Telangana Industrial Health Clinic Ltd.

Annual Report
2019-20

ABOUT TELANGANA INDUSTRIAL HEALTH CLINIC PVT LTD (TIHCL)

Telangana Industrial Health Clinic has started its journey on 2nd April 2018 as a fintech driven Non-Banking Finance Company promoted by Government of Telangana. The Company's objective is to provide a holistic help to the stressed and sick Micro and Small Industries in the manufacturing space. Its long-term goal is to improve the eco system surrounding this segment of the industry so that the incidence of sickness can be brought down over a period of time. Founded on the principles of lean management institutional practices, with visionary leadership at the helm of its affairs, TIHCL is supported by an expert team of consultants and alliances committed to contribute for the purpose. Our innovative institution has been set up to address the challenges of MSEs. TIHCL believes preventing Industrial sickness is an integral part of the development process.

Majority of micro and small manufacturing enterprises face issues, because they are unorganized and are strangulated by stricter NPA norms and application of Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 by the Banks. This institution works in close coordination with the existing lending institutions and rebuild the lost trust between them and the stressed entrepreneurs. It supplements and not supplant the existing lending institutions.

TIHCL is one stop solution for all the financial and non-financial stress faced by MSEs, it has been established to be a preventive as well as curative clinic for stressed MSEs in the State of Telangana within the gamut of industry ecosystem comprising Entrepreneurs, Industries Department/DICs, Ministry/Government, Banks, Financial Institutions and other stake holders

INDEX	Page No

K TARAKA RAMARAO
Minister for IT, Administration &
Urban Development, Industries &
Commerce, Public Enterprises,
Mines and Geology & NRI Affairs
Government of Telangana

MESSAGE

Telangana State has pioneered a progressive Industrial Policy and has also taken up the task of Institution building with a view to promoting and sustaining businesses. MSMEs today provide 1.5 million jobs in the State, producing about 5,000 different products. Their contribution to economy is considerable and at the same time the problems faced by this segment are also many and varied.

Recognizing the importance of the MSME, the allocation for incentives for industrial promotion was increased from Rs. 21.55 crore to Rs 1,132 crore in the 2020-21 State Budget. Out of the allocation, majority of the funds for incentives would be earmarked for MSME.

The Micro and Small manufacturing enterprises. in particular play a crucial role in employment generation and their long-term sustenance is key to ensure employment stability. No enterprise can boast of a continuous and stable growth without stress situations of various kinds in the current dynamic business environment. The COVID-19 pandemic has made the situation more challenging and there is an urgent need to save the enterprises from sickness / closure.

The Telangana Industrial Health Clinic Ltd. was established as an innovation to help the enterprises in their revival effort and also to improve the ecosystem affecting this segment. Financial Institutions and Industry Associations are important stakeholders in the eco-system and their role is crucial.

The Banks and FIS that play an important role in financing MSMEs need to utilize the services offered by TlHCL's helping hand so that stressed enterprises can be revived and contribution of the industry to the economy improved.

I wish success to TIHCL Ltd. in its endeavors in the challenging task of industrial revival.

Best Wishes

Sd/-
(K. Taraka Rama Rao)

JAYESH RANJAN IAS
Principal Secretary to Goverment
Commissioner for Industrial Promotion &
Mines Industries & Commerce Department
Government of Telangana

MESSAGE

The Micro and Small manufacturing enterprises play a crucial role in employment generation and their long-term sustenance is key to ensure employment stability. Yet the sector is glorified on paper but neglected on the ground. The institutional finance still covers a small portion of the credit needs of the sector. Research says that financial support alone is not sufficient for a healthy growth of these enterprises but the entire eco system needs to improve as the challenges faced by the sector are myriad and incidence of stress is easy and quick.

Previous inadequate support mechanisms have rendered many enterprise stressed and sick. Identification of incipient sickness and timely revival action is one important cure to the ills of this sector. The need has prompted the Government to have a separate institutional mechanism, viz., Telangana Industrial Health Clinic Ltd., evolving into an independent, autonomous institution.

It is well-known that the impact of COVID-19 is severe on the economy and particularly on MSME sector as most of them do not possess the ability to withstand any shock, leave alone a pandemic. The resultant high level of incidence of stress needs to be handled together by all the concerned, though the major stakeholder is the Banking Community. The schemes of the AtmaNirbharAbhiyaan of the Central Government did come to the rescue of the sector, but their efficacy depends on the efficiency of the credit delivery by the Banks on the ground.

