sub-Total	162	4,869.91	48.72	4,918.63
Additional other dues incurred during 2020-21 in respect of already written off account			116.08	116.08
Total amount to be written off	162	4,869.91	164.80	5,034.71

Though the above loans were written off in the Books of Accounts as on 31.03.2021 and the possibility of recovery in normal course in such accounts is not bright, the recovery efforts would continue without let up and recovery from these written-off cases would be shown as the income of the Corporation under the head "Bad Debts Recovered".

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

3. Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.

The Company being a financial institution, this clause is not applicable.

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

Yes.

There is no accounting transactions processed outside IT system, hence, commenting on consequential financial impact does not arise.

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

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

- Non Banking finance companies
- Classification of Non-performing assets
- Capital adequacy norms for NBFCs

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

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

Loans sanctioned by the Company are secured based on the norms fixed by the Corporation. From our examination there has been no undue delay in disposal of seized assets.

3. **Whether introductions of any scheme of settlements of dues and extensions thereto complied with policy / guidelines of Company / Government?**

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

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

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

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

The Company has no outstanding bank guarantee.

For **VARDHAMAN & CO**
Chartered Accountants
Firm Registration No. 004522S

V. BASKARAN
Senior Partner
Membership No: 012202
UDIN No. 21012202AAAABR5037

Place : Chennai
Date : 22.10.2021

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“Annexure B” to the Independent Auditor’s Report

The Annexure B referred in the Independent Auditor’s Report to the members of the Company on the financial statements for the year ended 31st March 2021, on the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we report that -

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) The fixed assets have been physically verified by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies noticed on such verification were not material;
- (c) All title deeds of the immovable properties are held by the Company.
- (ii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iii a), (iii b) and (iii c) of paragraph 3 of the Order are not applicable to the company for the year;
- (iii) In our opinion and according to the informations and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- (iv) The Company has not accepted any deposit to which the provisions of Sections 73 to 76 of the Act and The Companies (Acceptance of Deposits) Rules, 2014 would apply. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal related to compliance with above provisions.
- (v) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, employees state insurance, income-tax, Goods and Services Tax, duty of customs, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31st March 2021, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company and information and explanations given to us, there are no outstanding amounts in respect of goods and services tax that have not been deposited with the appropriate authorities on account of any dispute.
- (vi) According to the information and explanations given to us, the Company has not defaulted in repayment of any loans or borrowings from banks or financial institutions. The Company has not issued any debentures and has not borrowed any amount from Government during the year under report.

- (vii) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term Loans have been applied for the purpose for which they were obtained.
- (viii) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year under report.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the act.
- (x) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xii) According to the information and explanations given to us and based on our examination of the records of the company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xiv) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **VARDHAMAN & CO**
Chartered Accountants
Firm Registration No. 004522S

V. BASKARAN
Senior Partner
Membership No: 012202
UDIN No. 21012202AAAABR5037

Place : Chennai
Date : 22.10.2021

VARDHAMAN & CO
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“Annexure C” to the Independent Auditor’s Report of even date on the Financial Statement of M/s Tamil Nadu Industrial Investment Corporation Limited
Report on the Internal Financial Controls over financial reporting under Clause(i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of M/s. Tamil Nadu Industrial Investment Corporation Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria that are established by the Company in their separate internal control manuals considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds or errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

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

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

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

Meaning of Internal Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operative effectively as at March 31, 2021, based on the internal control over financial reporting criteria that are established by the Company in their separate internal control manuals considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **VARDHAMAN & CO**
Chartered Accountants
Firm Registration No. 004522S

V. BASKARAN
Senior Partner
Membership No: 012202
UDIN No. 21012202AAAABR5037

Place : Chennai
Date : 22.10.2021

ACCOUNTS

BALANCE SHEET AND PROFIT AND LOSS ACCOUNT

BALANCE SHEET AS ON MARCH 31, 2021

Particulars	Schedule Ref.	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
CAPITAL AND LIABILITIES			
Capital	A	4,209,956,000	4,209,956,000
Reserves and Surplus	B	3,266,444,848	2,804,105,252
Bonds	C	—	1,500,000,000
Borrowings	D	4,630,457,618	1,750,353,917
Deposits	E	2,806,105,739	2,781,382,477
Other Liabilities and Provisions	F	2,117,396,816	1,884,119,171
TOTAL		17,030,361,021	14,929,916,817
ASSETS			
Cash and Bank Balances	G	856,235,944	1,330,022,396
Investments	H	412,148,997	361,400,415
Loans and advances	I	12,982,262,606	10,473,692,589
Fixed assets	J	1,727,538,705	1,724,987,962
Other assets	K	1,052,174,769	1,039,813,455
TOTAL		17,030,361,021	14,929,916,817
Significant accounting policies and Notes to Accounts	S		

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

S. RAJENDIRAN
Director

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

Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	Schedule Ref.	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
INCOME (A)			
Income from operations	L	1,441,116,295	1,459,253,013
Other income	M	560,113,340	359,844,599
Total Income (A)		2,001,229,635	1,819,097,612
EXPENDITURE (B)			
Interest expended	N	467,582,579	557,167,603
Other financial expenses	O	16,364,044	8,769,382
Personnel expenses	P	391,178,147	446,633,410
Administrative expenses	Q	85,827,557	92,713,735
Depreciation	J	5,107,326	7,260,790
Waiver and Write offs	R	503,470,816	195,858,033
Total Expenditure (B)		1,469,530,469	1,308,402,953
PROVISIONS (C)			
Provision for NPA / (Written back)		(122,373,471)	(13,587,177)
Depreciation on investments		(50,748,582)	121,470,009
Provision for Taxes		200,382,063	100,929,651
Income Tax Provision		154,767,103	81,289,000
Wealth Tax Provision		0	0
Deferred Tax		45,614,961	19,640,651
		200,382,064	100,929,651
Total Provisions (C)		27,260,010	208,812,483
Net Profit carried to P&L Appropriation A/c A-(B+C)		504,439,156	301,882,176
Significant accounting policies and Notes to Accounts	S		
EARNINGS PER SHARE - Basic/Diluted (Face value of Rs.1,000/- each)		119.82	71.71

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

S. RAJENDIRAN
Director

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

Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	For the year ended 31.03.2021 Rs.	For the year ended 31.03.2020 Rs.
Balance as per last Balance Sheet- General Reserve/ (Accumulated losses)	1,244,102,436	984,319,820
Add:		
Profit for the year as per Profit and Loss Account	504,439,156	301,882,176
Less: Spl Reserve u/s 36(1)(viii) of the Income tax Act	103,400,000	—
Less: Proposed Dividend for FY 2020-21	42,099,560	42,099,560
Profit transferred to Reserves and Surplus/ (Accumulated losses)	1,603,042,032	1,244,102,436

