

# **THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED**

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



**SIXTY FOURTH  
ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
MARCH 31, 2013**



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

## Board of Directors

as on 29.08.2013

1. **Thiru T.G. Venkateshbabu, M.Sc.,**  
Chairman, TIIC
2. **Thiru S.K. Prabakar, IAS.,**  
Principal Secretary/Managing Director, TIIC
3. **Thiru K. Dhanavel, IAS.,**  
Secretary to Government  
Micro, Small & Medium Enterprises Department  
Government of Tamilnadu
4. **Thiru M.S. Shanmugam, IAS.,**  
Joint Secretary to Government  
Industries Department  
Government of Tamilnadu
5. **Thiru Prashant Wadnere, IAS.,**  
Deputy Secretary to Government  
Finance Department  
Government of Tamilnadu
6. **Thiru V. Sridharan**  
General Manager  
Small Industries Development Bank of India (SIDBI)
7. **Thiru Yalangi Venugopal Rao**  
Deputy General Manager  
Small Industries Development Bank of India (SIDBI)
8. **Thiru S. Sundar**  
Chief General Manager (Retd.), SBI
9. **Thiru K. Gopalakrishnan**  
President (TANSTIA)

## Auditors

**M/s. R.K. Kumar & Co.**  
Chartered Accountants  
Chennai

## Principal Bankers

Indian Bank  
Union Bank of India  
Canara Bank



## SYNOPSIS OF BALANCE SHEET

		Rs. in lakhs
As on 31.03.2012	CAPITAL & LIABILITIES	As on 31.03.2013
28,350	Paid up Capital	28,350
15,723	Reserves & Surplus	15,718
1,250	Loan in lieu of capital	1,250
18,615	Deposits	26,248
3,347	Bonds	100
60,080	Refinance from SIDBI	56,285
27,500	Line of Credit – Banks	28,002
20,799	Other Liabilities	14,548
1,75,664	Total	1,70,501
PROPERTY & ASSETS		
10,032	Cash & Bank Balances	1,071
1,207	Investments	1,175
1,34,838	Loans & Advances	1,41,686
17,326	Fixed Assets	17,278
2,267	Other Assets	2,801
9,994	Profit & Loss A/c	6,490
1,75,664	Total	1,70,501

## YEARS AT A GLANCE

Rs. in lakhs

RESOURCES	As on March 31st			
	2012	2013		
Share Capital	28,350	28,350		
Reserves & Surplus	15,723	15,718		
Loan in lieu of Capital	1,250	1,250		
Bonds	3,347	100		
Deposits	18,615	26,248		
Refinance from SIDBI	60,080	56,285		
Line of Credit – Banks	27,500	28,002		
FINANCIAL HIGHLIGHTS	2011-2012	2012-2013		
Gross Income	24,199	21,581		
Financial cost	9,947	10,683		
Establishment and administrative expenses	4,040	4,495		
Other provisions / writteoff	5,372	1,885		
Net Profit before tax	4,896	4,518		
Net Profit after tax	4,840	3,503		
OPERATIONS	2011-2012		2012-2013	
	No.	Amount	No.	Amount
(i) Total assistance sanctioned (All types gross)	2,610	80,097	2,139	97,253
a) Micro and Small Enterprises	2,346	49,939	1,924	65,771
(ii) Amount of assistance disbursed	—	70,294	—	79,019
(iii) Amount of assistance outstanding (All types)	—	1,40,150	—	1,46,987



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

## THE TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED

692, Anna Salai, Nandanam, Chennai - 600 035

**NOTICE** is hereby given that the 64th Annual General Meeting of the Company will be held at the Corporate Office at No.692, Anna Salai, Nandanam, Chennai 600 035 on Thursday, the 26th September, 2013 at 11.00 a.m to transact the following business.

### I. **ORDINARY BUSINESS:**

- a) To consider the comments, if any, of the Comptroller and Auditor General of India on the audit of the company's accounts for the year ended 31.03.2013.
- b) To receive, consider and adopt the audited Balance Sheet, as at 31st March, 2013 and the Profit and Loss Account for the year ended 31st March, 2013 and the report of the auditors.
2. To consider the Report of the Directors.
3. To elect a director in the place of Thiru Prashant Wadhere, IAS, Deputy Secretary to Government, Finance Department, Government of Tamilnadu who retires at this meeting. The retiring director is eligible for re-election.
4. To elect a director in the place of Thiru S. Sundar, Chief General Manager (Retd.), State Bank of India who retires at this meeting. The retiring director is eligible for re-election.
5. To transact other business of which due notice is given to the Corporation.

### II. **SPECIAL BUSINESS:**

1. To consider and if thought fit to pass the following resolution with or without modification, as an ordinary resolution.  
"Resolved to increase the authorised capital of the Company from Rs. 300.00 crores to Rs. 350.00 crores divided into 35,00,000/- Equity Shares (including special shares) of Rs. 1000/- each".
2. To consider and if thought fit to pass the following resolution with or without modification, as a special resolution.  
"Resolved to amend the Clause V of the Memorandum of the Association of the Company by substituting "Rs. 350 crores divided into 35,00,000/- Equity Shares (including Special) shares of Rs. 1000/- each" in the place of "Rs. 300 crores divided into 30,00,000 Equity (including special) shares of Rs. 1,000/- each".
3. To consider and if thought fit to pass the following resolution with or without modification, as a special resolution.  
"Resolved to amend Article 5 of the Articles of Association of the Company by substituting "Rs. 350.00 crores divided into 35,00,000/- Equity Shares (including special) shares of Rs. 1,000/- each" in the place of Rs. 300 crores divided into 30,00,000 Equity (including special) shares of Rs. 1000/- each".

(By order of the Board)

**R. JAYAPRAKASAM**  
COMPANY SECRETARY

Place : Chennai-35

Dated : 29th August, 2013

**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.

## EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

In pursuant to the announcement by the Secutlly Exchange Board of India (SEBI) for divestment of the share capital to the public in Public Sector undertaking viz. M/s. Neyveli Lignite Corporation Limited (M/s. NLC), the Government of Tamilnadu had proposed that the shares to be divested by M/s. Neyveli Lignite Corporation Limited (M/s. NLC) might be purchased by various Public sector undertakings of Tamilnadu in compliance of SEBI guidelines.

The Government of Tamilnadu has informed in the G.O. Ms. No. 331 Finance (BPE) Department dated 26.7.2013 that TIIC to purchase 10% of the equity share capital to be divested to the public by M/s. Neyveli Lignite Corporation Limited (M/s NLC) amounting to Rs. 37.50 crores and sanction was accorded for assistance of Rs. 37.50 crores by way of ways and means advance for investment in shares of M/s Neyveli Lignite Corporation Limited. Accordingly, the TIIC has applied for purchase of shares in M/s. Neyveli Lignite Corporation Limited and M/s Neyveli Lignite Corporation Limited has allotted the share for Rs. 35,82,07,560/- (5970126 No. of shares at the face value of Rs. 10/- with a premium of Rs. 50/-).

The Government of Tamilnadu will consider infusion of fresh capital by about Rs. 37.50 crores by way of subscription to the shares of the Corporation (TIIC) to help TIIC to strengthen its capital adequacy thus converting the financial assistance of the above said sum of Rs. 37.50 crores.

The authorised share capital of the Company (TIIC) stands at Rs. 300.00 crores and in order to accommodate the further infusion of capital by Government of Tamilnadu, the authorised share capital of the Company (TIIC) has to be enhanced and amendment, in the Memorandum of Association and the Articles of Association of the Corporation, is required with the approval of Annual General Meeting. The Government of Tamilnadu had already approved the enhancement of share capital to Rs. 350.00 crores.



## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors takes immense pleasure in presenting the 64th Annual Report of the Corporation for the financial year ended 31st March 2013. The Corporation has improved its financial position by way of increase in portfolio, reduction in accumulated losses, increase in standard assets despite adverse external environment and slow down in the economy.

### Highlights

- The Operating Profit (profit before write-off and write-back of provisions on NPA and Taxes) for the financial year 2012-13 was Rs. 64.02 crores as against Rs. 53.40 crores during the last year, thus recording an increase of 19.89%.
- The Corporation has registered net profit for the tenth consecutive year. For the year ended 31.03.2013 it has achieved a net profit of Rs.35.03 crores against Rs. 48.40 crores last year.
- The total loan portfolio has increased to Rs.1469.87 crores as against Rs.1401.50 crores last year.
- Standard Assets have increased from Rs. 1308.22 crores to Rs.1338.65 crores this year, a growth rate of 2.33%.
- The Gross NPA has increased from 6.66% last year to 8.93% this year. The net NPA has increased from 2.98% last year to 5.70% this year.
- The Capital Adequacy Ratio Improved from 17.39% to 18.74%, this year.
- Establishment expenses, expressed as a percentage to total income, has marginally increased to 18.19% from 17.86% last year.
- Gross recoveries jumped from Rs. 776.76 crores to Rs.904.11crores, recording a rise of 16.40%.

### Business Environment

#### Global

- Despite improved global financial

conditions and reduced short term risks, the world economy continues to grow at a subdued pace. According to the World Economic Situation and Prospects (WESP) Report 2013 of the UN, the global economy is projected to grow at 2.30% in 2013 (the same as in 2012) and gradually strengthen to 3.10% in 2014.

- Global trade volume growth declined sharply to 2.7% in 2012 from 5.20% in 2011 as a result of a synchronized slow down in import demand in developed economies and many large developing countries.
- The global economic activity is expected to slowly gain momentum in 2013 and 2014 on account of the accommodative monetary policies in developed and developing economy.
- However, the short term risks arising out of the Euro situation, the fiscal adjustment in USA and economic slow down in large developing countries have diminished but not disappeared. The risks and uncertainties if not mitigated, could derail global growth again.

#### National

- While India's recent slowdown is partially rooted in external causes, domestic causes are also responsible. The strong post-financial-crisis stimulus led to stronger growth in 2009-10 and 2010-11. However, the boost to consumption,



Ramind Cold Forge Pvt. Ltd., Vellore District



coupled with supply side constraints, led to higher inflation and monetary policy was tightened. The consequent slowdown, especially in 2012-13, has been across the board, with no sector of the economy unaffected and particularly shortage of power has hampered growth in the manufacturing sector.

- The Indian economy is estimated to have registered a growth rate of 5.0 per cent in 2012-13 in terms of gross domestic product against 6.20% in 2011-12.
- Overall industrial growth is expected to register 5.40% growth in the Financial Year 2013-14 against 3.10% during 2011-12.
- During 2012-13 Indian Banking industry's Non-Food Credit grew by about 14.04% as against 15.50% in the preceding year. Reduction in growth rate was due to slow down in credit off-take across all sectors.

#### Tamilnadu

- Tamilnadu's State Gross Domestic Product (GSDP) growth rate for 2012-2013 is only 4.12% as against 7.40% registered for the year 2011-12. (source: State Planning Commission).
- The Industrial Sector in the State recorded a growth of 5.38% during 2012-13 as against 6.10% during 2011-12 (source: State Planning Commission).



*Karthigeya Mould and Dies Private Limited,  
Kancheepuram District*

- The State has attracted investments to the tune of Rs.28,000 crores in 2012 in various sectors, including automobile. The State has identified the Automobile and Solar sectors as new areas with growing opportunities.
- The core focus of the Twelfth Plan of the State is on accelerated, sustainable and inclusive growth.
- The concentration of the State's development initiatives in the 12th Plan Period would be on infrastructure, power, roads connectivity, balanced industrial growth besides skill development and social sectors like education, health and nutrition.
- The Vision 2023 Document released by the State Government envisages a total investment of Rs.15 lakh crores during the next ten years.
- The Government proposes to initiate development of the Madurai-Thoothukudi Industrial Corridor during 2013-14, which is expected to attract Rs.1,90,000 crores of industrial investment over a period of 10 years. To this end a special package of incentives have been announced by the Government.
- A special package of support to stimulate and revitalise the Micro, Small and Medium Enterprises sector is proposed to be released during 2013-14.
- The New Entrepreneur cum Enterprise Development Scheme (NEEDS) is being implemented from 2012-13. Rs.100 crores has been allocated for the NEEDS Scheme for 2013-14 and 50% of this has been earmarked for women beneficiaries and TIIC has a pivotal role to play in implementation of the Scheme.
- 3% interest subvention scheme of the Government to benefit MSMEs availing loans through the Tamil Nadu Industrial Investment Corporation (TIIC) has been extended for the next 3 years.



## FINANCIAL PERFORMANCE:

### Profit:

- The total income of the Corporation (excluding provisioning write back) for the Financial Year 2012-13 was Rs.215.81crores against Rs.193.27crores during 2011-12. The Corporation has registered a net profit of Rs.35.03 crores against Rs.48.40 crores recorded last year.
- Though the Corporation has performed better operationally, indicated by increase in Operating Profit, the reduction in net profit is due to non-availability of write back of provisions during the current year against Rs. 48.73 crores last year.

### Capital/ Reserves:

- Net Capital and Reserves has increased from Rs. 340.78 crores in 2011-12 to Rs. 375.78 crores in 2012-13.
- Capital Adequacy Ratio has improved from 17.39% in 2011-12 to 18.74% in 2012-13 calculated on the same basis.