Outsourcing of revival of micro and small enterprises is an option Banks need to give a serious thought. The Telangana State Government's innovative Institution TIHCL should be able to serve the outsourcing needs of the Banks in the space of revival of Micro and Small manufacturing enterprises with the coordination of Banks & Fls.

I wish all success to TIHCL in their efforts to play an important role and bringing out many success stories.

Best Wishes

Sd/-
(Jayesh Ranjan)

Message from Adviser

Two years may be too short a time for a real time assessment of the growth of a Company and more so for TIHCL, because its base is RISK. The other side of risk is reward.

The year saw a severe slowdown of the economy followed by the Covid lockdown of the entire nation with effect from 28th February 2020. Our State was the first to impose lockdown to restrict the spread of the Corona virus. Business of all enterprises irrespective of size were affected and Micro and Small manufacturing enterprises being more vulnerable, front ending the supply chain were affected more adversely than others.

Every adversity should be viewed as an opportunity by right thinking enterprises. More easily said than done. This is not the time for either speculation or brooding over the past but to think of new horizons for businesses.

This is the time to clean the stables of MSEs and graduate to organised enterprises with better record keeping; structured follow up of their debtors and creditors through installation of affordable ERP solutions. In a recent discussion on Research Gate on the subject one solution that came clear is: "Activation of entrepreneurship is one of the objectives of interventionist, anti-crisis, national socio-economic policies in the situation of deepening recession in national economies".

MSEs would do well to win new customers; accelerate digital processes; transform themselves to thrive and carve out a sustainable future. Growth and growth should alone drive them. TIHCL should continuously engage in scaling up the enterprises with such growth perspective.

TIHCL was the first institution to come up with a restructuring pre-pack consistent with the RBI guidelines with all the employees working from home during the lockdown. It targets digitization of MSEs as a primary goal during the year.

Revival and restructure according to RBI guidelines require reworking with enterprise perspective instead of bank perspective.

TIHCL should view the year of 2020-21 as a year of opportunity for growth. Its sphere of functioning should spread (i) to empowering the enterprises through its online skill development programmes; (ii) to help entrepreneurs in project formulation; (iii) help micro and small enterprises to move to cluster to cross-hold risks; and (iv) work with the rest of stakeholders and the State Government to strengthen the ecosystem.

I wish the new top management and the staff all the best.

Sd/-

(Dr. B. Yerram Raju)

Message from MD & CEO

The year 2019-20 has been a challenging year in terms of expansion of activities, continuous spread of message of TIHCL's presence to help handhold the Micro and Small businesses. Focused more in the areas of consulting and advising while participating in margin finance in a small way.

We continued our efforts in engaging with Banks to emphasize that close and continued engagement with the MSEs involving considerable time and effort is more important than mere awareness of the reasons for stress / sickness in the sector. The most important objectives of the company being improvement in the eco system surrounding the MSEs cannot be achieved without continuous engagement with the businesses, particularly when they are in stress.

The engagement exercise continued with Industry Associations also stressing the need for serious attention to incipient sickness, need for transparency and compliance and introduction of digital technology wherever possible. We have talked to three Associations and publicized at Industrial Area Local Authorities.

In this direction, we have entered Memorandum of Understanding (MOU) with SBI and renewing our efforts with other banks also. MOUs have also been entered with Association of Lady Enterprises of India (ALEAP) and Confederation of Women Entrepreneurs (COWE). In order to help the women enterprises, we have also introduced two products namely NARI for and Swasakthi.

Regarding client interface, 26 cases were handled and resolved through financial / non-financial help during this year. Your company has also helped in conducting diagnostic study of 47 cases to determine the need for priority release of incentives sanctioned by the Government of Telangana. We have also provided helping in hand to the weavers of Sircilla and Velverthi Cluster

Our experience during the year confirmed that the challenges in improving the eco system surrounding the MSEs are varied, deep and twisted. Good policies and intent alone will not suffice. It requires a sustained and patient approach towards building trust among the stake holders.

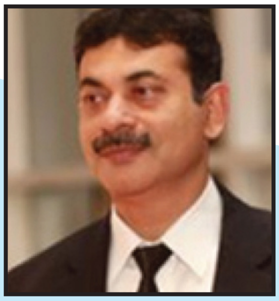
The revenues have shown some improvement though not noticeable. Efforts continue to keep the expenses in check. Details are provided elsewhere in the Report.

Your company will continue to strive towards fulfillment of the mission and all the employees of the company are committed to achieve.