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

S. RAJENDIRAN
Director

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

Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Schedule-A: Capital		
1. Authorised Capital		
42,50,000 (42,50,000) Equity Shares of Rs.1000 each	4,250,000,000	4,250,000,000
2. Issued		
Equity Share Capital:		
42,10,000 Equity Shares (Previous year 42,10,000 numbers) of Rs.1,000 each	4,210,000,000	4,210,000,000
3. Subscribed and paid up		
41,24,956 Equity Shares of (Previous year 41,24,956 numbers) of Rs.1,000 each fully paid	4,124,956,000	4,124,956,000
85,000 (Previous year 85,000) Special Equity Shares of Rs.1,000/- each (issued u/s 4A of State Financial Corporations' Act, 1951)	85,000,000	85,000,000
Total	4,209,956,000	4,209,956,000
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 Corporations' Act, 1951 representing dividend foregone by the Govt.of Tamilnadu and IDBI)	24,999,716	24,999,716
ii) b) Spl Reserve u/s 36(1)(viii)	103,400,000	—
iii) Transfer from Profit & Loss Appropriation Account	1,603,042,032	1,244,102,436
Total	3,266,444,848	2,804,105,252
Schedule-C: Bonds		
9.85% Non-SLR Bonds 2014		
Guaranteed by Government of Tamilnadu as to principal and interest	—	1,500,000,000
Total	—	1,500,000,000

D. DURAIRAJ
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For **M/s. VARDHAMAN & CO.**
Chartered Accountants

Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Schedule-D: Borrowings		
1. Loan in lieu of capital - IDBI (Unsecured)	125,000,000	125,000,000
2. Term Loan from Banks (Sec. by book debts)	4,029,951,293	1,624,999,784
3. Overdraft from Banks (Sec. by book debts)	475,506,325	354,133
Total	4,630,457,618	1,750,353,917
Schedule-E: Deposits		
1. Deposits from Temples, Educational institutions, etc.	1,434,596,982	1,264,378,054
2. Inter-Corporate Deposits	1,371,508,757	1,517,004,423
Total	2,806,105,739	2,781,382,477
Schedule-F: Other Liabilities and Provisions		
1. Advances & Deposits from Constituents & others	464,583,949	321,024,396
2. Liability for others	620,981,850	694,195,233
3. Provision on Standard Assets	46,501,398	64,260,442
Add: Provision for Current Year	8,164,372	(17,759,044)
	54,665,770	46,501,398
4. Wealth Tax	4,792,584	4,792,584
5. Income Tax	775,506,000	694,217,000
Add: Provision for the year	154,767,103	81,289,000
	930,273,103	775,506,000
6. Provision for Proposed Dividend	42,099,560	42,099,560
Provision for Dividend Tax	—	—
Total	2,117,396,816	1,884,119,171

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Schedule-G: Cash and Bank Balances		
1. Cash in hand	5,016,507	2,321,165
2. Balance with banks		
i) Reserve Bank of India	200,872	180,168
ii) Current A/c with scheduled Banks	664,170,309	453,735,697
iii) Term Deposits with Banks	186,848,256	873,785,366
Total	856,235,944	1,330,022,396
Schedule-H: Investments		
Investment in Shares		
Quoted	379,013,094	328,264,512
Non-Quoted	33,135,903	33,135,903
Total	412,148,997	361,400,415

SCHEDULES TO BALANCE SHEET
SUMMARY FOR QUOTED / NON-QUOTED SHARES AS ON 31ST MARCH 2021

	Current year (Rs.)	Previous year (Rs.)
COST OF FULLY PAID SHARES		
QUOTED		
EQUITY	461,039,990	461,039,990
NON QUOTED		
EQUITY	63,420,515	63,420,515
REDEEMABLE PREFERENCE	15,412,868	15,412,868
TOTAL	539,873,373	539,873,373
MARKET / BOOK VALUE	412,148,997	361,400,415
DEPRECIATION HELD	127,724,376	178,472,958
NET VALUE OF INVESTMENTS AS PER BALANCE SHEET	412,148,997	361,400,415

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

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Director

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

Place : Chennai
 Date : 22.10.2021

V. BASKARAN
Senior Partner

SCHEDULE FOR INVESTMENT IN SHARES AS ON 31ST MARCH 2021

I. FULLY PAID EQUITY SHARES (QUOTED)

Sl. No.	Name of the Company	No. of Shares	Face Value	Book Cost	Market Rate / Balance Sheet Value	Market Value/ Balance Sheet Value	Net Value (Lower of (5) or (7))
(1)	(2)	(3)	Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
I-Market value							
1	NLC India Ltd	5,970,126	10	358,207,560	50.40	300,894,350	300,894,350
2	IDBI Bank Ltd.(Formerly Industrial Development Bank of India)	35,680	10	2,899,000	38.55	1,375,464	1,375,464
3	Kothari Sugars & Chemicals Ltd.	10,350	10	4,485,000	27.45	284,107	284,107
4	Rallis India Ltd.	801,150	1	667,660	252.80	202,530,720	667,660
5	Sakthi Sugars Ltd.	495,099	10	11,254,130	9.40	4,653,931	4,653,931
6	Seshasayee Paper & Boards Ltd. *	9,000,000	2	16,000,000	161.25	1,451,250,000	16,000,000
7	Sical Logistics Ltd (Formerly South India Corporation (Agencies) Ltd) **	160,467	10	10,012,771	10.40	1,668,857	1,668,857
8	Sicagen India Ltd **	160,467	10	6,355,869	14.40	2,310,725	2,310,725
9	Tamilnadu News Print & Papers Ltd.	400,000	10	44,000,000	146.35	58,540,000	44,000,000
10	Elgi Rubber Company Ltd	1,179,696	1	158,000	26.60	31,379,914	158,000
11	Vedanta Ltd (Formerly Sesa Sterlite, Madras Aluminium Company Ltd)	2,450,000	1	7,000,000	228.65	560,192,500	7,000,000
TOTAL (A)			461,039,990			379,013,094	

II FULLY PAID EQUITY SHARES (NON-QUOTED)