### Loans and Advances:

Sanction, disbursals and recovery of loans recorded significant improvement over the past year.

Table-1

(Rs. In crores)

	2012-13	2011-12
SANCTIONS	972.53	800.97
DISBURSEMENTS	790.19	702.94
RECOVERY	904.11	776.76

- The improvement in performance is due to Corporation's customer-centric approach, focused business development efforts, quick sanctions and better service to its clients.
- Corporation also launched new schemes like My Doctor and Doctor Plus with liberal norms to target the clients.

- Corporation also increased its individual and group sanctions exposure limits besides fixing sectoral exposure limits.
- To ameliorate the liquidity crunch faced by industries, thrust was given for the sanction of working capital loan and the limit was enhanced to Rs.1.50 crores from Rs.1.00 crore.
- The Corporation's customers continue to benefit in getting various State and Central Government Subsidies through TNC in a hassle-free manner.
- Delegation of Powers at various levels were also enhanced to facilitate quicker sanctions at the Field level.
- As per the announcement of Honourable Chief Minister, the Promoter's Contribution was reduced to 10% for Generator Loan with further liberalization in collateral norms.
- Despite many problems faced by the industries, the Corporation could manage substantial improvement in collections.

Table-2. Disposal of loan applications

(Rs. In crores)

Sl. No.	Particulars	Sanctions			
		2012-13		2011-12	
		No.	Ami.	No.	Ami.
1	Applications pending at the beginning of the year	24	10.37	36	29.63
2	Applications received during the year	2386	1213.86	2751	924.87
	<b>TOTAL</b>	<b>2410</b>	<b>1224.23</b>	<b>2787</b>	<b>954.50</b>
3	Applications disposed off during the year				
a)	Gross Sanctions (All types)	2139	972.53	2610	800.97
b)	Closed, Withdrawn etc.	228	227.65	153	143.16
4	Applications pending at the end of the year	43	24.05	24	10.37
	<b>TOTAL</b>	<b>2410</b>	<b>1224.23</b>	<b>2787</b>	<b>954.50</b>

**Scheme-wise performance**

The Corporation made use of its various schemes to gather advances. Table 3 below, furnishes data.

**Table-3. Scheme-wise Sanction and Disbursement during 2012-2013**

(Rs. In Crores)

Sl.No.	Description	Sanctions No.	(Gross) Amt.	Disbursement Amt.
1	Micro / Small Enterprises Funding scheme	50	8.29	9.79
2	Equipment Finance Scheme	91	51.95	45.74
3	Textile Industry Under Technology Upgradation (RTUF) scheme	11	19.10	4.67
4	Wind Mill	5	4.27	1.27
5	Generator	287	17.79	14.60
6	Transport operators	69	3.02	2.76
7	Medical Practitioners / Hospitals	7	3.37	2.47
8	Single Window Scheme Term Loan	30	7.33	11.46
9	Hotels	7	2.28	1.30
10	Working Capital Loans			
	a. WCTL General /Single Window	85	47.22	17.80
	b. Working Capital Term Loan Scheme	196	80.38	93.84
	c. Service Sector Units	3	0.93	0.70
	d. Bill Finance Scheme	372	367.88	367.88
11	Open Term Loans	141	53.53	29.14
12	Entrepreneur Development Scheme (EDS)	36	0.75	0.56
13	New Entrepreneur & Enterprise Scheme (NEEDS)	2	1.21	—
14	Others	747	303.23	186.21
<b>Total</b>		<b>2139</b>	<b>972.53</b>	<b>790.19</b>

*Ojus Power and Technologies Private Limited, Krishnagiri District*



## DISTRICT-WISE DEPLOYMENT OF CREDIT

Table 4. below, furnishes data on TNC's distribution of credit in the districts.

The Districts of Chennai, Colmbatore, Kancheepuram and Thiruvallur recorded high credit absorption.

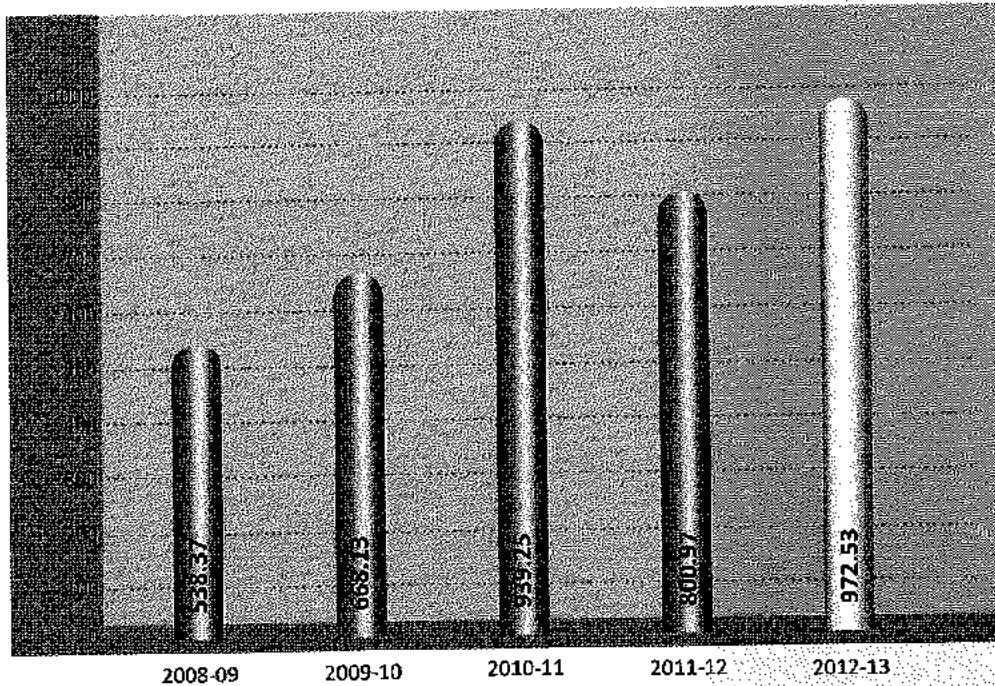
Table-4. Districtwise deployment of loans

(Rs. in Crores)

Sl. No.	Name of the District	Sanctions 2012-2013		2011-2012		Cumulative Sanctions Upto 31.03.2013	
		No	Amt.	No	Amt.	No	Amt.
1	Ariyalur	10	1.53	17	4.29	57	16.74
2	Chennai	75	134.21	187	154.29	15782	1968.59
3	Colmbatore	239	114.68	183	83.07	12944	1565.12
4	Cuddalore	75	13.26	107	10.44	4226	154.48
5	Dharmapuri	27	8.75	45	6.80	5111	263.25
6	Dindigul	58	33.04	106	17.70	2419	319.12
7	Erode	68	35.76	65	41.30	3260	506.22
8	Kancheepuram	130	103.79	112	37.50	8740	993.42
9	Kanyakumari	69	27.73	87	19.76	3553	328.02
10	Karur	45	22.34	28	6.29	729	128.51
11	Krishnagiri	108	42.40	103	37.80	567	192.56
12	Madurai	104	29.75	192	36.54	9651	436.09
13	Nagapattinam	7	1.54	22	3.48	665	33.67
14	Namakkal	27	10.28	64	5.55	913	115.19
15	Perambalur	13	3.61	11	2.51	133	13.83
16	Pudukkottai	72	25.27	102	23.23	3305	219.91
17	Ramnad	28	6.74	40	6.61	3704	104.85
18	Salem	50	19.33	82	15.00	5820	375.56
19	Sivagangai	50	11.60	65	9.69	1731	110.72
20	Thanjavur	45	19.69	59	16.23	4043	154.07
21	The Nilgiris	2	0.08	21	0.33	169	8.04
22	Theni	14	3.45	17	8.43	666	59.82
23	Thiruvallur	214	97.25	187	65.52	2334	633.49
24	Thiruvannamalai	37	7.12	54	5.25	1009	54.47
25	Tirunelveli	75	18.97	82	17.17	4599	220.17
26	Tiruppur	68	39.57	37	44.24	281	139.29
27	Tiruvarur	16	3.37	12	2.16	299	18.69
28	Trichy	113	31.74	187	37.08	5850	330.66
29	Tuticorin	59	31.16	90	30.09	2772	225.99
30	Vellore	34	13.33	54	5.83	4383	232.09
31	Villupuram	90	17.79	79	13.41	837	106.56
32	Virudhunagar	117	43.40	113	33.38	3363	349.88
33	Pondicherry Union Territory	—	—	—	—	47	6.46
Total		2139	972.53	2610	800.97	113962	10385.52

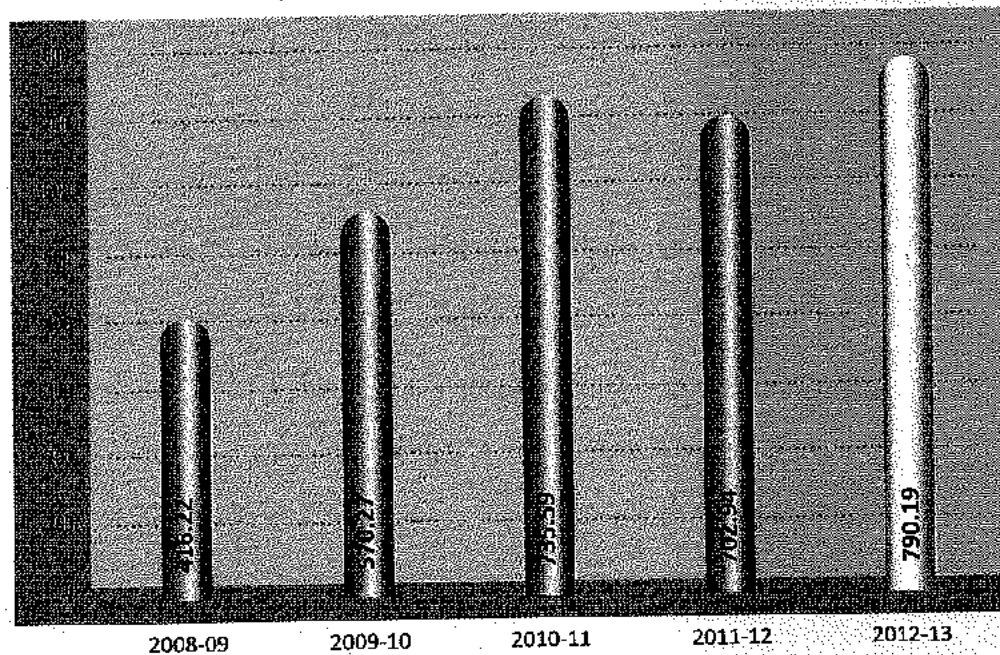
## SANCTIONS (during last 5 years)