Sd/-

(Suresh Kumar D.V.)

OUR OFFICIAL DIRECTORS



Shri Jayesh Ranjan, I.A.S.

He is the Principal Secretary of the Industries & Commerce (I&C) and Information Technology (IT) Departments of the Telangana Government. His assignment involves developing policy frameworks, attracting new investments, identifying opportunities for utilizing IT in various government processes, and promoting digital empowerment of the citizens.

Shri K. Manicka Raj I.A.S.

He is the Commissioner of Industries, a key assignment involving industrial development through effective implementation of policies and help improvement of industrial eco system in the State.

Shri E. Venkat Narsimha Reddy

He is the Vice Chairman & Managing Director, Telangana State Industrial Development Corporation (TSIDC), Hyderabad

Dr. Yerram Raju Behara

He is the Adviser to TIHCL. A multi-faceted personality with experience and exposure in Banking, MSME and Academics. He is an Economist and Risk Management Expert, penned many books, publications, articles on Agriculture, MSME, Banking, Risk management and Governance. His work experience spans SBI, ASCI as Dean of Studies and Lal Bahadur Shastri National Academy of Administration. His work is known and acclaimed nationally and globally.

Shri Suresh Kumar D. V.

He had 34 years of experience in State Bank Group. He has extensive experience in the field of banking covering areas of retail and corporate banking including MSME lending. He has exposure in banking technology, risk management and treasury both forex and money markers including a stint in SBI Chicago as CEO. He retired as Chief General Manager, Internal Audit from State Bank of India in the year 2019 and took up the present assignment as CEO of TIHCL in June 2020.

OUR INDEPENDENT DIRECTORS

Dr. B. Kinnera Murthy

She is a Strategy Consultant, Director of Corporate Boards and Academic Governing Councils and a Founder Member of a Woman Support NGO, since her superannuation from The Administrative Staff College of India in 2012, where she held the posts of Dean and Professor, Strategic Management.

Dr. S. V. Prabhath

He is an accomplished Civil Servant with over 38 years of varied experience and exposure in Administration, Institution Building, General management, He provides strategic direction and policy support to several Government establishments and programs. Currently he is involved in promoting a Global Scientific Research and Development platform based at Hyderabad.

Dr. N. Krishna Mohan

He is a retired Chief General Manager from RBI with more than 30 years of experience and held various positions in the Central Bank before retiring as the Banking Ombudsman for the States of Andhra Pradesh and Telangana. He was the Regional Director of RBI offices at Trivandrum and Hyderabad.

Shri S. Srinivas Rao

He retired as MD, APITCO, an organization involved in SME sector. A practical industrialist, he started his career as an entrepreneur starting an SSI unit in 1972. Later he joined APITCO as Consultant and rose to head the institution as MD.

Kondaveeti Sudhir Reddy

He is the president of Telangana Industrialists Federation (TIF), an association which strives for the welfare of MSMEs in the state of Telangana. He started his career as an entrepreneur in 1996. He held various positions in Industrial Associations and IALAs. He has more than 25 years of Experience in manufacturing sector.

REPORT ON CORPORATE GOVERNANCE

TIHCL's Governance Philosophy

TIHCL defines Corporate Governance as a systemic process by which companies are directed and controlled to enhance their sustainability and profitability. TIHCL believes that the governance process should ensure that, companies' resources are utilized in a manner that meets stakeholders' aspirations and societal expectations. This belief is reflected in the Company's deep commitment to contribute to the "triple bottom line", namely conservation and development of the state's economic, social and environmental capital.

TIHCL Corporate Governance structure, systems and processes are based on five core principles:

1. Protecting and enhancing the 'values' of the organization
2. Regulatory compliance oversight
3. Strategic direction
4. Preserving the independence, autonomy and transparency within the Board defined frame work
5. Ensuring ethical practices in the Organization

The Governance Structure

TIHCL has adopted best corporate practices and is committed to conduct its business in accordance with the applicable laws, rules and regulations. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and proper constitution of committees of the Board. Company's Board of Directors comprise of professionals having vast experiences in relevant fields numbering 10 including five Independent Directors.

The company has been complying with all the requirements of

- A Non-Banking Financial Institution without accepting public deposits subject to the conditions of the Reserve Bank.
- All applicable corporate governance norms in relation to the constitution of the Board and Committees

The practice of Corporate Governance in TIHCL takes place at three interlinked levels:

A	Strategic Supervision	By Board of Directors
B	Strategic Management	By Managing Committee (MC)
C	Execution	By the Managing Director assisted by Chief Operating Officer

The three-tier governance structure ensures that :

A. Strategic supervision is free from involvement in the task of strategic management of the Company. The strategic supervision is conducted by the Board with objectivity, thereby sharpening accountability of management.