I-Balance Sheet Value							
1	Reed Relays and Electronics India Ltd.***	41,956	10	2,097,850	371.69	15,594,657	2,097,850
2	Ambattur Enterprises Ltd. (Formerly T&R Welding Products (India) Ltd.)	3,680	100	368,000	1912.93	7,039,575	368,000
3	M I L Industries Ltd.	168,000	10	1,680,000	69.48	11,672,512	1,680,000
4	Sree Maruthi Marine Industries Ltd., (Maruthi Crystal Salt Co., Ltd)	20,000	10	-	27.95	559,058	-
5	Sivanandha Pipe Fittings Ltd.	33,600	10	560,000	43.84	1,472,990	560,000
6	Chettinad Cement Corporation Ltd.	61	200,000	25,864,000	19,002,722.32	1,159,166,062	25,864,000
7	Pandyan Hotels Ltd.	4,985	100	0	897.67	4,474,900	0
8	ITCOT Consultancy and Services Ltd.	2,000	100	200,000	5,898.77	11,797,539	200,000
9	Lakshmi Precision Tools Ltd.	34,900	10	523,500	60.91	2,125,875	523,500
10	Malladi Drugs & Pharmaceuticals Ltd.	770,000	5	500,000	57.50	44,274,789	500,000
11	India Forge & Drop Stampings Ltd.	71,179	10	907,535	161.51	11,496,400	907,535
12	Sun Paper Mill Ltd.	43,500	10	435,000	13.88	603,639	435,000
TOTAL			33,135,885			33,135,885	

SCHEDULES TO BALANCE SHEET

Sl. No.	Name of the Company	No. of Shares	Face Value	Book Cost	Market Rate / Balance Sheet Value	Market Value/ Balance Sheet Value	Net Value (Lower of (5) or (7))
(1)	(2)	(3)	Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
II-OTHERS							
13	Indian Steel Rolling Mills Ltd.	46,620	10	310,800		1	1
14	MICO Farm Chemical Ltd.	7,480	100	748,000		1	1
15	Seshasayee Industries Ltd.	241,750	10	2,417,500		1	1
16	Bokiyu Tanneries Ltd.	41,900	10	---		---	---
17	Secals Ltd.	125,000	10	5,475,000		1	1
18	Kamar Chemicals & Industries Ltd.	137,550	10	1,834,000	-	-	-
19	Wavin India Ltd.	59,275	10	-	-	-	-
20	Guindy Industrial Estate Infrastructure Upgradation Company	2,500	10	25,000	-	1	1
21	Industrial Venture Capital Ltd.	1,000,000	10	10,000,000			1
22	Marshall & Sons (India) Ltd.	79,372	10	198,430			1
23	Devi Spinning Mills Ltd.	1,000	1,000	1,000,000			1
24	Kumaragiri Electronics Ltd.	35,000	10	350,000			1
25	Rockfort Fastners Ltd.	25,000	10	250,000			1
26	Forge Mech Private Ltd.	3,900	10	39,000			1
27	Madras Forgings & Allied Industries(CBE)	4,849	100	484,900			1
28	Sivanandha Steels Ltd.	357,600	10	7,152,000			1
29	Southern Castings Ltd.	46,310	10	0			0
30	Sakthi Pipes Ltd.	14,850	100	0			0
31	Trac Industries & Components Ltd.	9,960	100	0			0
32	Ramasayee Agro Industries Ltd.	2,500	100	0			0
33	Upper India Bearings & Bushings Ltd.	20,000	10	0			0
34	Tuber Pharma Chemicals Ltd.	20,000	10	0			0
35	Tamilnadu Alloy Foundry Co Ltd.	90,000	10	0			0
36	Omega Cables Ltd.	10,330	100	0			0
37	Micro Tools Ltd.	11,135	100	0			0
TOTAL				30,284,630			13

SCHEDULES TO BALANCE SHEET

Sl. No.	Name of the Company	No. of Shares	Face Value	Book Cost	Market Rate / Balance Sheet Value	Market Value/ Balance Sheet Value	Net Value (Lower of (5) or (7))
(1)	(2)	(3)	Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
FULLY PAID REDEEMABLE CUMULATIVE PREFERENCE SHARES (NON-QUOTED)							
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 (B)				15,412,868			33,135,903
TOTAL (A+B)							412,148,997

* Seshasayee Paper & Boards Ltd. split their stock in the ratio of 1:5. So their face value per share has reduced from Rs.10 per share to Rs.2 per Share. Accordingly the number of shares increased from 18,00,000 to 90,00,000.

** In the year 2008, Sical Logistics Ltd. transferred their Trading, Plantation and Services division to Sicagen India Ltd. by way of demerger. In turn, Shareholders of Sical Logistics Ltd. are entitled to 1 share in Sicagen Ltd. for every share held in Sical Logistics Ltd at nil cost. Corporation was allotted 160467 shares in Sicagen India Ltd. and shown the book cost as nil. Now the Corporation has apportioned the Sical Logistics Ltd. book cost of Rs.1,63,68,640 between Sical Logistics Ltd and Sicagen India Ltd. based on their Networth as on 31.03.2019.

*** Reed Relays and Electronics India Ltd. has effected reduction of share capital and paid Rs.107/- per share. The Corporation voted against the resolution, meanwhile the company got approval from NCLT and sent a cheque for Rs.44.89 lakhs towards full settlement. The cheque was not presented on the advice of AG and filed a petition before NCLT to plea along with other shareholder against the reduction of share capital.

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Schedule-I: Loans and Advances		
Loans and Advances (After adjusting cumulative provision of Rs.120,117,495 (Rs.248,973,071))	12,982,262,606	10,473,692,589
Different types of loans		
1. General Loan	11,311,399,984	8,511,380,221
2. Working Capital Term Loan	459,072,683	655,016,161
3. Generator	10,813,028	13,932,901
4. Transport loans	136,814,300	125,811,408
5. Bill Finance	793,711,081	739,254,191
6. Bridge loans	285,808,645	518,533,536
7. GES	75,202,194	76,640,154
Add: Interest accrued	29,558,186	82,097,089
Less: NPA Provision	(120,117,495)	(248,973,071)
Total	12,982,262,606	10,473,692,589

SCHEDULES SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED IN THE BALANCE SHEET AS AT 31.03.2021
1. Asset classification:

Asset	Term Loans and Hire Purchase Loans		
	Gross (Rs.)	NPA Provisioning (Rs.)	Net (Rs.)
Standard	12,852,268,183 (9,788,590,156)	— —	12,852,268,183 (9,788,590,156)
Sub-Standard	153,508,077 (636,921,223)	23,513,655 (95,784,943)	129,994,422 (541,136,280)
Doubtful	— (196,686,566)	— (52,720,413)	— (143,966,153)
Loss Assets	96,603,840 (100,467,715)	96,603,840 (100,467,715)	— —
TOTAL	13,102,380,100 (10,722,665,660)	120,117,495 (248,973,071)	12,982,262,605 (10,473,692,589)

(Previous year figures are in brackets)

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

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

S. RAJENDIRAN
Director

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

 Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

Schedule—J: SCHEDULE OF FIXED ASSETS AS ON 31.03.2021

(in Rupees)