Rs. in Crores



## DISBURSEMENTS (during last 5 years)

Rs. in Crores

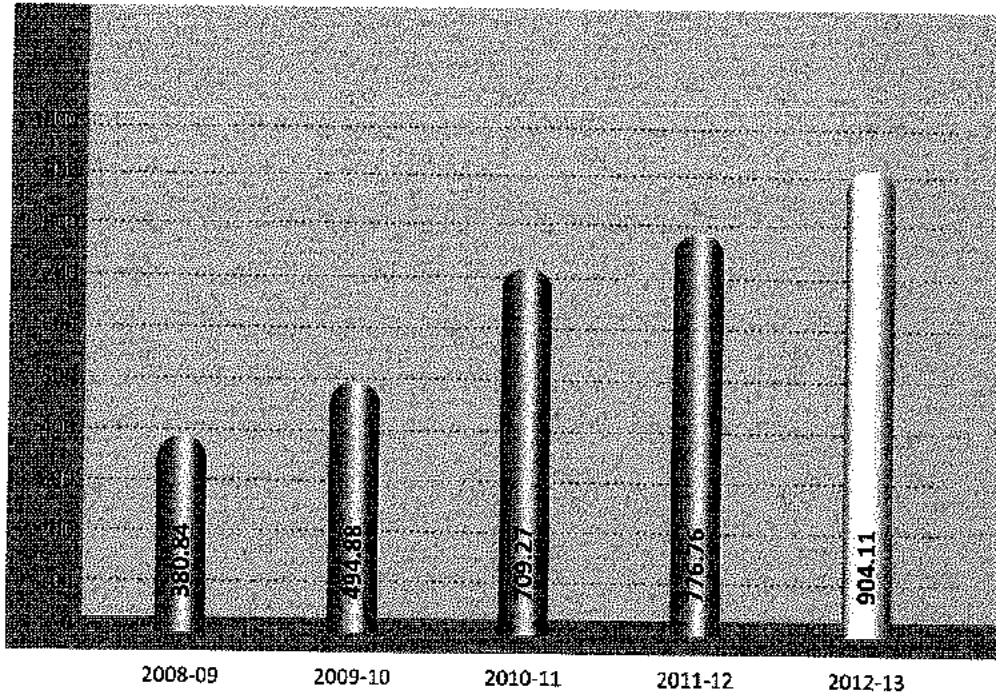






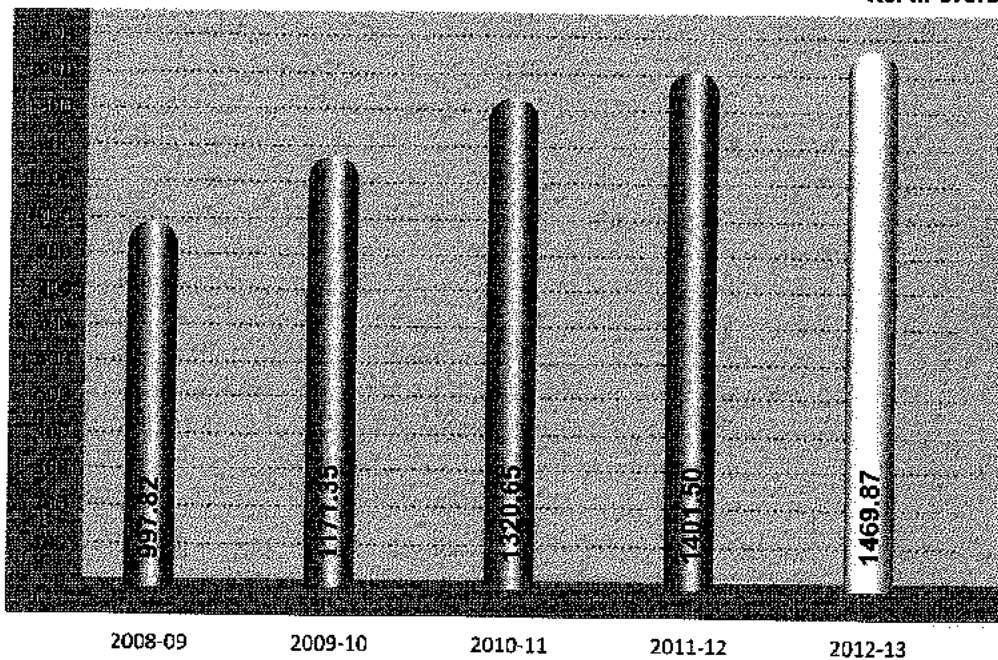
**RECOVERIES during last 5 years (Gross)**

Rs. in Crores



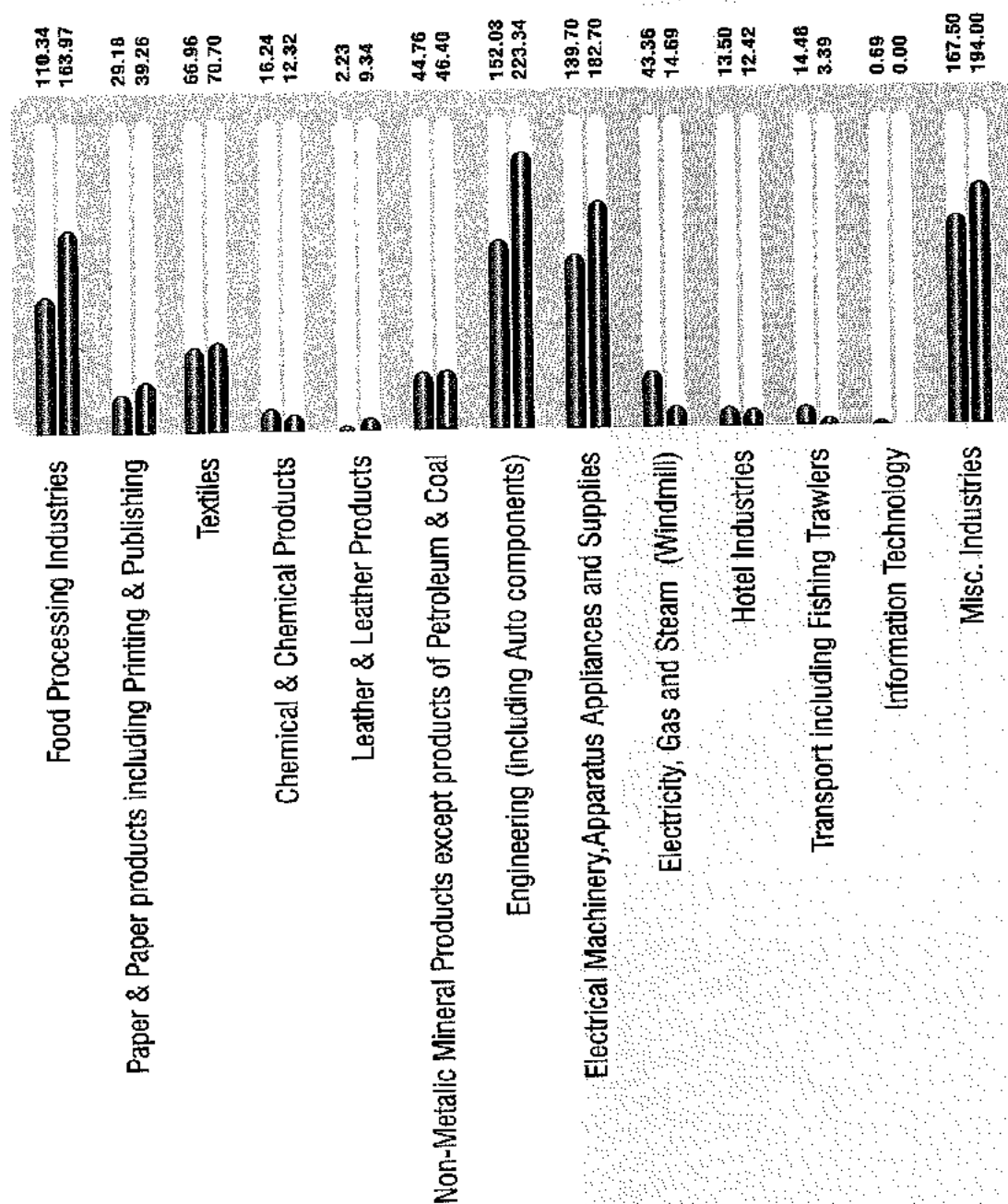
**OUTSTANDING during last 5 years (Gross)**

Rs. in Crores



## INDUSTRY-WISE CLASSIFICATION OF SANCTIONS FOR 2 YEARS

2011-12  
2012-13  
Rs. in Crores





## INDUSTRY-WISE DISTRIBUTION OF CREDIT

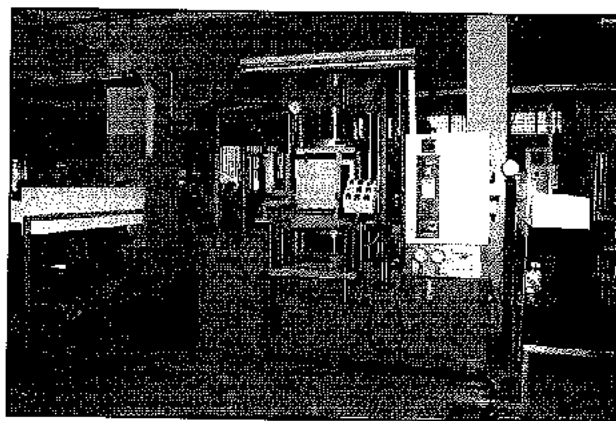
Table 5 shows industry-wise distribution in the Corporation's advances :

**Table-5. Industry-wise distribution of Credit**

Sl. No.	Description	Sanctions (Gross)						(Rs.in Crores)		
		2012-13			2011-12			Cumulative Sanctions upto 31.03.2013		
		No.	Amt.	%	No.	Amt.	%	No.	Amt.	%
1	Food Processing Industry	372	163.97	16.86	329	110.34	13.78	10164	1068.54	10.29
2	Sugar Factories & Refineries	—	—	—	—	—	—	37	154.86	1.49
3	Paper & Paper Products Including Printing & Publishing	126	39.26	4.04	102	29.18	3.64	5187	459.56	4.42
4	Textiles	101	70.70	7.27	118	66.96	8.36	8205	1469.41	14.15
5	Chemical & Chemical Products	28	12.32	1.27	25	16.24	2.03	4235	247.58	2.38
6	Leather & Leather Products	31	9.34	0.96	5	2.23	0.28	1067	173.54	1.67
7	Non-metallic Mineral Products except products of Petroleum & Coal	154	46.40	4.77	163	44.76	5.59	1226	194.42	1.87
8	Engineering (Incl. Auto Components)	610	223.34	22.97	498	152.03	18.98	6760	1375.77	13.25
9	Electrical Machinery, Apparatus Appliances and Supplies	80	182.70	18.79	74	139.70	17.44	1106	818.08	7.88
10	Electricity, Gas and Steam (Windmill)	11	14.69	1.51	11	43.36	5.41	122	335.04	3.23
11	Transport Equipments	—	—	—	—	—	—	474	45.71	0.44
12	Hotel Industries	34	12.42	1.28	36	13.50	1.69	971	229.00	2.21
13	Transport including Fishing Trawlers	83	3.39	0.35	458	14.48	1.81	47380	686.51	6.61
14	Information technology	—	—	—	10	0.69	0.09	77	25.25	0.24
15	Misc. industries not elsewhere classified	509	194.00	19.95	781	167.50	20.91	26942	2764.24	26.62
16	Loans to Govt. Corporations	—	—	—	—	—	—	9	338.00	3.25
<b>TOTAL</b>		<b>2139</b>	<b>972.53</b>	<b>100.00</b>	<b>2610</b>	<b>800.97</b>	<b>100.00</b>	<b>113962</b>	<b>10385.52</b>	<b>100.00</b>



S.S.Tanning Industries, Kancheepuram District



D S Techno Rubber Private Limited, Kancheepuram District







### DISBURSEMENT:

- During the year under report, the Corporation disbursed Rs.790.19 crores. The cumulative disbursement upto 31.03.2013 (since inception) is Rs.7,671.30 crores, extended under various schemes.

### ASSET QUALITY:

- The Corporation continues to place emphasis on increasing the size of loan portfolio besides enhancing the asset quality and reduction of NPA. Most of the Banks and Financial Institutions in the country have recorded increase in NPA during the year. With its focused attention, the Corporation managed to contain the increase in NPA to certain extent.

Table-6. Loan Portfolio

(Rs. in Crores)				
ASSET	2012-13	2011-12	2010-11	2009-10
STANDARD	1338.65	1308.22	1177.93	984.94
SUB-STANDARD	66.79	26.34	42.74	24.26
DOUBTFUL	63.23	66.94	99.98	160.97
LOSS ASSETS	1.20	—	—	1.18
<b>TOTAL</b>	<b>1469.87</b>	<b>1,401.50</b>	<b>1,320.65</b>	<b>1,171.35</b>
WRITTEN OFF	139.02	131.59	90.89	74.65
Total Performing Assets (PA)	1338.65	1308.22	1177.93	984.94
Total Non-Performing Assets (NPA)	131.22	93.28	142.72	186.41
% of Performing Assets to total advances	91.07	93.34	89.20	84.09
% of NPA to Total advances (Gross NPAs)	8.93	6.66	10.80	15.91
% of Net NPA to (Net) advances	5.70	2.98	3.51	3.35

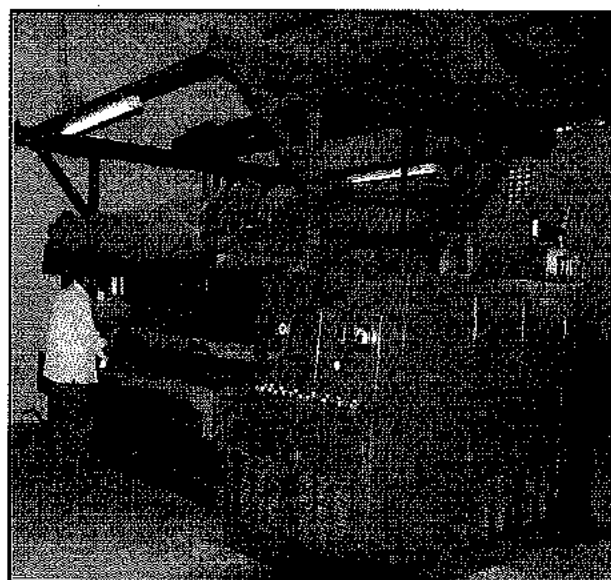
- Despite various monitoring measures and steps to help the customers, there has been increase in NPA, in accordance with the trend in other Banks/Financial Institutions. This is due to the various problems faced by the industries due to economic slowdown globally and nationally.

### Strategies for Asset Quality:

- The Corporation realizes that improving the asset quality is not exclusively related to the functions of monitoring and recovery alone. It has been taking the following steps to attain its objective:
  - Improving the quality of sanctions by better appraisal
  - Monitoring of First Time defaulters and focused follow up of bigger cases.
  - Continuous training for its personnel for skill development.
  - An Exclusive Department for monitoring the asset quality.
  - Close monitoring of the defaulters in Standard Category.
  - Settlement of old advances either through legal route or compromise settlement.

### Loan Monitoring and Rehabilitation Department:

- The Loan Monitors and Rehabilitation Department is headed by a Deputy General Manager. The Department monitors the first time defaulters in Standard assets portfolio, to prevent



R.A.N.Leathers, Vellore District

slippage of assets from standard to sub-standard category.

- The Department also initiates required measures to upgrade the asset status.
- Also monitored the implementation of "TIIC's Liquidity Stimulus Package (TLSP)" which was introduced to help the industries to come out of liquidity problems.
- Close monitoring of bigger cases by Senior Management.