Composition of the Board as on 31st March 2020

Category	No. of directors	Names
Whole-time Directors	2	Shri Sanjaya Maruvada Shri Suresh Kumar D. V. (From 01-06-2020) Dr. Yerram Raju Behara
Official Directors	3	Shri Jayesh Ranjan Shri Ahmad Nadeem IAS Shri K. Manicka Raj (From 02.02.2020) Shri E. Venkat Narsimha Reddy
Independent Directors	5	Dr. B. Kinnera Murthy Dr. S. V. Prabhath Dr. N. Krishna Mohan Shri S. Srinivas Rao Shri Kondaveeti Sudhir Reddy
Total	10	

Details of Board Meetings during the financial year

As against 4 meetings to be conducted, all the 4 have been conducted during the year as per details below:

Sl.	Date	Board Strength	No. of Directors Present
1	28.05.2019	10	07
2	03.08.2019	10	04
3	28.08.2019	10	09
4	23.12.2019	10	09

Attendance at Board Meetings and at Annual General Meeting (AGM) during the FY

Director	No. of Board Meetings attended	Attendance at AGM
Shri Sanjaya Maruvada	04	01
Dr Yerram Raju Behara	04	01
Shri Jayesh Ranjan	04	01
Shri Ahmad Nadeem	-	-
Shri Venkat Narsimha Reddy	04	01

Dr. B. Kinnera Murthy	03	-
Dr. S. V. Prabhath	02	-
Dr. N. Krishna Mohan	03	-
Shri S. Srinivas Rao	03	-
Shri Kondaveeti Sudhir Reddy	02	-

Leave of absence is granted to-	On the dates
Shri Ahmad Nadeem	28.05.2019; 28.8.2019; 23.12.2019
Dr. S. V. Prabhath	28.05.2019
Shri Kondaveeti Sudhir Reddy	28.05.2019

B. Strategic management of the Company's business vested with Management Committee within Board approved direction and realization of Company goals. The primary role of the MC is to act as brains trust behind the business model to realize vision, tactical and strategic objectives in accordance with Board approved plan. The MC also assesses the performance of the businesses model, on an ongoing basis.

Composition of Management Committee

The committee was constituted on -19.03.2018

Category	No. of Directors	Names
Whole - time Directors	2	Shri Sanjaya Maruvada Shri Suresh Kumar D. V. (From 01-06-2020) Dr Yerram Raju Behara
Non - Executive Independent Directors	3	Dr. S. V. Prabhath Dr. N. Krishna Mohan Shri S. Srinivas Rao
Total	5	

Details of Management Committee Meetings during the financial year

Sl. No	Date	MC Strength	No. of Directors Present
1	10.05.2019; 15.05.2019	5	5
2	19.08.2019	5	5
3	16.12.2019	5	5
4	20.03.2020	5	4

Director	No. of Meetings attended
Shri Sanjaya Maruvada	4
Dr. Yerram Raju Behara	4
Dr. S. V. Prabhath	4
Dr. N. Krishna Mohan	4
Shri S. Srinivas Rao	3

C. There are well-established set of policies and procedures followed in lending processes in revival of the MSE units. The products offered in revival package and their features, terms and conditions, including those related to effective interest rates, processing fees and other charges, penalties for delays in repayment or for prepayment/pre-closure, are clearly mentioned in the loan agreement and/or sanction letter, as per RBI's Fair Practices Code for NBFCs. All the customer level and loan level information are being stored both electronic and as physical formats to ensure smooth functioning of the business.

Committee Meetings for better Governance

The Board of Directors functions either as a full Board or through Committees constituted to oversee specific operational areas.

Composition of Investment Committee

The committee was constituted on-07.09.2018

Sl.	Meeting held on	Composition
1	15.02.2019	Shri Sanjaya Maruvada Shri Suresh Kumar D. V. (From 01-06-2020) Dr. S. V. Prabhath Dr. B. Kinnera Murthy
Purpose of the Committee	This Committee was constituted for investments of investable funds had with TIHCL in an appropriate manner.	

Nomination and Remuneration Committee

The committee was constituted on-20.03.2018.