Sl. No	Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 1.4.2020 (Rs.) (1)	Additions (Rs.) (2)	Deletions (Rs.) (3)	Cost as on 31.3.2021 (Rs.) (4)	As on 01.04.2020 (Rs.) (5)	Additions (Rs.) (6)	Deletions (Rs.) (7)	As on 31.3.2021 (Rs.) (8)	WDV as on 31.3.2021 (Rs.) (9)	WDV as on 31.3.2020 (Rs.) (10)
I	TANGIBLE ASSETS										
1	Land — Freehold	1,628,783,402	—	—	1,628,783,402	—	—	—	—	1,628,783,402	1,628,783,402
2	Building	130,359,505	—	—	130,359,505	47,766,041	2,085,909	—	49,851,950	80,507,555	82,593,464
3	Wooden Partition	13,106,094	—	—	13,106,094	13,080,254	16,321	—	13,096,575	9,519	25,840
	Plant and Machinery										
4	Leased Assets	24,138,374	—	20,553,374	3,585,000	24,138,374	—	20,553,374	3,585,000	—	—
5	Office Equipments & Electricals Fittings	42,995,266	254,319	—	43,249,585	37,049,539	798,073	—	37,847,612	5,401,973	5,945,727
6	Computer, UPS, Network & Server	60,288,148	6,525,858	288,691	66,525,315	57,914,485	874,745	279,012	58,510,217	8,015,098	2,373,663
7	Furniture & Fittings	19,706,726	849,791	—	20,556,517	18,306,997	362,363	—	18,669,360	1,887,157	1,399,729
8	Vehicles	29,114,653	—	—	29,114,653	25,695,859	830,719	—	26,526,578	2,588,075	3,418,794
	Total Tangible Assets	1,948,492,168	7,629,968	20,842,065	1,935,280,071	223,951,548	4,968,129	20,832,386	208,087,291	1,727,192,779	1,724,540,619
II	INTANGIBLE ASSETS										
9	Computer Software	4,413,900	37,783	—	4,451,683	3,966,560	139,197	—	4,105,757	345,926	447,340
	Total Intangible Assets	4,413,900	37,783	—	4,451,683	3,966,560	139,197	—	4,105,757	345,926	447,340
	GRAND TOTAL	1,952,906,068	7,667,751	20,842,065	1,939,731,754	227,918,108	5,107,326	20,832,386	212,193,048	1,727,538,705	1,724,987,959
	Previous Year	1,950,790,952	3,139,261	1,024,141	1,952,906,071	221,632,702	7,260,790	975,383	227,918,109	1,724,987,962	1,729,158,250

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman & Managing Director

S. RAJENDIRAN
Director

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

Place : Chennai-35
Date: 22.10.2021

V. BASKARAN
Senior Partner

SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2021 (Rs.)	As on 31.03.2020 (Rs.)
Schedule-K: Other Assets		
Deferred Tax Asset	45,570,761	91,185,722
Staff housing loan	2,458,142	4,264,573
Other Advances & Deposit/other dues recoverable from borrowers after adjusting cumulative provision of Rs.8,92,565 (L.Y Rs.25,74,832)	53,586,957	48,385,021
Prepaid Expenses	806,115	1,136,956
Advance Income Tax	943,686,133	888,774,522
Advance Interest Tax	494,144	494,144
Advance Wealth Tax	4,756,820	4,756,820
Advance Fringe Benefit Tax	815,697	815,697
Total	1,052,174,769	1,039,813,455

SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31.03.2021 (Rs.)	For the year ended 31.03.2020 (Rs.)
Schedule-L : Income from operations		
Interest on loans and advances	1,423,898,228	1,406,266,365
Interest on investments and Deposits	17,218,067	52,986,648
Total	1,441,116,295	1,459,253,013
Schedule-M : Other Income		
Dividend on shares	79,166,986	99,155,826
Profit on sale of assets	60,612	141,273
Other income		
Investigation fees	27,757,218	22,564,020
Upfront fee	23,315,798	19,395,037
Risk Coverage Receipts	14,499,719	12,157,014
Miscellaneous receipts	22,886,313	16,917,621
Bad debts recovered	392,205,685	189,023,879
Interest on advances to staff	221,009	489,929
Total	560,113,340	359,844,599
Schedule-N: Interest expended		
Interest on borrowings from banks	121,564,451	168,412,741
Interest on deposits	199,721,934	231,325,713
Interest on bonds	136,921,194	148,054,149
Interest on others	9,375,000	9,375,000
Total	467,582,579	557,167,603
Schedule-O : Other Financial expenses		
Bank charges	191,665	240,949
Guarantee fee paid to Govt.of T.N	6,955,479	7,510,274
Others	9,216,900	1,018,159
Total	16,364,044	8,769,382
Schedule-P: Personnel Expenses		
Salaries and allowances - CMD	3,394,842	1,775,644
Salaries - others	352,809,625	408,074,119
Contribution to Provident Fund	31,845,145	33,020,854
Staff Amenities and Welfare Expn	3,081,680	2,573,093
Staff Training and Seminar Expn	46,855	1,189,700
Total	391,178,147	446,633,410

SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31.03.2021 (Rs.)	For the year ended 31.03.2020 (Rs.)
Schedule-Q: Administrative expenses		
Travelling & Conveyance		
- CMD	24,287	6,020
- Others	3,966,866	9,366,688
Directors sitting fees & expenses	106,085	79,359
Rent,Rates,Insurance and Lighting	22,955,097	23,271,903
Postage,Telegrams & Telephones	3,279,618	4,007,569
Printing & Stationery	1,673,722	1,750,550
Publicity and Advertisement & Business promotion expenses	3,681,331	8,208,141
Repairs & Renewals	8,031,562	5,914,145
Inspection & Recovery cost	1,951,129	2,922,309
Audit Fees	410,215	354,904
Legal & other professional expenses	4,417,374	5,669,378
Corporate Social Responsibility	13,065,000	5,000,000
Books and Periodicals	276,795	280,804
Expenses on Office Vehicles	9,088,294	7,892,565
Computer Maintenance Expenses	2,764,290	3,209,787
Concurrent Audit Fee	5,182,262	5,155,077
Donation	—	—
Sundries	4,953,628	9,624,536
Total	85,827,557	92,713,735
Schedule R: Waiver and Write off		
Loans Written off	486,990,925	178,653,779
Other dues written off	16,479,891	16,841,539
Loans waived	—	331,346
Other dues waived	—	31,369
Total	503,470,816	195,858,033

Schedule S
**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR
 ENDED 31ST MARCH, 2021.**
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. Rental income is accounted on accrual basis except where they are marked by uncertainty like in the case of prolonged dispute, keeping in line with accounting standard on revenue recognition.
- b) Interest on non performing assets, Investigation Fees, Upfront fees, Risk coverage receipts, lease income are accounted on cash basis.
- c) Dividend income is accounted in the year when the right to receive the payment is established.
- d) 3%/6% interest subventions from Government are accounted on receipt basis.