#### **Income Generation through Corporate Agency/Insurance:**

- The Corporation earned a sum of Rs.11.80 lakhs as commission for the insurance premium during the year 2012-13.

#### **Recovery Department:**

- The Recovery Department closely monitors the achievement of principal and interest targets by the Branches.
- It also focuses on the major NPA account by reviewing the cases and taking suitable action.
- Grants approval for proceeding legally to recover the dues under Section 29/31 of SFC Act SARFAESI Act / DRT.
- 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.



*Zetek Castings Pvt. Ltd, Kancheepuram District*

#### **Quality Certification:**

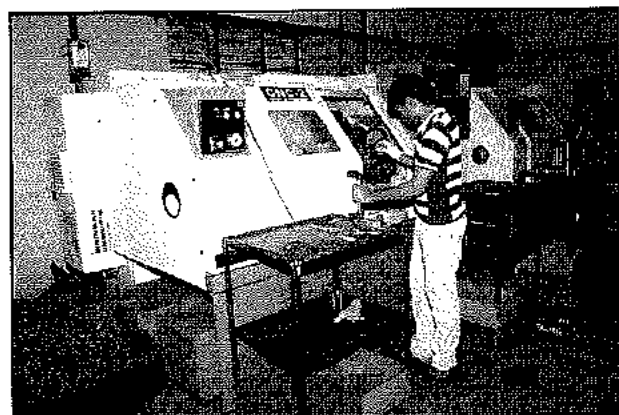
- The Corporation has IS/ISO 9001:2008 Certification from Bureau of Indian Standards (BIS) for its quality management systems renewed upto November 2013 for the process of sanction and disbursement of loans including documentation for Chennai Branches and Head Office.
- Surveillance Audit was carried out during 2012-13 which concluded satisfactory compliance.

#### **Employment generation:**

The financial assistance extended by the Corporation has generated an estimated additional employment for about 16109 persons during the year 2012-2013.

#### **Resources:**

- SIDBI has laid down a road map for phasing out refinance operations to State Financial Corporations. As per the road map, SIDBI sanctioned only 70% of our refinance principal repayment to SIDBI i.e. Rs. 61 crores.
- The Corporation has also utilised balance Rs. 40 crores out of Rs.100 crores Term Loan sanctioned by Canara Bank sanctioned during the previous year.
- The Corporation also placed special emphasis on raising of Fixed Deposits and it managed to register a Net increase of Rs.76.33crores in Fixed Deposits.



*Metexim (Sourcing) Pvt. Ltd,  
Kancheepuram District*



Table-7. Details of applications made to SIDBI

Year	(Rs. In Crores)				
	Amount sanctioned	O/s. at the beginning of the year	Refinance drawn	Repayment made	O/s. at the end of the year
	Amt.	Amt.	Amt.	Amt.	Amt.
2010-11	175.00	484.44	175.00	74.24	585.20
2011-12	72.00	585.20	72.00	56.40	600.80
2012-13	61.00	600.80	61.00	98.95	562.85

**Treasury:**

- The Corporation redeemed SLR bonds on maturity, to the extent of Rs.32.47 crores during the year. The balance outstanding bonds is only Rs. 1.00 crore as on 31.03.2013.

- a Board of Directors which plays a supervisory and advisory role
- Committees constituted for specific functions
- Executives with specific functional responsibilities

**Corporate Governance:**

- The Corporation, is a Deemed State Financial Corporation and also Public Sector undertaking under the Government of Tamilnadu with a mandate to support Industrial growth in the State, with focus on Micro, Small and Medium Enterprises(MSME). It follows regulations as laid down by SIDBI.
- The Corporation places adequate emphasis on Corporate Governance to satisfy the requirements of various stake holders and compliance to regulatory requirements and to integrate them into its functioning.
- To this end, the Corporation has, structurally,
  - a Chairman
  - a Managing Director

**TIC's BOARD OF DIRECTORS COMPOSITION:**

The Board has -

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

As on 31.03.2013, the Corporation's Board had the following Directors:

Sl. No.	Name of the Director	Designation	Nature of Directorship	Date of appointment
1.	Thiru S.K. Prabakar, IAS., Chairman & Managing Director	Executive		13.12.2012
2.	Thiru K. Dhanavel, IAS Secretary to Government, Micro, Small & Medium Enterprises Dept.	Director	Non-Executive	30.01.2013
3.	Thiru M.S. Shamugam, IAS., Joint Secretary to Government, Industries Department	Director	Non-Executive	25.07.2011
4.	Thiru Prashant Wadhere, IAS., Dy. Secretary to Government, Finance Department	Director	Non-Executive	20.10.2011
5.	Thiru S. Sundar, CGM (Retd.), State Bank of India	Independent Director	Non-Executive (Govt. Nominee)	20.09.2005
6.	Thiru V. Sridharan, General Manager, SIDBI	Director	Non-Executive	23.06.2011
7.	Thiru Yalangi Venugopal Rao, Dy.General Manager, SIDBI	Director	Non-Executive	10.08.2012
8.	Thiru K.Gopalakrishnan, President, TANSTIA	Independent Director	Non-Executive	06.03.2013

Directors who served on the Board during 2012-13 and relinquished their posts due to change in assignment:

Sl. No.	Name of the Director Tvl./Tmt.	Period of Time
1.	Md. Nasimuddin, IAS., Chairman & Managing Director	27.09.2011 to 30.10.2012
2.	Dr. Niranjan Mardil, IAS., Prl. Secretary to Government, MSME Department	14.11.2011 to 30.01.2013
3.	S.V.G. Nandagopal, Chief General Manager, SIDBI	30.01.2012 to 10.08.2012
4.	Rajappa Rajkumar, Vice-President, TANSTIA	05.06.2012 to 06.03.2013
5.	Swaran Singh, IAS., Prl. Secretary/Chairman & Managing Director	30.10.2012 to 13.12.2012

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



## COMMITTEES OF THE BOARD

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

No.	Committee	Members	Chairman	Main responsibility areas
1.	Executive Committee	1. The Chairman, TIIC 2. The MD., TIIC 3. Director representing SIDBI 4. Independent Director (nominee of the State Government)	The Chairman, TIIC	All areas relating to loans and advances utilizing the overall powers of the Board, above that of the Corporation's Regional Committee.
2.	Audit Committee	1. Independent Director (Nominee of the State Government) 2. Director representing SIDBI 3. The MD., TIIC	The Independent Director	Overseeing and directing the total audit functions of the corporation; all internal inspections; audits by the external audits /SIDBI/AG; Periodic and Annual financial reports; write-off & bad loans.
3.	Default Review Committee	1. The Chairman, TIIC 2. The MD., TIIC 3. Director representing SIDBI 4. Independent Director (Nominee of the State Government)	The Chairman, TIIC	Overseeing and directing the Corporation's performance in areas relating to NPAs, compromise settlements, etc. within the overall powers of the Board and above those of the Regional Committee.
4.	Staff Committee	1. The Chairman, TIIC 2. The MD., TIIC 3. Director representing Government Finance Dept.  1. The MD., TIIC 2. Director representing Government Industries Dept. 3. Director representing Government Finance Dept.	The Chairman, TIIC  The MD., TIIC	H.R. areas like recruitment, promotions for the post of Assistant General Manager and above  HR areas like recruitment, promotions for the post of Manager and below.

## MEETINGS:

The Board of Directors met ten times in 2012-13. The Annual General Meeting was held in Chennai on the 26th September, 2012.

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

## Grievance Cell

The Grievance Cell of the Corporation received 105 petitions through the Hon'ble

Chief Minister's Special Cell during the year 2012-13, including the one petition pending as on 01.04.2012, the Corporation disposed all the petitions during the current financial year.

## Internal Audit

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

- The Corporation has Regional Audit Teams placed at all its six Regional Offices whose functions are managed by

Head Office Internal Audit Department. The Department is manned by qualified people who also conduct Branch Audit at regular intervals as mandated by the Audit Policy approved by the Board on 31.05.2010.

- Head Office Audit Team carry out audit of 21 Branches in Regions during the Financial Year 2012-13.
- It is proposed to have Pre-disbursement credit audit of larger advances i.e., Rs.2 crores and above for individual term loan sanctions during the year 2013-14.

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

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

#### **Listing on the Stock Exchange**

SLR Bonds Issued by the Corporation are listed in the Madras Stock Exchange, as stipulated by RBI. The Corporation complies with Clause 49 of the Listing Agreement.

#### **Compliance Officers**

Thiru R. Jayaprakasam, Company Secretary, is the Compliance Officer for complying with the various provisions of SEBI and the provisions of the Listing Agreement with the Madras Stock Exchange. He reports to the Corporation's CMD/MD.

- Thiru R. Jayaprakasam, Company Secretary, is the Public Information Officer as required under the Right to Information Act. He reports to the Corporation's CMD/MD.
- Thiru P. Sundaram, Deputy General Manager (IA/ISO), is the Nodal Officer for Know Your Customer (KYC) and Anti-Money Laundering (AMC) compliance, as per RBI/SIDBI directions. No unsatisfactory report was generated by the Corporation in 2012-13.

### **1. Risk Management Policy**

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

The Corporation has also appointed a Chief Risk Officer who has been made as Head of the Screening Committee constituted for the loan proposals to be placed before the Executive Committee and Board. He identifies the Risk Factors in these proposals and submit the same to Head Office Screening Committee. The same is incorporated in the Appraisal Memorandum along with the remarks of the Project Department for consideration of the appropriate Sanctioning Authority.

The Corporation is continuously taking various measures to mitigate the risks involved in its lending activity as given below:

#### **Credit Policy**

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

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

#### **Human Resource**

The Corporation recognizes the importance of Human Resources and its development and maintenance. The Corporation has recruited two candidates during the year as the Senior Officer. Action is being taken to fill up the vacancies through Direct Recruitment. Action is also being taken to recruit the vacancies in various cadres.





As on 31.03.2013, the Corporation's staff strength was as follows :

Management	Total Strength
Principal Secretary/ Chairman & Managing Director	1
Senior Officers	176
Junior Officers	244
Office Assistants	96
<b>Total</b>	<b>517</b>

#### Training

Training is imparted on various aspects like Project appraisal, Legal documentation, computerization, etc. by In-House training programmes or by deputing selected candidates to training programmes conducted by reputed institutions like IIMs, Karnataka State Financial Corporation (KSFC) and College of Agricultural Banking, RBI, Pune apart from Anna Institute of Management, Chennai.

#### Computerisation

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

#### Corporate Social Responsibility

1. Financial support was made to the Centre for Traditional Medicine and Research (CTMR) for the Public Health Intervention through AYUSH project at Vettuvangani Village, Chennai.
2. Financial Support was extended to the "Chennai Science Festival 2013" organized by Science City, Chennai.

For and on behalf of Board of Directors

3. The Deaf Enabled Foundation was supported for release of a souvenir.

#### Directors' Responsibility Statement

Directors hereby confirm that:

- All accounting standards which have to be mandatorily followed have been complied with in the preparation of accounts for the year ended 31st March, 2013.
- 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. R.K.KUMAR & CO., Chartered Accountant, The Statutory Auditors. Their report is appended.

#### Acknowledgements

The Board of Directors wishes to thank the Government of Tamilnadu and other State level institutions viz., State Industries Promotion Corporation of Tamilnadu (SIPCOT), Small Industries Development Corporation Limited (SIDCO), The Electronics Corporation of Tamilnadu (ELCOT) and the Tamilnadu Small and Tiny Industries Association (TANSTIA) and Small Industries Development Bank of India (SIDBI), Commercial Banks, Ministry of Textiles, MSME Development Institute 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.

THE TICI LIMITED  
CHENNAI 600 035

Date : 21.08.2013

**S.K. PRABAKAR**  
CHAIRMAN & MANAGING DIRECTOR



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

Sl. No.	Name of the Director	Designation	Other Directorships
1.	<b>Tvl.</b> <b>S.K. Prabakar, I.A.S.,</b>	Prl. Secretary / Chairman & Managing Director	<b>CHAIRMAN/DIRECTOR:</b> <ol style="list-style-type: none"> <li>1. Electronics Corporation of Tamilnadu Limited (ELCOT)</li> <li>2. Tamilnadu Arasu Cable TV Corporation Limited</li> <li>3. Tamilnadu e-Governance Agency</li> <li>4. Tamil Virtual Academy</li> <li>5. Society for Electronic Transactions &amp; Security (SETS)</li> <li>6. TIDEL Park, Chennai</li> <li>7. TIDEL Park, Coimbatore</li> <li>8. IT Expressway Limited</li> <li>9. IIT Madras Research Park</li> <li>10. ICT Academy of Tamilnadu</li> <li>11. Guindy Industrl. Estate Infrastructure Upgradation Company (GIEIUC)</li> <li>12. Chettinad Cement Corporation Ltd.</li> <li>13. Seshasayee Paper and Boards Ltd.</li> <li>14. State Industries Promotion Corporation of Tamilnadu (SIPCOT)</li> <li>15. Tamilnadu Small Industries Development Corpn. Ltd. (TANSIDCO)</li> <li>16. ITCOT Consultancy &amp; Services Limited(ITCOT)</li> </ol> <b>MEMBER:</b> <ol style="list-style-type: none"> <li>1. Indian Institute of Information Technology Design and Manufacturing, Kancheepuram</li> <li>2. Tamilnadu Industrial Guidance &amp; Export Promotion Bureau (GUIDANCE)</li> </ol>
2.	<b>K. Dhanavel, I.A.S.,</b> Secretary to Govt., Micro, Small and Medium Enterprises Department, Government of Tamilnadu	Director	<b>DIRECTOR:</b> <ol style="list-style-type: none"> <li>1. Tamilnadu Small Industries Development Corporation Limited (TANSIDCO)</li> <li>2. Tamilnadu Small Industries Corporation Limited (TANSI)</li> <li>3. State Engineering and Servicing Company of Tamilnadu Limited</li> </ol>
3.	<b>M.S. Shanmugam, I.A.S.,</b> Joint Secretary to Govt., Industries Department, Government of Tamilnadu	Director	<b>DIRECTOR:</b> <ol style="list-style-type: none"> <li>1. Tamilnadu Industrial Explosives Limited (TIEL)</li> <li>2. TANFAC Industries Limited</li> <li>3. TICEL Bio-park Limited</li> <li>4. Tamilnadu Cements Corporation Limited (TANCEM)</li> <li>5. Tamilnadu Salt Corporation Limited (TANSALT)</li> <li>6. Tamilnadu Tele-communications Limited</li> <li>7. SPIC Limited</li> </ol>



தமிழ்நாடு தொழில் முதலீட்டுக்கழகம்

Sl. No.	Name of the Director	Designation	Other Directorships
4.	<b>Prashant Wadnere, I.A.S.,</b> Deputy Secretary to Govt., Finance Department, Government of Tamilnadu	Director	8. Southern Structurals Limited(SSL) <b>MEMBER:</b> 9. Madras Export Processing Zone-SEZ <b>DIRECTOR:</b> 1. Tamilnadu Salt Corporation Ltd. 2. Tamilnadu State Transport Corporation (Villupuram) 3. Tamilnadu Civil Supplies Corporation Ltd. <b>MEMBER:</b> 4. IT Incubation Centre 5. Tamilnadu Khadi and Village Industries Board (TNKVIB)
5.	<b>V. Sridharan</b> Chief General Manager, Small Industries Development Bank of India (SIDBI)	Director	<b>DIRECTOR:</b> 1. BWDA Finance Ltd.
6.	<b>Yalangi Venugopal Rao</b> Dy. General Manager, Small Industries Development Bank of India(SIDBI)	Director	NIL
7.	<b>S. Sundar</b> Chief General Manager (Retd), State Bank of India	Director	<b>DIRECTOR:</b> Tamilnad Mercantile Bank Limited
8.	<b>K. Gopalakrishnan</b> President, TANSTIA	Director	NIL

**R.K. KUMAR & CO.**  
**CHARTERED ACCOUNTANTS**

II FLOOR, CONGRESS BUILDING  
573, MOUNT ROAD  
CHENNAI - 600 086  
PH: 044-2434 9866 / 2434 9867  
FAX : 044-2434 9857  
EMAIL : rkkco@dataone.in

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

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of Tamil Nadu Industrial Investment Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

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

**AUDITOR'S RESPONSIBILITY**

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

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

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

**OPINION**

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



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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As the Company is defined as a Banking Company by Company Law Board vide its Letter dated 28.06.1960, the Companies (Auditor's Report) Order, 2003, as amended by Companies (Auditor's Report) (Amendment) Order, 2004 (together, the "Order"), issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956 (the Act) is not applicable to the Company.
2. As required by section 227(3) of the Act, we report that:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
  - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
  - e. Being a Government company, pursuant to the Gazette Notification No.GSR829(E) dated 21.10.2003 issued by the Department of Company Affairs, Government of India, provisions of Clause (g) of subsection (1) of Sec.274 of the Companies Act, 1956 are not applicable to the Company
  - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For **R.K. KUMAR & CO**  
Chartered Accountants  
Firm Registration No. 001595S

Name : **C.R. SUNDARARAJAN**  
(Partner)  
Membership No: 025400

Place : Chennai - 35  
Date : 24.07.2013

**ACCOUNTS**

**BALANCE SHEET  
AND  
PROFIT AND LOSS ACCOUNT**



**BALANCE SHEET AS AT MARCH 31, 2013**

Particulars	Schedule Ref.	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>CAPITAL AND LIABILITIES</b>			
Capital	A	2,834,956,000	2,834,956,000
Reserves and Surplus	B	1,571,774,627	1,572,271,527
Bonds	C	10,000,000	334,725,000
Borrowings	D	9,009,435,570	9,208,734,913
Deposits	E	2,624,832,228	1,861,464,870
Other Liabilities and Provisions	F	999,064,593	1,754,290,773
<b>TOTAL</b>		<b>17,050,063,018</b>	<b>17,566,443,083</b>
<b>ASSETS</b>			
Cash and Bank Balances	G	107,116,215	1,003,156,582
Investments	H	117,455,542	120,726,654
Loans and advances	I	14,168,546,062	13,483,772,166
Fixed assets	J	1,727,789,354	1,732,632,788
Other assets	K	280,143,867	226,792,662
Profit and Loss Appropriation Account (Accumulated losses)		649,011,978	999,362,231
<b>TOTAL</b>		<b>17,050,063,018</b>	<b>17,566,443,083</b>
Significant accounting policies and Notes to Accounts	S		

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013

Particulars	Schedule Ref.	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.
<b>INCOME (A)</b>			
Income from operations	L	1,929,461,732	1,736,475,890
Other income	M	228,659,133	196,165,327
<b>Total Income (A)</b>		<b>2,158,120,865</b>	<b>1,932,641,217</b>
<b>EXPENDITURE (B)</b>			
Interest expended	N	1,066,004,145	989,327,172
Other financial expenses	O	2,285,620	5,422,285
Personnel expenses	P	392,638,788	345,105,565
Administrative expenses	Q	56,911,561	58,898,021
Depreciation	J	7,781,747	9,048,521
Waiver and Write offs	R	172,434,530	501,753,246
<b>Total Expenditure (B)</b>		<b>1,698,056,391</b>	<b>1,909,554,810</b>
<b>PROVISIONS (C)</b>			
Provision for Standard Assets/(Written back)		4,962,981	13,973,153
Provision for NPA and Staff Advances / (Written back)		0	(487,265,142)
Depreciation on investments		3,271,112	6,815,429
Provision for Taxes		101,480,128	5,599,598
<b>Total Provisions (C)</b>		<b>109,714,221</b>	<b>(460,876,962)</b>
<b>Net Profit carried to Balance sheet</b>	<b>A-(B+C)</b>	<b>350,350,253</b>	<b>483,963,369</b>
Significant accounting policies and Notes to Accounts	S		
<b>EARNINGS PER SHARE - Basic/Diluted</b> (Face value of Rs.1,000/- each)		<b>Rs. 123.58</b>	<b>Rs. 170.71</b>

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner



**PROFIT AND LOSS APPROPRIATION ACCOUNT FOR THE YEAR ENDED MARCH 31, 2013**

Particulars	For the year ended 31.03.2013 Rs.	For the year ended 31.03.2012 Rs.
Balance as per last Balance Sheet - General Reserve/(Accumulated losses)	(999,362,231)	(1,483,325,600)
Add:		
Profit/(Loss) for the year as per Profit and Loss Account	350,350,253	483,963,369
Profit transferred to general reserve/ (Accumulated losses)	(649,011,978)	(999,362,231)

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner



## SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>Schedule-A: Capital</b>		
1. Authorised Capital 30,00,000 Equity Shares of Rs.1,000 each	3,000,000,000	3,000,000,000
2. Issued Equity Share Capital: 28,35,000 Equity Shares (Previous year 28,35,000 numbers) of Rs.1,000 each	2,835,000,000	2,835,000,000
3. Subscribed and paid up 27,49,956 Equity Shares of (Previous year 27,49,956 numbers) of Rs.1,000 each fully paid	2,749,956,000	2,749,956,000
85,000 (Previous year 85,000) Special Equity Shares of Rs.1,000/- each (issued u/s 4A of SFC Act, 1956)	85,000,000	85,000,000
<b>Total</b>	<b>2,834,956,000</b>	<b>2,834,956,000</b>
<b>Schedule B: Reserves and Surplus</b>		
i) Reserves Revaluation Reserve: Revaluation of lands held	1,535,003,100	1,535,500,000
ii)a) SPECIAL RESERVE FUND (In terms of Sec.35A of the State Financial Corporation's Act, 1951 representing dividend foregone by the Govt.of Tamilnadu and IDBI)	24,999,716	24,999,716
b) Venture Capital Fund	11,771,811	11,771,811
<b>Total</b>	<b>1,571,774,627</b>	<b>1,572,271,527</b>
<b>Schedule-C: Bonds</b>		
<b>Secured</b> Guaranteed by Government of Tamilnadu as to principal and interest.	10,000,000	334,725,000
<b>Total</b>	<b>10,000,000</b>	<b>334,725,000</b>



### SCHEDULE OF BONDS AS ON 31.03.2013

SERIES NO.	BOND DESCRIPTION	PREVIOUS YEAR Rs.	BOND AMT. AT ORIGINAL COUPON RATE Rs.	BOND AMT. ROLLED OVER TO 7.50%, 8% & 8.50% Rs.	THIS YEAR (TOTAL) Rs.
60	11.33% Bonds 2010	7,500,000	--	7,500,000	7,500,000
61	10.50% Bonds 2011	2,500,000	--	2,500,000	2,500,000
63	7.92% Bonds 2012	208,000,000	208,000,000	--	--
64	6.75% Bonds 2013	116,725,000	116,725,000	--	--
<b>TOTAL</b>		<b>334,725,000</b>	<b>324,725,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner

## SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>Schedule-D: Borrowings</b>		
1. a) By way of refinance from SIDBI (other than NEF Scheme)	5,051,473,800 —	5,141,540,612 —
b) National Equity Fund Scheme (Secured by declaration to hold the security of the borrowers of the Corporation in respect of refinance obtained upon trust for SIDBI)	577,032,970	866,452,696
2. Loan in lieu of capital - IDBI (Unsecured)	125,000,000	125,000,000
3. Term Loans from Banks (Guaranteed by the Government of Tamilnadu and secured by charge on loans released by SIDBI due to prepayment)	—	150,041,324
4. Term Loan from Banks(Sec.by book debts)	2,800,200,000	2,600,000,000
5. Overdraft from banks (Sec. by book debts)	455,728,800	325,700,281
<b>Total</b>	<b>9,009,435,570</b>	<b>9,208,734,913</b>

**Schedule-E: Deposits**

1. Deposits from Temples, Educational Institutions etc.	1,508,450,745	977,190,123
2. Inter-Corporate Deposits	1,116,381,483	884,274,747
<b>Total</b>	<b>2,624,832,228</b>	<b>1,861,464,870</b>



### SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>Schedule-F: Other liabilities and Provisions</b>		
1. Seed Capital from SIDBI	384,000	384,000
2. Advances & Deposits from Constituents & others Borrowers Margin Money	267,955,882	274,477,073
3. Liability for others	542,127,624	588,375,594
4. Agency arrangement		
Funding by Govt. of Tamilnadu	—	1,079,866,600
Less: Funds provided to Sugar Mills	—	253,166,600
	<b>—</b>	<b>826,700,000</b>
5. Provision on Standard Assets	47,805,082	33,831,929
Add: Provision for Current Year	4,962,981	13,973,153
	<b>52,768,063</b>	<b>47,805,082</b>
6. Subvention from Government	14,146,440	14,146,440
7. Wealth Tax	2,402,584	1,602,584
Add: Provision for the year	780,000	800,000
	<b>3,182,584</b>	<b>2,402,584</b>
8. Income Tax	—	—
Add: Provision for the year	118,500,000	—
	<b>118,500,000</b>	<b>—</b>
<b>Total</b>	<b>999,064,593</b>	<b>1,754,290,773</b>

### Schedule-G: Cash and Bank Balances

1. Cash in hand	9,197,675	9,676,329
2. Balance with banks		
i) Reserve Bank of India	161,447	376,901
ii) Current A/c with scheduled Banks	97,451,593	166,097,852
iii) Term Deposits with Banks	305,500	305,500
iv) P.D A/c with RBI	—	826,700,000
<b>Total</b>	<b>107,116,215</b>	<b>1,003,156,582</b>

## SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>Schedule-H: Investments</b>		
Investment in shares		
Quoted	108,299,495	111,570,607
Non-Quoted	9,156,047	9,156,047
<b>Total</b>	<b>117,455,542</b>	<b>120,726,654</b>