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) was provided under the Straight Line method and in respect of all other assets on written down value method as per the rates prescribed under Schedule II of the Companies Act, 2013 based on useful life of the asset. Depreciation is calculated on the number of days the assets have been put to use. Individual assets costing lesser than Rs.5,000/- are depreciated in full.
- d) The book value of land whose value has undergone significant change is reviewed once in 15 years, in order to relate them more closely to current fair value based on Revaluation reports. The carrying cost of the Land is increased to match with the Current Market value determined through appraisals conducted by independent qualified valuers and the resultant difference is credited to Revaluation Reserve account.

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 the Regulator 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 not 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, i.e. on doubtful category and loss assets, Provision for employee benefits, are recognized to the extent of virtual certainty of its realization against profits.

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 the life applicable to server.

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. Other dues
 2. Principal
 3. Interest
- c. Receipts subject to pending compliance of terms and conditions of OTS are appropriated as referred in (a) above.

B. DISCLOSURES TO COMPLY WITH THE ACCOUNTING STANDARDS:
1. Employee Benefits:
1.1 GRATUITY
I. PRINCIPAL ACTUARIAL ASSUMPTIONS

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
(Expressed as weighted averages)		
Discount Rate	6.60%	6.39%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	0.50%	0.50%
Expected rate of return on Plan Assets	7.00%	8.00%

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

PVO as at the beginning of the period	3414.23	4193.17
Interest Cost	210.18	265.27
Current Service Cost	27.17	39.23
Past Service cost - (non vested benefits)	(185.93)	0
Past Service cost - (vested benefits)	0	0
Benefits paid	(250.11)	(986.88)
Actuarial (gain)/ loss on obligation	(24.82)	(96.57)
PVO as at the end of the period	3190.72	3414.23

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	3426.72	2835.52
Expected return on plan assets	264.13	241.67
Contributions	0	1357.65
Benefits paid	(250.11)	(986.88)
Actuarial gain/ (loss) on plan assets	(62.09)	(21.25)
Fair value of plan assets as at the end of the period	3378.65	3426.72

IV. ACTUAL RETURN ON PLAN ASSETS

Expected return on plan assets	264.13	241.67
Actuarial gain/ (loss) on plan assets	(62.09)	(21.25)
Actual return on plan assets	202.05	220.43

31.03.2021 31.03.2020
(Rs. in lakhs)

V. ACTUARIAL GAIN / LOSS RECOGNIZED		
Actuarial gain/ (loss) for the period - obligation	24.82	96.57
Actuarial gain/ (loss) for the period - Plan Assets	(62.09)	(21.25)
Total (gain)/ loss for the period	37.27	(75.32)
Actuarial (gain)/ loss recognized for the period	37.27	(75.32)
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	3190.72	3414.23
Fair value of Plan Assets	3378.65	3426.72
Difference	(187.93)	(12.49)
Unrecognized transitional liability	0	0
Unrecognized past service cost - non vested benefits	0	0
Amount determined under para 55 of AS 15R	(187.93)	(12.49)
Net Liability recognized in the Balance Sheet	0	0
Present value of the future reduction in contribution under para 59(b) of AS 15R	187.93	12.49
Net Asset Recognised in the Balance Sheet	187.93	12.49
VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS		
Current service cost	27.17	39.23
Interest cost	210.18	265.27
Expected return on plan assets	(264.13)	(241.67)
Net actual (gain)/ loss recognized in the year	37.27	(75.32)
Transitional liability recognized in the year	0	0
Past Service cost - (non vested benefits)	(185.93)	0
Past Service cost - (vested benefits)	0	0
Effect of limit as per para 59(b) read with para 61(g) of AS 15R	0	0
Expenses recognized in the Statement of Profit and Loss	(175.45)	(12.49)
VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET		
Opening net liability	(12.49)	1357.65
Expense as above	(175.45)	(12.49)
Contribution paid	0	(1357.65)
Closing net liability	(187.93)	(12.49)

IX. AMOUNT FOR THE CURRENT PERIOD **31.03.2021** **31.03.2020**
(Rs. in lakhs)

Present value of obligation	3190.72	3414.23
Plan Assets	3378.65	3426.72
Surplus/ (Deficit)	187.93	12.49
Experience adjustments on plan liabilities - (loss)/ gain	(3.76)	200.90
Experience adjustments on plan assets - (loss)/ gain	(62.09)	(21.25)

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

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

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

Particulars	31.03.2021	31.03.2020
Best Estimate of Contribution	NA	NA

1.2 EARNED LEAVE

I. PRINCIPAL ACTUARIAL ASSUMPTIONS (Expressed as weighted averages)

Particulars	31.03.2021	31.03.2020
Discount Rate	6.60%	6.39%
Salary Escalation Rate	5.00%	5.00%
Attrition Rate	0.50%	0.50%
Expected rate of return on Plan Assets	0.00%	0.00%

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

	31.03.2021	31.03.2020
PVO as at the beginning of the period	2181.09	2414.92
Interest Cost	130.74	148.51
Current Service Cost	91.48	99.82
Past Service cost - (non vested benefits)	0	0
Past Service cost - (vested benefits)	0	0
Benefits paid	(270.26)	(687.38)
Actuarial gain/ (loss) on obligation	76.41	205.22
PVO as at the end of the period	2209.47	2181.09

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

(Rs. in lakhs)

31.03.2021 31.03.2020

Fair value of plan assets as at the beginning of the period	0	0
Expected return on plan assets	0	0
Contributions	270.26	687.38
Benefits paid	(270.26)	(687.38)
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	0	0
Actuarial gain/(loss) on plan assets	0	0
Actual return on plan assets	0	0

V. ACTUARIAL GAIN / LOSS RECOGNIZED

Actuarial gain/ (loss) for the period - obligation	(76.41)	(205.22)
Actuarial gain/ (loss) for the period - Plan Assets	0	0
Total (gain)/ loss for the period	76.41	205.22
Actuarial (gain)/ loss recognized for the period	76.41	205.22
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	2209.47	2181.09
Fair value of Plan Assets	0	0
Difference	2209.47	2181.09
Unrecognized transitional liability	0	0
Unrecognized past service cost - non vested benefits	0	0
Liability recognized in the Balance Sheet	2209.47	2181.09

VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS

Current service cost	91.48	99.82
Interest cost	130.74	148.51
Expected return on plan assets	0	0
Net actual (gain)/ loss recognized in the year	76.41	205.22
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	298.63	453.55

31.03.2021 31.03.2020
(Rs. in lakhs)

VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET

Opening net liability	2181.09	2414.92
Expense as above	298.63	453.55
Contribution paid	(270.25)	(687.38)
Closing net liability	2209.47	2181.09

IX. AMOUNT FOR THE CURRENT PERIOD

Present value of obligation	2209.47	2181.09
Plan Assets	0	0
Surplus/ (Deficit)	(2209.47)	(2181.09)
Experience adjustments on plan liabilities - (loss)/ gain	(96.35)	(143.08)
Experience adjustments on plan assets - (loss)/ gain	0	0

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

Government of India/State Govt. Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others	0.00%	0.00%
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
Dr.(Tmt) M. Aarthi	MD	From 01.04.19 to 21.06.20
Tmt. E. Sundaravalli	MD	From 22.06.20 to 12.10.20
Tmt. Sigy Thomas Vaidhyan	MD	From 13.10.20 to 31.03.21
Thiru S. Chockanathan	CFO	From 01.04.20 to 31.03.21
Thiru D. Durairaj	Company Secretary	From 01.04.20 to 31.03.21

Remuneration paid to Key Managerial Personnel is Rs. 65.25 lakhs (Previous Year Rs. 51.40 lakhs).

4. Earnings per Share:

The calculation of earnings per share is given below:

	(Rs. in lakhs)	
	31.03.2021	31.03.2020
Earnings for the year	5044.39	3018.82
Number of shares	42,09,956	42,09,956
Earnings Per Share (Rs.)	119.82	71.71

5. Deferred Tax Assets/ Liabilities:

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

	(Rs. in lakhs)	
DTA/DTL COMPONENTS	31.03.2021	31.03.2020
Deferred Tax Assets		
1. Loan Loss Provisions	283.80	443.23
2. Provision for employee benefits	643.40	635.13
Total - DTA (A)	927.20	1078.36
Deferred Tax Liabilities		
On account of Depreciation (B)	170.39	166.50
On account of 36 (1)(viii) special reserve	301.10	—
Total - DTL (B)	471.49	166.50
Net Deferred Tax {(A) - (B)}	455.71	911.86
Deferred Tax Asset Previous Year	911.86	1108.27
Provision for Deferred Tax	(456.15)	(196.41)

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 31.03.2021 is Rs.15350.03 lakhs.

7. Depreciation has been provided on the basis of useful life of the assets as prescribed by Schedule II to the Companies Act 2013.

The useful life of the assets in respect of Software is estimated at 6 years.

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

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

2) MOVEMENT OF PROVISIONS:

(Rs. in lakhs)

PARTICULARS	NPA	INVESTMENTS	OTHER ASSETS	TOTAL
Opening Provisions for advances/ investments/ other assets	2490	1785	26	4301
Add: Addition during the year	--	--	--	--
Less: Write Offs/ Write Backs/ Recovery during the year	1289	508	17	1814
Closing Balance	1201	1277	9	2487

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

S.No.	Particulars	Current Year	Previous Year
A.	Interest income as a percentage of average working funds	8.95%	9.24%
B.	Non-interest income as a percentage of average working funds	3.64%	2.71%
C.	Operating Profit as a percentage of average working funds	6.84%	4.69%
D.	Operating Profit per employee (Rs. In lakhs)	39.24	25.86
E.	Net Risk Weighted Assets (Rs. in lakhs)	1,55,366	1,30,547
F.	Core Capital Adequacy Ratio	38.11%	41.27%
G.	Tier II Capital Adequacy	5.60%	6.60%
H.	Capital Adequacy Ratio (CAR)	43.71%	47.87%
I.	Percentage of Net NPAs to Net Loans and Advances	1.0%	6.54%
J.	Percentage of Net NPA (Sub Standard) to Net Loans and Advances	1.0%	5.17%
K.	Percentage of Net NPA (Doubtful) to Net Loans and Advances	0	1.37%

L. Movement of NPAs

(Rs. in lakhs)

FINANCIAL YEAR	2020-21			2019-20		
LOAN CATEGORY	GROSS	PROV	NET	GROSS	PROV	NET
SUB STANDARD	1535	235	1300	6369	958	5411
DOUBTFUL	--	--	--	1967	527	1440
LOSS	966	966	--	1005	1005	0
TOTAL	2501	1201	1300	9341	2490	6851

4) Credit exposures as percentage to total assets, in respect of:

- The largest single borrower is Rs.10000 lakhs,7.64% to total assets.
- The largest single borrower group is Rs.10000 lakhs, 7.64% to total assets.
- The 10 largest borrowers is Rs.17921 lakhs, 13.68% to total assets.
- The 10 largest borrower group is Rs.17921 lakhs, 13.68% to total assets.

5) MATURITY PATTERN OF ASSETS AND LIABILITIES

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

(Rs. in lakhs)

PARTICULARS	<=1 YR	>1 YR & UPTO 3 YRS	>3 YRS & UPTO 5 YRS	>5 YRS & UPTO 7 YRS	>7 YRS & UPTO 10 YRS	>10 YRS	TOTAL
ASSETS	48461	57114	28920	6417	11151	18241	170304
LIABILITIES	35324	31743	14723	5073	6878	76563	170304
GAP	13137	25371	14197	1344	4273	-58322	0

D. OTHER MATTERS

i) Confirmation of Loans and Advances:

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

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

No tax demand / appeal is pending as at 31-03-2021.

iii) As per the common dividend policy evolved by the State Government, vide G.O.Ms.No.123 Finance Department dated 19th May 2014, the State PSUs have to declare 30% of the Net Profit (after tax) or 30% of the paid up share capital whichever is higher subject to availability of disposable profit. The Dividend payable for the Financial year 2020-2021 as per the above G.O. is Rs.15.13 crores/50.44 crores based on availability of disposable profit. As the Corporation wiped out the accumulated losses only recently and in order to build reserves for the future and to meet other long term commitments, the Corporation has proposed 1% dividend amounting to Rs. 4.21 crores leaving a gap of Rs.10.92 crores/46.23 crores respectively.

iv) The COVID-19 pandemic spread across India had created an unprecedented level of disruption in economic activities.

The Government of India declared a nation-wide lock down effective from March 25, 2020, and second lockdown was enforced from 10th May 2021 and the same was extended up to June 2021. The impact of the COVID-19, on the Company's business disbursement and the asset quality would depend on the time taken for economic activities to resume to normal levels, which remains uncertain.

RBI announced the COVID-19 Regulatory Package following which, the Company extended the option of moratorium for installments and interest which fell due between March 1, 2020 and May 31st 2020 to all eligible customers.