SCHEDULE FOR INVESTMENT IN SHARES AS ON 31<sup>ST</sup> MARCH 2013

## I. FULLY PAID EQUITY SHARES (QUOTED)

Sl. No.	Name of the Company	No. of Shares	Face Value	Book Cost	Market Rate / Balance Sheet Value	Market Value/ Balance Sheet Value	Net Value (Lower of (5) or (7))
(1)	(2)	Rs. (3)	Rs. (4)	Rs. (5)	Rs. (6)	Rs. (7)	Rs. (8)
<b>I-Market value</b>							
1	Chettinad Cement Corporation Ltd.	1,233,910	10	26,158,892	691.25	852,940,288	26,158,892
2	IDBI Bank Ltd.(Formerly Industrial Development Bank of India)	35,680	10	2,899,000	80.25	2,863,320	2,863,320
3	Kothari Sugars & Chemicals Ltd.	10,350	10	4,485,000	8.35	86,423	86,423
4	Rallis India Ltd.	801,150	10	667,660	115.35	92,412,653	667,660
5	Sakthi Sugars Ltd.	495,099	10	11,254,130	19.80	9,802,960	9,802,960
6	Seshasayee Paper & Boards Ltd.	1,800,000	10	16,000,000	218.65	393,570,000	16,000,000
7	Sical Logistics Ltd (Formerly South India Corporation (Agencas) Ltd)	160,467	10	16,368,640	60.00	9,628,020	9,628,020
8	Sicagen India Ltd	160,467	10	—	13.40	2,150,258	—
9	Tamilnadu News Print & Papers Ltd.	400,000	10	44,000,000	95.05	38,020,000	38,020,000
10	Elgi Rubber Company Ltd	1,179,696	1	158,000	24.35	28,725,598	158,000
<b>II-Balance Sheet Value</b>							
11	Reed Relays and Electronics India Ltd.	41,956	10	2,097,850	65.86	2,763,222	2,097,850
12	Ambattur Enterprises Ltd. (Formerly T&R Welding Products (India) Ltd.)	3,680	100	368,000	816.23	3,003,726	368,000
13	Kamar Chemicals & Industries Ltd.	137,550	10	1,834,000	—	—	—
14	Sun Paper Mill Ltd.	43,500	10	435,000	4.79	208,365	208,365
15	M I L Industries Ltd.	168,000	10	1,680,000	23.79	3,996,720	1,680,000
16	Pandyan Hotels Ltd.	4,985	100	—	1,357.63	6,767,786	—
17	Sree Maruthi Marine Industries Ltd., (Maruthi Crystal Salt Co., Ltd)	20,000	10	—	3.59	71,800	—
18	Wavin India Ltd.	59,275	10	—	1.47	87,134	—
19	Sivanandha Pipe Fittings Ltd.	33,600	10	560,000	20.32	682,752	560,000
<b>III-Others</b>							
20	Indian Steel Rolling Mills Ltd.	46,620	10	310,800	—	1	1
21	MICO Farm Chemical Ltd.	7,480	100	748,000	—	1	1
22	Seshasayee Industries Ltd.	241,750	10	2,417,500	—	1	1
23	Boklyu Tanneries Ltd.	41,900	10	—	—	—	—
24	Secals Ltd.	125,000	10	5,475,000	—	1	1
25	Sivanandha Steels Ltd.	357,600	10	7,152,000	—	1	1
<b>TOTAL</b>				<b>145,069,472</b>		<b>1,447,781,030</b>	<b>108,299,495</b>



## SCHEDULES TO BALANCE SHEET

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

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Book Cost Rs.	Net Value after Depreciation Rs.
(1)	(2)	(3)	(4)	(5)	(6)
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	—	—
<b>TOTAL (A)</b>				<b>15,412,868</b>	<b>5</b>

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

Sl. No.	Name of the Company	No. of Shares	Face Value Rs.	Book Cost Rs.	Net Value after Depreciation Rs.
(1)	(2)	(3)	(4)	(5)	(6)
1	ITCOT Consultancy and Services Ltd.	2,000	100	200,000	200,000
2	Lakshmi Precision Tools Ltd.	34,900	10	523,500	523,500
3	Malladi Drugs & Pharmaceuticals Ltd.	770,000	5	500,000	500,000
4	Guindy Industrial Estate Infrastructure Upgradation Company	2,500	10	25,000	25,000
5	Madras Aluminium Company Ltd.	3,500,000	2	7,000,000	7,000,000
6	India Forge & Drop Stampings Ltd.	71,179	10	907,535	907,535
7	Industrial Venture Capital Ltd.	1,000,000	10	10,000,000	1
8	Marshall & Sons India Ltd.	79,372	10	198,430	1
9	Devi Spinning Mills Ltd.	1,000	1,000	1,000,000	1
10	Kumaragiri Electronics Ltd.	35,000	10	350,000	1
11	Rockfort Fastners Ltd.	25,000	10	250,000	1
12	Forge Mech Private Ltd.	3,900	10	39,000	1
13	Madras Forgings & Allied Industries(CBE)	4,849	100	484,900	1
14	Southern Castings Ltd.	46,310	10	—	—
15	Sakthi Pipes Ltd.	14,850	100	—	—
16	Trac Industries & Components Ltd.	9,960	100	—	—
17	Ramasayee Agro Industries Ltd.	2,500	100	—	—
18	Upper India Bearings & Bushings Ltd.	20,000	10	—	—
19	Tuber Pharma Chemicals Ltd.	20,000	10	—	—
20	Tamilnadu Alloy Foundry Co Ltd.	90,000	10	—	—
21	Omega Cables Ltd.	10,330	10	—	—
22	Micro Tools Ltd.	11,135	100	—	—
<b>TOTAL (B)</b>				<b>21,478,365</b>	<b>9,156,042</b>

Non-quoted Shares

(A) + (B) 9,156,047

**SCHEDULES TO BALANCE SHEET**  
**SUMMARY FOR QUOTED / NON-QUOTED SHARES AS ON 31ST MARCH 2013**

	Current year (Rs.)	Previous year (Rs.)
<b>COST OF FULLY PAID SHARES</b>		
<b>QUOTED</b>		
EQUITY	145,069,472	145,069,472
<b>NON QUOTED</b>		
EQUITY	21,478,365	21,478,365
REDEEMABLE PREFERENCE	15,412,868	15,412,868
<b>TOTAL</b>	<b>181,960,705</b>	<b>181,960,705</b>
MARKET / BOOK VALUE	117,455,542	120,726,654
DEPRECIATION REQUIRED	64,505,163	61,234,051
DEPRECIATION HELD	64,505,163	61,234,051
<b>NET VALUE OF INVESTMENTS AS PER BALANCE SHEET</b>	<b>117,455,542</b>	<b>120,726,654</b>

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner



### SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>Schedule-I: Loans and Advances</b>		
Loans and Advances (After adjusting cumulative provision of Rs.53,01,61,189 (Rs.53,11,88,774))	14,168,546,062	13,483,772,166
Different types of loans		
1. General Loan	9,973,266,414	10,150,755,231
2. Working Capital Term Loan	2,485,305,109	1,843,360,756
3. Generator	124,341,354	56,365,835
4. Transport loans	162,838,148	189,154,531
5. Bill Finance	1,212,118,929	1,092,182,450
6. Bridge loans	316,409,179	205,724,504
7. GES	309,228,923	396,043,394
Add : Interest accrued	115,199,195	81,374,240
Less : NPA Provision	(530,161,189)	(531,188,775)
<b>Total</b>	<b>14,168,546,062</b>	<b>13,483,772,166</b>



**SCHEDULES SHOWING PARTICULARS OF LOANS AND ADVANCES REFERRED IN THE BALANCE SHEET  
AS AT 31.03.2013****1. Asset classification:**

Asset	Term Loans and Hire Purchase Loans			Net
	Gross (Rs.)	NPA Provisioning (Rs.)	Restructure Provisioning (Rs.)	
Standard	13,386,522,356 (13,082,173,812)	26,012,991	13,360,509,365 (13,082,173,812)	
Sub-Standard	667,906,204 (263,348,965)	100,555,526 (41,612,627)	468,170	566,882,508 (221,736,338)
Doubtful	632,293,070 (669,438,163)	392,272,903* (489,576,147)		240,020,167 (179,862,016)
Loss Assets	11,985,621	10,851,599		1,134,022
<b>TOTAL</b>	<b>14,698,707,251</b> <b>(14,014,960,940)</b>	<b>503,680,028</b> <b>(531,188,774)</b>	<b>26,481,161</b>	<b>14,168,546,062</b> <b>(13,483,772,166)</b>

(Previous year figures are in brackets)

\* Includes an additional provision of Rs.1,26,60,373/-

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.

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

Loans guaranteed by the State Government and/ or due by a Government Undertaking

Rs. 709 lakhs

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner



**Schedule-J: SCHEDULE OF FIXED ASSETS AS ON 31.03.2013**

Sl. No.	Description of Asset	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Cost as on 1.4.2012 (Rs.) (1)	Additions 2 (Rs.) (2)	Deletions 3 (Rs.) (3)	Cost as on 31.3.2013 4 (Rs.) (4)	As on 01.04.2012 5 (Rs.) (5)	Additions 6 (Rs.) (6)	Deletions 7 (Rs.) (7)	As on 31.3.2013 (Rs.) (8)	WDV as on 31.3.2013 (Rs.) (9)	WDV as on 31.3.2012 (Rs.) (10)
1	Land - Freehold	1,617,671,814	6,534	496,900*	1,617,181,448					1,617,181,448	1,617,671,814
2	Building	123,302,855	69,600	816,000*	122,556,455	31,982,841	1,567,761		33,550,592	89,005,863	91,320,014
3	Plant & Machinery										
	- Leased Assets	45,895,773			45,895,773	45,895,773			45,895,773		
	- Office Equipments, Electrical fittings etc	45,144,818	1,607,338	694,271	46,057,885	36,702,858	1,457,573	626,060	37,534,371	8,523,514	8,441,960
	- Computer, UPS	44,024,396	1,440,162		45,464,558	39,166,779	1,902,424		41,069,203	4,395,355	4,857,617
	<b>SUB TOTAL</b>	<b>135,064,987</b>	<b>3,047,500</b>	<b>694,271</b>	<b>137,418,216</b>	<b>121,765,410</b>	<b>3,359,997</b>	<b>626,060</b>	<b>124,499,347</b>	<b>12,918,869</b>	<b>13,299,577</b>
4	Furniture & Fittings	16,238,609	456,636		16,695,245	15,114,133	344,282		15,458,415	1,236,830	1,124,476
5	Vehicles	24,115,537	756,108	428,700	24,442,945	14,898,630	2,509,717	411,746	16,996,601	7,446,344	9,216,907
	<b>TOTAL</b>	<b>1,916,393,802</b>	<b>4,336,378</b>	<b>2,435,671</b>	<b>1,918,294,309</b>	<b>183,761,014</b>	<b>7,781,747</b>	<b>1,037,806</b>	<b>190,504,955</b>	<b>1,727,789,354</b>	<b>1,732,632,788</b>
	<b>Previous Year</b>	<b>1,911,871,157</b>	<b>8,667,138</b>	<b>4,144,493</b>	<b>1,916,393,802</b>	<b>178,530,479</b>	<b>9,048,521</b>	<b>3,817,986</b>	<b>183,761,014</b>	<b>1,732,632,788</b>	<b>1,733,340,678</b>

\* Due to legal formalities in transfer of title deeds

\* Includes amount added on revaluation Rs.1,535,003.100 PY Rs. 1,535,500,000

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 05-06-2012

**C.R. SUNDARARAJAN**  
Partner

## SCHEDULES TO BALANCE SHEET

Particulars	As on 31.03.2013 (Rs.)	As on 31.03.2012 (Rs.)
<b>Schedule-K: Other Assets</b>		
Deferred Tax Asset	50,453,968	32,654,096
Staff housing loan	43,545,350	51,768,831
Other Advances & Deposit/other dues recoverable from borrowers after adjusting cumulative provision of Rs. 49,65,721 (L.Y Rs. 39,38,135)	43,492,037	39,371,672
Prepaid Expenses	407,037	554,646
Interest accrued / due		
Advance Income Tax	124,429,366	85,411,666
Advance Interest Tax	494,144	494,144
Advance Wealth Tax	2,359,828	1,575,470
Advance Fringe Benefit Tax	815,697	815,697
Dividend Deficit Account	14,146,440	14,146,440
<b>Total</b>	<b>280,143,867</b>	<b>226,792,662</b>



### SCHEDULES TO PROFIT & LOSS ACCOUNT

Particulars	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
<b>Schedule-L : Income from operations</b>		
Interest on loans and advances	1,923,262,304	1,735,357,909
Interest on investments and Deposits	6,199,428	1,117,981
<b>Total</b>	<b>1,929,461,732</b>	<b>1,736,475,890</b>
<b>Schedule-M: Other Income</b>		
Dividend on shares	38,860,432	31,010,383
Profit on sale of assets	425,985	67,405
Other income		
Investigation fees	34,765,635	34,994,196
Upfront fee	22,617,568	21,393,271
Risk Coverage Receipts	20,225,459	18,541,098
Miscellaneous receipts	19,085,214	13,915,473
Bad debts recovered	88,906,372	72,380,003
Interest on advances to staff	3,772,468	3,863,498
<b>Total</b>	<b>228,659,133</b>	<b>196,165,327</b>
<b>Schedule-N: Interest expended</b>		
Interest on borrowings from SIDBI	509,310,199	518,728,765
Interest on borrowings from banks	288,256,581	263,391,711
Interest on deposits	238,161,520	140,652,006
Interest on bonds	13,767,130	53,782,690
Interest on others	16,508,715	12,772,000
<b>Total</b>	<b>1,066,004,145</b>	<b>989,327,172</b>
<b>Schedule-O : Other Financial expenses</b>		
Bank charges	119,538	104,589
Guarantee fee paid to Govt. of T.N	1,726,020	5,303,977
Others	440,062	13,719
<b>Total</b>	<b>2,285,620</b>	<b>5,422,285</b>

## SCHEDULES TO PROFIT &amp; LOSS ACCOUNT

Particulars	For the year ended 31.03.2013 (Rs.)	For the year ended 31.03.2012 (Rs.)
<b>Schedule-P: Personnel expenses</b>		
Salaries and allowances - CMD	1,139,177	1,617,487
Salaries - others	357,430,348	312,230,779
Contribution to Provident Fund	30,430,943	28,274,226
Staff Amenities and Welfare Exp	3,192,701	2,628,652
Staff Training and Seminar Expn	445,619	354,421
<b>Total</b>	<b>392,638,788</b>	<b>345,105,565</b>
<b>Schedule-Q: Administrative expenses</b>		
Travelling & Conveyance		
- CMD	15,221	344,913
- Others	5,969,384	6,025,164
Directors sitting fees & expenses	66,214	57,935
Rent,Rates,Insurance and Lighting	17,990,282	14,102,415
Postage,Telegrams & Telephones	3,507,674	3,388,359
Printing & Stationery	1,652,449	1,515,401
Publicity & Advertisement & Business promotion expenses	4,484,129	11,566,316
Repairs & Renewals	4,668,225	3,974,375
Inspection & Recovery cost	2,223,309	2,115,485
Audit Fees	291,730	273,967
Legal & other professional expn.	2,122,084	2,327,504
Books and Periodicals	289,210	373,461
Expenses on Office Vehicles	6,523,757	5,841,317
Computer Maintenance Expenses	2,473,258	2,375,140
Donation	91,000	149,500
Sundries	4,543,635	4,466,769
<b>Total</b>	<b>56,911,561</b>	<b>58,898,021</b>
<b>Schedule R: Waiver and Write off</b>		
Loans Written off	163,539,984	476,101,808
Other dues written off	8,857,038	24,905,553
Loans waived	23,300	534,504
Other dues waived	14,208	211,381
<b>Total</b>	<b>172,434,530</b>	<b>501,753,246</b>



**NOTES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR  
ENDED 31<sup>ST</sup> MARCH, 2013.**

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

**1. General**

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

**2. Revenue Recognition**

- a) Income and Expenditure are generally accounted on accrual basis unless otherwise stated.
- b) Interest on non performing assets, Investigation Fees, Upfront fees, Risk coverage receipts, lease Income are accounted on cash basis.
- c) Dividend income is accounted in the year when the right to receive the payment is established.

**3. Fixed Assets, Depreciation and Revaluation**

- a) Fixed Assets other than Land are stated on historical cost basis. Costs directly incurred on acquisition/ take over are capitalized. Land is stated at Revalued Cost.
- b) Cost of Leased assets is amortized equally over the lease period. Accumulated lease adjustment is as per the Accounting Standard (AS 19) on leasing issued by the Institute of Chartered Accountants of India and the same has been reduced from the leased assets.
- c) Depreciation in the case of Office Premises (other than SIDCO shed) is provided under the Straight Line Method, and in respect of all other assets on Written Down Value method, and is as per the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is calculated based on the number of days the assets have been put to use. Individual assets costing less than Rs. 5,000/- are depreciated in full.
- d) The book value of land whose value has undergone significant change is reviewed once in ten years, in order to relate them more closely to current fair value based on Revaluation reports. The carrying cost of the Land is increased to match with the Current Market value determined through appraisals conducted by independent qualified valuers and the resultant difference is credited to Revaluation Reserve account.

**4. Investment**

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

**5. Advances**

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

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

## 6. Staff Benefits

### a. Short Term Employee Benefits

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

### b. Long Term Employee Benefits

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

### c. Contribution towards Provident fund

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

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

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

### d. Contribution to Gratuity Fund

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

### e. Voluntary Retirement Scheme (VRS)

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

## 7. Borrowing Costs

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

## 8. Leases

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

## 9. Accounting for Taxes on Income

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



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

**10. Expenses on Intangible Assets**

Intangible Assets comprising of system software are stated at cost of acquisition including any cost attributable for bringing the same to its working condition less accumulated depreciation. Any expenses on such software for support and maintenance payable annually are charged to revenue account. Capitalised software is depreciated as per rates applicable to Data processors along with the computer.

**11. Impairment of Assets**

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

**12. Contingent Liabilities/ Provisions**

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

**13. Prior Period Adjustments**

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

**14. Appropriation of Repayments**

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



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

(Expressed as weighted averages)	31.03.2013	31.03.2012
Discount Rate	8.00%	8.00%
Salary escalation rate	4.50%	3.00%
Attrition rate	2.00%	1.00%
Expected rate of return on Plan Assets	9.00%	9.00%

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

	(Rs. in lakhs)	
PVO as at the beginning of the period	2771.55	2280.85
Interest Cost	212.28	177.24
Current Service Cost	167.01	156.79
Past Service cost - (non vested benefits)	0	0
Past Service cost - (vested benefits)	0	0
Benefits paid	(235.98)	(130.80)
Actuarial (gain)/ loss on obligation	37.37	287.47
PVO as at the end of the period	2952.23	2771.55

**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	2771.54	2280.85
Expected return on plan assets	246.61	206.27
Contributions	173.13	422.60
Benefits paid	(235.98)	(130.80)
Actuarial gain/ (loss) on plan assets	(3.07)	(7.37)
Fair value of plan assets as at the end of the period	2952.23	2771.55

**IV. ACTUAL RETURN ON PLAN ASSETS**

Expected return on plan assets	246.61	206.27
Actuarial gain/ (loss) on plan assets	(3.07)	(7.38)
Actual return on plan assets	243.54	198.90



	31.03.2013	31.03.2012
	(Rs. in lakhs)	
<b>V. ACTUARIAL GAIN / LOSS RECOGNIZED</b>		
Actuarial gain/ (loss) for the period - obligation	(37.37)	(287.47)
Actuarial gain/ (loss) for the period - Plan Assets	(3.07)	(7.37)
Total (gain)/ loss for the period	40.45	294.85
Actuarial (gain)/ loss recognized for the period	40.45	294.85
Unrecognized actuarial (gain)/ loss at the end of the period	0	0
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS</b>		
Present value of the obligation	2952.23	2771.55
Fair value of Plan Assets	2952.23	2771.55
Difference	0	0
Unrecognized transitional liability	0	0
Unrecognized past service cost - non vested benefits	0	0
Liability recognized in the Balance Sheet	0	0
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>		
Current service cost	167.01	156.79
Interest cost	212.28	177.24
Expected return on plan assets	(246.61)	(206.27)
Net actual (gain)/ loss recognized in the year	40.44	294.85
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	173.13	422.60
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability	0	0
Expense as above	173.13	422.60
Contribution paid	(173.13)	(422.60)
Closing net liability	0	0
<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>		
Present value of obligation	2952.23	2771.55
Plan Assets	2952.23	2771.55
Surplus/ (Deficit)	0	0
Experience adjustments on plan liabilities - (loss)/ gain	62.37	(329.35)
Experience adjustments on plan assets - (loss)/ gain	(3.07)	(7.38)

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

	31.03.2013	31.03.2012
Government of India Securities/		
State Government Securities	55.00%	55.00%
High Quality Corporate Bonds	40.00%	40.00%
Equity Shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Money Market Instrument	5.00%	5.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

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

	(Rs. in lakhs)	
	31.03.2013	31.03.2012
<b>Particulars</b>		
Best Estimate of Contribution	167.01	409.01

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

	31.03.2013	31.03.2012
Discount Rate	8.00%	8.00%
Salary escalation rate	4.50%	3.00%
Attrition rate	2.00%	1.00%
Expected rate of return on Plan Assets	0.00%	0.00%

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

	31.03.2013	31.03.2012
PVO as at the beginning of the period	1666.93	1580.41
Interest Cost	127.89	122.87
Current Service Cost	108.45	89.07
Past Service cost - (non vested benefits)	—	—
Past Service cost - (vested benefits)	—	—
Benefits paid	(136.38)	(89.08)
Actuarial gain/ (loss) on obligation	262.68	(36.34)
PVO as at the end of the period	2029.57	1666.93



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

	(Rs. in lakhs)	
	31.03.2013	31.03.2012
Fair value of plan assets as at the beginning of the period	—	—
Expected return on plan assets	—	—
Contributions	136.38	89.08
Benefits paid	(136.38)	(89.08)
Actuarial gain/(loss) on plan assets	—	—
Fair value of plan assets as at the end of the period	—	—
<b>IV. ACTUAL RETURN ON PLAN ASSETS</b>		
Expected return on plan assets	—	—
Actuarial gain (loss) on plan assets	—	—
Actual return on plan assets	—	—
<b>V. ACTUARIAL GAIN / LOSS RECOGNIZED</b>		
Actuarial gain/ (loss) for the period - obligation	(262.68)	36.34
Actuarial gain/ (loss) for the period - Plan Assets	0	0
Total (gain)/ loss for the period	262.68	(36.34)
Actuarial (gain)/ loss recognized for the period	262.68	(36.34)
Unrecognized actuarial (gain)/ loss at the end of the period	0	0
<b>VI. AMOUNTS RECOGNISED IN THE BALANCE SHEET AND RELATED ANALYSIS</b>		
Present value of the obligation	2029.57	1666.93
Fair value of Plan Assets	0	0
Difference	2029.57	1666.93
Unrecognized transitional liability	—	—
Unrecognized past service cost - non vested benefits	—	—
Liability recognized in the Balance Sheet	2029.57	1666.93
<b>VII. EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>		
Current service cost	108.45	89.07
Interest cost	127.90	122.87
Expected return on plan assets	0	0
Net actual (gain)/ loss recognized in the year	262.68	(36.34)
Transitional liability recognized in the year	—	—
Past Service cost - (non vested benefits)	—	—
Past Service cost - (vested benefits)	—	—
Expenses recognized in the Statement of Profit and Loss	499.03	175.60

	31.03.2013	31.03.2012
	(Rs. in lakhs)	
<b>VIII. MOVEMENTS IN THE LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>		
Opening net liability	1666.93	1580.41
Expense as above	499.03	175.60
Contribution paid	(136.39)	(89.08)
Closing net liability	2029.57	1666.93
<b>IX. AMOUNT FOR THE CURRENT PERIOD</b>		
Present value of obligation	2029.57	1666.93
Plan Assets	0	0
Surplus/ (Deficit)	(2029.57)	(1666.93)
Experience adjustments on plan liabilities - (loss)/ gain	(90.34)	(76.00)
Experience adjustments on plan assets - (loss)/ gain	0	0
<b>X. MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)</b>		
Government of India Securities/State Govt. Securities	0.00%	0.00%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	0.00%	0.00%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.00%	0.00%
Others	0.00%	0.00%
Total	0.00%	0.00%
<b>XI. ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR</b>		
Best Estimate of Contribution	0	0

## 2. Segment Reporting:

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

## 3. Related Party Disclosures (AS-18)

### Key Managerial Personnel

Name	Designation	Period
Thiru. Md.Nasimuddin	CMD	With effect from 01.04.2012 to 25.10.2012.
Thiru Swaran Singh	CMD	From 26.10.2012 to 12.12.2012.
Thiru S.K.Prabakar	CMD	From 13.12.2012 onwards

Remuneration paid to Key Managerial Personnel Rs. 8.80 lakhs (Previous Year Rs. 16.17 lakhs).



#### 4. Earnings per Share:

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

	(Rs. in lakhs)	
	31.03.2013	31.03.2012
Earnings for the year (Basic and Diluted)	3503.50	4839.63
Weighted average number of shares taken for computation	28,34,956	28,34,956
Number of shares outstanding at the year end	28,34,956	28,34,956
Earnings Per Share (Rs.)	123.58	170.71

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

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

	(Rs. in lakhs)	
DTA/DTL COMPONENTS	31.03.2013	31.03.2012
Deferred Tax Assets		
1. Brought Forward losses	—	—
2. Loan Loss Provisions	37.31	—
3. Provision for employee benefits	689.85	540.84
Total - DTA (A)	727.16	540.84
Deferred Tax Liabilities		
On account of Depreciation (B)	222.62	214.29
Net Deferred Tax [(A) - (B)]	504.54	326.55
Deferred Tax Asset Previous Year	326.54	304.54
Provision for Deferred Tax	178.00	22.01

#### 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 31.03.2013 is Rs.15,350.03 lakhs.

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

- 1) Provisions for loan losses have been made on the outstanding after considering monies held under deposits. All credit exposures are classified as per the Regulator's guidelines into performing and non-performing assets. NPAs are further classified into sub standard, doubtful and loss assets based on the criteria stipulated by the Regulator and provisions are made as per the Accounting Policy.
- 2) To meet the additional provision requirement towards Standard Assets, the Corporation has provided Rs. 49.63 lakhs (P.Y. Rs.139.73 lakhs) during the year on the Standard Assets as per SIDBI provisioning norms.