Further in line with RBI Notification dated 17.04.2020 regarding moratorium / asset classification, (due to COVID-19 Pandemic) the company has extended the benefit in the last financial year and The Company has charged interest on interest from the borrowers, on the funded interest portion. RBI, as per Circular no.RBI/2021-22/17DOR.STR/REC.4/21.4.048/2021-22 dated 07.04.2021, directed the institutions to refund the interest on interest charged by the company. The company provided in the books of accounts the compound interest charged from 01.03.2020 to 31.08.2020 to the extent of Rs.68.45 lakhs to the individual units.

E. Contingent Liabilities:

Particulars	(Rs. in lakhs)	
	Current Year	Previous Year
(i) Claims of borrowers not acknowledged as debts	200	200
(ii) Others	647	649

- 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.

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

S. RAJENDIRAN
Director

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

Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

A) CASH FLOW FROM OPERATING ACTIVITIES:		2020-2021 Rs.	2019-2020 Rs.
Net Profit/(Loss) before Tax		704,821,220	402,811,827
Adjustments for:			
Depreciation & lease charge for the year		5,107,326	7,260,790
Loan loss provisioning and writeoffs		—	—
Loss/(Profit) on Sale of Fixed Assets		(60,612)	(141,273)
		709,867,934	409,931,344
Adjustment for:			
(increase) Decrease in Investments		(50,748,582)	121,470,009
(increase) decrease in advances		(2,508,570,017)	500,400,556
(Increase) decrease in other assets		(57,976,275)	(67,702,341)
Increase (decrease) in other Liabilities		191,178,086	(380,049,946)
		(i) (1,716,248,854)	584,049,622
Direct Taxes due / paid		(ii) (154,767,103)	(81,289,000)
		(i + ii) (1,871,015,957)	502,760,622
B) CASHFLOW FROM INVESTMENT ACTIVITIES:			
Purchase of Fixed Assets		(7,667,749)	(3,139,261)
Proceeds from sale of assets		70,291	190,032
		(7,597,458)	(2,949,229)
C) CASHFLOW FROM FINANCING ACTIVITIES:			
Increase(decrease) in capital		-	450,000,000
Increase (decrease) in borrowings		1,380,103,701	(774,224,535)
Increase(decrease) in deposits		24,723,262	(383,280,713)
		1,404,826,963	(707,505,248)
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(473,786,452)	(207,693,855)
Cash and Cash equivalents at the beginning of the year		1,330,022,396	1,537,716,251
Cash and Cash equivalents at the end of the year		856,235,944	1,330,022,396
D) DETAILS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Cash in hand		5,016,507	2,321,165
Reserve Bank of India		200,872	180,168
Current A/c with Scheduled Banks		664,170,309	453,735,697
Term Deposits with Banks		186,848,256	873,785,366
TOTAL		856,235,944	1,330,022,396

D. DURAIRAJ
Company Secretary

S. RAJENDRAN
Chief Financial Officer

HANS RAJ VERMA
Chairman &
Managing Director

S. RAJENDIRAN
Director

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

Place : Chennai
Date : 22.10.2021

V. BASKARAN
Senior Partner

VISHWANATH SINGH JADON, IA & AS**ACCOUNTANT GENERAL (AUDIT-II)
TAMIL NADU & PUDUCHERRY****COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED 31 MARCH 2021.**

The preparation of financial statements of Tamil Nadu Industrial Investment Corporation Limited, Chennai for the year ended 31 March 2021 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 22.10.2021.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Tamil Nadu Industrial Investment Corporation Limited, Chennai for the year ended 31 March 2021 under Section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to the Statutory Auditors' Report under Section 143(6)(b) of the Act.

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

Place : CHENNAI
Date : 07.12.2021

VISHWANATH SINGH JADON
Accountant General

PATTERN OF SHAREHOLDING AS ON 31.03.2021

S.No.	Name of the Shareholder	No. of Shares (Rs. 1,000/- each)	% as on 31.03.2021
1.	Government of Tamilnadu	3,035,228	72.10
2.	SIPCOT	500,000	11.87
3.	Small Industries Development Bank of India, Mumbai	170,000	4.04
4.	TIDCO	500,000	11.87
5.	Government of Puducherry	1,500	0.04
6.	Insurance Companies	1,160	0.03
7.	Other Banks including Co-op. Banks	2,068	0.05
	TOTAL	4,209,956	100.00

THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED**HEAD OFFICE**

692, 'MHU' Complex,
Anna Salai, Nandanam,
Chennai - 600 035.

TELEPHONE
044-24331203
044-24306100
Website: <http://www.tiic.org>

FAX
044-
24347150
044-
24347209

E-MAIL
ho@tiic.org

REGIONAL OFFICES**1) CHENNAI**

New No. 692, Anna Salai,
Ground Floor, Right Wing,
Nandanam, Chennai - 600 035.

044-
48529514

rmchennai@tiic.org

2) COIMBATORE

No. 94, Dr. Nanjappa Road, I Floor
United Shopping Complex,
Coimbatore - 641 018.

0422-
2302231

rmcoimbatore@tiic.org

3) MADURAI

No. 1A/4A, Dr. Ambedkar Road
Near Madurai Corporation Office (MADITSSIA)
Madurai 625 020.

0452-
2533018

rmmadurai@tiic.org

4) SALEM

Sri Lakshmi Complex, 1st Floor
4/22, Omalur Main Road
Swarnapuri, Salem - 636 004.

0427-
2448315

rmsalem@tiic.org

5) TIRUNELVELI

5C / 5B, Hotel Shakuntala Shopping Complex
II Floor, Trivandrum Road,
Vannarpettai,
Tirunelveli - 627 003

0462-
2502721

rtirunelveli@tiic.org

6) TRICHY

K.R.T. Building, II Floor,
No. 33, Promenade Road,
Contontment,
Trichy - 620 001.

0431-
2414177

rmtrichy@tiic.org

BRANCH OFFICES**1) CHENNAI**

New No. 692, Anna Salai, Ground Floor,
Right Wing, Nandanam,
Chennai - 600 035.

044-
48529518

bmchennai@tiic.org

2) TIRUVALLUR

86, C&D, II Main Road,
Ambattur Industrial Estate,
Chennai - 600 058.

044-
26257664

bmtiruvallur@tiic.org

3) MARAIMALAI NAGAR

HIG No. 42&43, 1st Floor, M.G.R. Salai,
Off. G.S.T. Road, Maraimalai Nagar
Chengalpattu Dist. - 603 209.

044-
27451650

bmtambaram@tiic.org

	TELEPHONE	FAX	E-MAIL
4) VELLORE Vasanth ENT Clinic, I Floor, 73/A, Katpadi Main Road, Gandhi Nagar, Vellore - 632 006	0416- 2249861		bmvellore@tiic.org
5) CUDDALORE No. 60/1B, Imperial Plaza, Nellikuppam Main Road, Near Dist. Employment Office, Semmandalam, Cuddalore - 607 001	04142- 230831		bmcuddalore@tiic.org
6) COIMBATORE No. 94, Dr. Nanjappa Road, I Floor, United Shopping Complex, Coimbatore - 641 018.	0422- 2380520		bmcoimbatore@tiic.org
7) TIRUPUR Old SF No. 3/1, TS No. 10/1, TIIC Building Kumar Nagar, Avinashi Road Near Fire Station Tirupur - 641 603.	0421- 2470125		bmtiruppur@tiic.org
8) ERODE C.S. Sengottiah Complex, II Floor, No. 23, Chidambaram Colony, 80 feet Road, Periyar Nagar, Erode - 638 001.	0424- 2262080		bmerode@tiic.org
9) KURICHI Plot No. 91, First Floor, COSIEMA Complex Kurichi SIDCO Industrial Estate (West) Kurichi, Coimbatore - 641 021	0422- 2670084		bmkurichi@tiic.org
10) MADURAI No. 1A/4A, Dr. Ambedkar Road Near Madurai Corporation Office (MADITSSIA) Madurai 625 020.	0452- 2533331		bmmadurai@tiic.org
11) DINDIGUL Plot No.2, Ground Floor, Pandian Nagar 1st Street, Trichy Road Dindigul - 624 001.	0451- 2433785		bmdindigul@tiic.org
12) KARAIKUDI D.No.49/3, Keelamel 120 Feet Road, Renault Car Show Room upstairs, Near New Bus Stand, Karaikudi - 630 002.	04565- 230210		bmkaraikudi@tiic.org
13) SALEM Sri Lakshmi Complex, I Floor 4/22, Omalur Main Road, Swarnapuri, Salem - 636 004.	0427- 2440444	0427- 4042054	bmsalem@tiic.org

	TELEPHONE	FAX	E-MAIL
14) DHARMAPURI DDDC Building (Upstairs), Pennagaram Road, Dharmapuri - 636 702.	04342- 260866		bmdharmapuri@tiic.org
15) HOSUR Plot No. 308&309, SIPCOT Housing Colony SIPCOT Industrial Complex (Opp. LAL), Near SBI/SIPCOT Shopping Complex, Hosur - 635 126.	04344- 275596		bmosur@tiic.org
16) TIRUNELVELI 5C/5B, Hotel Shakuntala Shopping Complex, II Floor, Trivandrum Road, Vannarpettai, Tirunelveli - 627 003.	0462- 2502038		bmtirunelveli@tiic.org
17) THOOTHUKUDI No. 4/35, N.P.S. Complex, II Floor, Polpettai, Near New Bus Stand, Thoothukudi - 628 002.	0461- 2346082		bmtuticorin@tiic.org
18) NAGERCOIL 37, Cape Road, Nagercoil - 629 001.	04652- 232859		bmnagercoil@tiic.org
19) SIVAKASI No. 98/C4, Second Floor, Chairman Shanmuga Nadar Road, Sivakasi - 626 123	04562- 229322		bmsivakasi@tiic.org
20) TRICHY KRT Building, II Floor, No. 33, Promenade Road, Cantonment, Trichy - 620 001.	0431- 2460498		bmtrichy@tiic.org
21) THANJAVUR 2854, N.G.K. Apartment, Opp. to Arul Theatre, Nanjikottai Road, Thanjavur - 613 001.	04362- 230465		bmthanjavur@tiic.org
22) KARUR 66/1, 5th Cross, 1st Floor, Sengunthapuram Karur - 639 002.	04324- 235581		bmkarur@tiic.org
23) KALLAKURICHI No. 10, 3rd Floor No. 59, Gopuram Towers Durgam Road, Kallakurichi	04151- 290825		bmkallakurichi@tiic.org

	TELEPHONE	FAX	E-MAIL
24) VILLUPURAM 23A, Ranganathan Street, I Floor Woodlands Complex, Chennai-Trichy Trunk Road, Villupuram - 605 602	04146- 229131		bmwillupuram@tiic.org
FIELD / SATELLITE OFFICES			
1) TIRUVANNAMALAI 4-A, Lakshmipuram I Floor, Bye-Pass Road, Gandhi Nagar, Tiruvannamalai - 606 602.	04175- 253032		bmtiruvannamalai@tiic.org
2) RAMANATHAPURAM No.1130-C, I Floor, Opp. To Sothurani, Ramnad-Rameswaram Road, Bharathi Nagar, Ramanathapuram - 623 504.	04567- 232474		bmramnad@tiic.org
3) THENI Room No. 22, D.No. 297, Chinthamani Ammal Complex, Near Kottakudi Palam, Cumbum Road, Theni - 625 531.	04546- 251982		bmtheni@tiic.org
4) VIRUDHUNAGAR No. 27-C, 1st Floor, Railway Feeder Road, Virudhunagar - 626 001.	04562- 243911		bmvirudhunagar@tiic.org
5) PERAMBALUR No. 132, I Floor, Mathanagopalapuram 2nd Street, Perambalur - 621 212	04328- 276659		bmperambalur@tiic.org
6) NAGAPATTINAM No. 68/89, Perumal South Street (Opp. to Malaysia Apartment) Nagapattinam - 611 001.	04365- 225656		bmnapapattinam@tiic.org
7) NAMAKKAL No. 20/127A-5B, First Floor 80 Feet Road, Salem Road Namakkal - 637 001.	04286- 277667		bmnamakkal@tiic.org
8) SRIPERUMBUDUR No. 5, Ramanujar Street, No. 77, Bangalore Trunk Road, Near Pandian Hospital, Sriperumbudur - 602 105.	044- 27162665		bmsriperumbudur@tiic.org
9) GUMMIDIPOONDI No. 711-A, North SIPCOT Road Gummidipoondi	044- 29565679		bmrummidipoondi@tiic.org

PRINCIPAL OFFICERS AT HEAD OFFICE

Sl. No.	Name of the official (Thiru/Tmt.)	Designation
1.	T. Kirubakaran	General Manager
2.	G. Srinivasan	General Manager
3.	S. Muralidharan	Deputy General Manager
4.	D. Durairaj	Deputy General Manager/ Company Secretary
5.	K. Dinakaran	Assistant General Manager
6.	A.R. Sundaresan	Assistant General Manager
7.	R. Palanivel	Assistant General Manager
8.	K. Janardhanan	Senior Manager
9.	S. Rajendran	Senior Manager



The Tamilnadu Industrial Investment Corporation Limited

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