## 3) MOVEMENT OF PROVISIONS:

(Rs. in lakhs)

PARTICULARS	NPA	INVESTMENTS	OTHER ASSETS	TOTAL
Opening Provisions for advances/ investments/ other assets	5312	612	39	5963
Add: Addition during the year		33	10	43
Less: Write Offs/ Write Backs/ Recovery during the year	(10)	0	0	(10)
Closing Balance	5302	645	49	5996

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

Current Year Previous Year

A.	Interest Income as a percentage of average working funds	11.77%	11.19%
B.	Non-interest Income as a percentage of average working funds	1.37%	4.35%
C.	Operating Profit as a percentage of average working funds	3.90%	3.15%
D.	Operating Profit per employee (Rs. in lakhs)	12.41	9.01
E.	Net Risk Weighted Assets (Rs. in lakhs)	1,62,236	1,55,473
F.	Core Capital Adequacy Ratio	13.39%	11.83%
G.	Tier II Capital Adequacy	5.35%	5.56%
H.	Capital Adequacy Ratio (CAR)	18.74%	17.39%
I.	Percentage of Net NPAs to Net Loans and Advances	5.70%	2.98%
J.	Percentage of Net NPA (Sub Standard) to Net Loans and Advances	4.00%	1.65%
K.	Percentage of Net NPA (Doubtful) to Net Loans and Advances	1.70%	1.33%

## L) Movement in NPAs

(Rs. in lakhs)

FINANCIAL YEAR	2012-13			2011-12		
LOAN CATEGORY	GROSS	PROV	NET	GROSS	PROV	NET
SUB STANDARD	6679	1010	5669	2633	416	2217
DOUBTFUL	6323	3923	2400	6694	4896	1798
LOSS	120	109	11	—	—	—
<b>TOTAL</b>	<b>13122</b>	<b>5042</b>	<b>8080</b>	<b>9327</b>	<b>5312</b>	<b>4015</b>

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

- The largest single borrower is Rs.1856 lakhs, 1.09% to total assets.
- The largest single borrower group is Rs.1856 lakhs, 1.09% to total assets.
- The 10 largest borrowers is Rs.13940 lakhs, 8.18% to total assets.
- The 10 largest borrower group is Rs.13940 lakhs, 8.18% to total assets.



## 6. LIQUIDITY:

### MATURITY PATTERN OF ASSETS AND LIABILITIES

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

(Rs. in lakhs)

PARTICULARS	<=1 YR	>1 YR & UPTO 3 YRS	>3 YRS & UPTO 5 YRS	>5 YRS & UPTO 7 YRS	>7 YRS & UPTO 10 YRS	>10 YRS	TOTAL
ASSETS	34682	46714	36952	25360	3008	17294	164010
LIABILITIES	40425	45801	26997	8434	2997	45846	170500
GAP	-5743	913	9955	16926	11	-28552	-6490

## D. OTHER MATTERS

- Under the direction of Government of Tamil Nadu (GO No.5) dated 18 08 2004 and GO No.19 dated 07 02 2005 of Industries (MIC 1) Department and followed up with GO No 35 and 36 dated 12 04 2006, the Corporation was appointed as the "NODAL" agency on behalf of the Government of Tamil Nadu for providing assistance to selective sugar mills to clear the sugar cane arrears. These monies are to be paid back to the Government immediately on receipt of the same from the sugar mills. Since the Corporation is functioning as a channel for the fund flow to the extent of monies received still undistributed, they have been shown under other liabilities and are now held in PD account with RBI. Out of the sum of Rs.31.00 crore disbursed to a sugar Mill under the aforesaid Scheme, the entire amount has been repaid during the previous year. However, the Corporation has remitted a sum of Rs. 1240.00 lakhs as of 31st March 2013 and the balance amount of Rs.1860.00 lakhs is shown under "Other Liabilities". The Corporation is paying interest @ 3.75% p.a., on this outstanding amount retained by them. Pending final reply from the Government on the Corporation's request to permit them to adhere to the original schedule for paying the balance amount to the Government, the Corporation has retained the amount paid in advance by the Sugar Mill.
- Loans and advances include Rs.102.45 lakhs of financial assistance extended to certain sugar mills under co-operative/ public sector under the directions of the State Government vide GO (MS) No.45 INDS (MIF 2) dated 07 03 2008.
- Confirmation of Loans and Advances:**  
Balance in respect of loan accounts have been treated as confirmed, since there is no dispute regarding the demand notice (which includes outstanding amount) sent by the Corporation.
- Dividend deficit of Rs.141.46 lakhs represents minimum guaranteed dividend paid to IDBI & others out of funds received from the Government of Tamil Nadu by way of subvention. The deficit would be absorbed and the liability paid back on the Corporation generating adequate profits after recovery of losses carried forward.
- Income Tax department has raised certain demands in connection with accrued interest on sticky loans and deduction u/s 36, etc. The Corporation has earlier won the cases in the Tribunal. However the Department went on appeal to the High Court



and the High Court has now given the verdict in favour of the Corporation. The concerned Assessment Officer has to give effect to the High Court Judgement. No tax demand as per income tax assessment orders is pending payment as at 31 03 2013.

- D) The minimum guaranteed dividend payable to the Government of Tamil Nadu at the rate of 3.5% / 7.5% amounting to Rs.317.49 lakhs for the financial years from 1997-98 to 1999-2000 has not been provided for due to carry forward losses.

**E. Contingent Liabilities:**

Particulars	(Rs. in lakhs)	
	Current Year	Previous Year
(i) Claims of borrowers not acknowledged as debts	218	218
(ii) Others	372	333

- F. The Corporation has no "suppliers/ vendors" as such to be classified as required by "The Micro, Small and Medium Enterprises Development Act, 2006".
- G. Figures of the previous year have been regrouped/ rearranged, wherever necessary.

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner



<b>A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		2012-2013 Rs.	2011-2012 Rs.
Net Profit/(Loss) before Tax		451,830,381	489,562,967
Adjustments for:			
Depreciation & lease charge for the year		7,781,747	9,048,521
Loan loss provisioning and writeoffs		4,962,981	13,973,153
Loss/(Profit) on Sale of Fixed Assets		(425,985)	(67,405)
		<b>464,149,124</b>	<b>512,517,236</b>
Adjustment for:			
(Increase) Decrease in Investments		3,271,112	6,815,429
(Increase) decrease in advances		(684,773,896)	(1,276,305,021)
(Increase)decrease in other assets		(35,551,333)	10,175,343
Increase (decrease) in other Liabilities		(760,969,161)	30,853,841
	(i)	<b>(1,013,874,154)</b>	<b>(715,943,172)</b>
Direct Taxes due / paid	(ii)	<b>(118,500,000)</b>	<b>(7,000,000)</b>
	(i + ii)	<b>(1,132,374,154)</b>	<b>(722,943,172)</b>
<b>B) CASHFLOW FROM INVESTMENT ACTIVITIES:</b>			
Purchase of Fixed Assets		(4,336,378)	(8,667,138)
Proceeds from sale of assets		1,327,150	393,912
		<b>(3,009,228)</b>	<b>(8,273,226)</b>
<b>C) CASHFLOW FROM FINANCING ACTIVITIES:</b>			
Increase (decrease) in borrowings		(524,024,343)	151,214,436
Increase(decrease) in deposits		763,367,358	594,768,635
		<b>239,343,015</b>	<b>745,983,071</b>
Net increase/(decrease) in cash and cash equivalents	(A+B+C)	(896,040,367)	14,766,673
Cash and Cash equivalents at the beginning of the year		1,003,156,582	988,389,909
Cash and Cash equivalents at the end of the year		107,116,215	1,003,156,582
<b>D) DETAILS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>			
Cash in hand		9,197,675	9,676,329
Reserve Bank of India		161,447	827,076,901
Current A/c with Scheduled Banks		97,451,593	166,097,852
Term Deposits with Banks		305,500	305,500
<b>TOTAL</b>		<b>107,116,215</b>	<b>1,003,156,582</b>

**R. JAYAPRAKASAM**  
Company Secretary

**S.K. PRABAKAR**  
Principal Secretary/Managing Director

**T.G. VENKATESH BABU**  
Chairman

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

Place : Chennai-35  
Date : 24-07-2013

**C.R. SUNDARARAJAN**  
Partner

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL  
(E & RSA)

TAMIL NADU

"Lekha Pariksha Bhavan"

361, Anna Salai, Chennai - 600 018

Phone : 044-2432 7922

Fax : 044-2431 1659

Email : agauTamilnadu2@cag.gov.in

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TAMIL NADU INDUSTRIAL INVESTMENT CORPORATION LIMITED, CHENNAI FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2013.**

The preparation of financial statements of Tamilnadu Industrial Investment Corporation Limited, Chennai for the year ended 31st March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 24.07.2013.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3)(b) of the Companies Act, 1956 of the financial statements of Tamilnadu Industrial Investment Corporation Limited, Chennai for the year ended 31st March 2013. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit, nothing significant has come to my knowledge which would give rise to any comment upon or supplement to the Statutory Auditors' Report under Section 619(4) of the Companies Act, 1956.

Place : CHENNAI - 18  
Date : 27.08.2013

(SUBHASHINI SRINIVASAN)  
Pr. Accountant General



## 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>

GRAMS MINDVEST  
FAX 044-24347150  
044-24347209

E-MAIL  
[tiicld@vsnl.com](mailto:tiicld@vsnl.com)

## REGIONAL OFFICES

## 1) CHENNAI

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

044-  
24315989

MINDVEST

044-  
24315161

[rmchennai@tiic.in](mailto:rmchennai@tiic.in)

## 2) COIMBATORE

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

0422-  
2302231

MINDVEST

0422-  
2303316

[rmcoimbatore@tiic.in](mailto:rmcoimbatore@tiic.in)

## 3) MADURAI

No. 1A, 2nd East Main Street  
I Floor, Anna Nagar, Madurai 625 020.

0452-  
2533018

MINDVEST

0452-  
2521619

[rmmadurai@tiic.in](mailto:rmmadurai@tiic.in)

## 4) SALEM

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

0427-  
2448315

MINDVEST

0427-  
4042076

[rmsalem@tiic.in](mailto:rmsalem@tiic.in)

## 5) TIRUNELVELI

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

0462-  
2502721

MINDVEST

0462-  
2502182

[rmtrunelveli@tiic.in](mailto:rmtrunelveli@tiic.in)

## 6) TRICHY

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

0431-  
2414177

MINDVEST

0431-  
2416625

[rmtrichy@tiic.in](mailto:rmtrichy@tiic.in)

## BRANCH OFFICES

## 1) CHENNAI

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

044-  
24315979

MINDVEST

[bmchennai@tiic.in](mailto:bmchennai@tiic.in)

## 2) TIRUVALLUR

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

044-  
26257664

MINDVEST

[bmtiruvallur@tiic.in](mailto:bmtiruvallur@tiic.in)

## 3) TAMBARAM

Plot No. 28, I Floor, Ayyasamy Street  
Tambaram West,  
Chennai - 600 045.

044-  
22260910

MINDVEST

[bmtambaram@tiic.org](mailto:bmtambaram@tiic.org)



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

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



	TELEPHONE	GRAMS	FAX	E-MAIL
<b>24) KARUR</b> 526, North Pradakshanam Road, LIC Unit I Building, Karur - 639 001.	04324- 235581	MINDVEST		bmkarur@tlic.in
<b>25) VILLUPURAM</b> 23A, Ranganathan Street, I Floor Woodlands Complex, Chennai-Trichy Trunk Road, Villupuram - 605 602	04146- 229131	MINDVEST		bmwillupuram@tlic.in

**SPECIAL RECOVERY BRANCH**

<b>1) CHENNAI</b> New No. 692, Anna Salai, Nandanam, Chennai - 600 035.	044- 24343903	MINDVEST		bmchennaisrb@tlic.in
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**FIELD OFFICES**

<b>1) TIRUVANNAMALAI</b> 4-A, Lakshmiapuram I Floor, Bye-Pass Road, Gandhi Nagar, Tiruvannamalai - 606 602.	04175- 253032	MINDVEST		bmtiruvannamalai@tlic.in
<b>2) RAMANATHAPURAM</b> No.1130-C, I Floor, Opp. To Sothurani, Raminad-Rameswaram Road, Bharathi Nagar, Ramanathapuram - 623 504.	04567- 232474	MINDVEST		bmramnad@tlic.in
<b>3) THENI</b> No. 2-A, I Floor, Jegannathan Street, Old T.V.S. Road, Bungalamedu, Theni - 625 531.	04546- 251982	MINDVEST		bmtheni@tlic.in
<b>4) VIRUDHUNAGAR</b> No. 100, Railway Feeder Road, Virudhunagar - 626 001.	04562- 243911	MINDVEST		bmvirudhunagar@tlic.in
<b>5) PERAMBALUR</b> S.F. No. 143/2D, First Floor, Judu Complex, Trichy Main Road, Thuralmangalam Perambalur - 621 220	04328- 224659	MINDVEST		bmperambalur@tlic.in



## PRINCIPAL OFFICERS AT HEAD OFFICE

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



தமிழ்நாடு தொழில் முதுவீட்டுக்கழகம்