Sl.	Meeting held on	Composition
1	15.04.2019	Dr. B. Kinnera Murthy Shri Venkat Narsimha Reddy Dr. N. Krishna Mohan
Purpose of the Committee	The Committee's role is to recommend to the Board in the appointment, remuneration and removal of the Management personnel.	

Search Committee

A Search Committee was constituted on 23.12.2019 to find replacement for MD &CEO and COO of the Company in view of the completion of contract of the Seneior Management with following members.

Sl.No	Name	Position of the Member
1	Dr. S. V. Prabhath	Independent Director
2	Dr Yerram Raju Behara	Whole Time Director
3	Dr. N. Krishna Mohan	Independent Director, Chairman- MC
4	Shri Ajit P. Rangnekar	Member
5	Shri Santanu Mukherjee	Member – MD (Rtd), SBH
Purpose of the Committee		The Committee's role is to recommend the Board in the selection and appointment of the Senior Management. The Committee met on various dates and submitted its recommendations to the Board.

Pivotal changes in Management during the FY 2019-20

The then Commissioner of Industries Shri Ahmad Nadeem, one of our Board members has been replaced by the present Commissioner of Industries Shri K. Manicka Raj, IAS in the month of February 2020.

The Board proposed to appoint a new Managing Director (MD & CEO) and Chief Operations Officer (COO) in place of Shri M Sanjaya and Shri Sitapathi Sarma respectively on their retirement from the organization. Therefore, the Board constituted the Search Committee and has selected Shri DV Suresh Kumar and Shri UVVL Prasad for the roles of MD & CEO and COO respectively. They have assumed their positions on 11.05.2020. MD &CEO took over charge from Shri M. Sanjaya on 01.06.2020 after the end of Covid-19 led lock-down period.

WHISTLE BLOWER POLICY

TIHCL has incorporated Whistle Blower Policy in the 2nd Board Meeting of the year 2018-2019 chaired by our Independent Director Shri S. Srinivasa Rao.

The Whistle Blower Policy of TIHCL would involve the following:

1. Keeping in view the substantial personal and professional risk involved in the process, TIHCL mandatorily keeps the confidentiality of the person and information revealed in the process, within the bounds of laws of the country.

2. The Independent Director would keep the Chairman of the Board informed through a strictly confidential note in a sealed cover the information so received.

3. The Independent Director would escalate the issue through the Chairman to the Serious Fraud Investigation Office of Government of India within 24 hours of completing the preliminary inquiry with such information as warranted.

4. Under no circumstances, such information shall be discussed in media or public glare.

5. Internal Compliance Programs would encourage whistle blowers to report fraud or other wrongdoing.

6. Provide for compensation for lost backpay and other damages, as well as reinstatement if the whistle blower suffers retaliation in his/her employment.

7. It shall be the responsibility of the Managing Director & CEO to ensure that the architect of fraud would not qualify for any award through concealment or postponement of the act of punishment.

SOCIAL AND ENVIRONMENTAL GOVERNANCE

As a part of SDG 9 of UN (Sustainable Development Goal 9 of the United Nations) relating to SME Development, the Govt of Telangana took the initiative of setting up of TIHCL. The Company helped revival of 67 units through non-financial and financial help, safeguarded employment of 1770 persons and activated Rs. 99.60 cores worth assets and machinery.

The revival covered environmental supportive industries like paper products manufacturing substituting plastics, a sweet lemon juice manufacturing co-operative society which provides preservative-free juice to patients of nearby hospitals, a textile park which protects the roots of women handloom artisans and many more. Our revival process ensures sustainability through all the environmental compliances.

Our Board ensures ethical conduct in business operations. The company is conscious of bringing about overall change in the enterprise in it attempts to revive in a gradual pace. The Company is also conscious of the fact that quick and abrupt changes are not practical and possible. A pro-active, continuous engagement with empathy providing the needed help and educating them for adoption of appropriate processes and technology for long term sustenance and upscaling.

Increasing urbanization demands focus on sustainability issues, from the looming impacts of climate change, to health- and safety-associated risks, to credit and investment gaps that limit business opportunities and hamper economic progress in the country.

Market mechanisms can be less effective when an externality is widespread or an impact not so easy to discern like the biodiversity. Every product of the Company is assessed for its possible risks to the environment and society. Board is proactive while advising the management to be sensitive to the opportunities that lie when economy moves on a slow wheel.

Social and environmental governance continues to be obsession with our Board and Management.

TIHCL ALLIANCES TO STRENGTHEN THE SUPPORT TO MSES

Indian Chamber of Commerce (ICC)

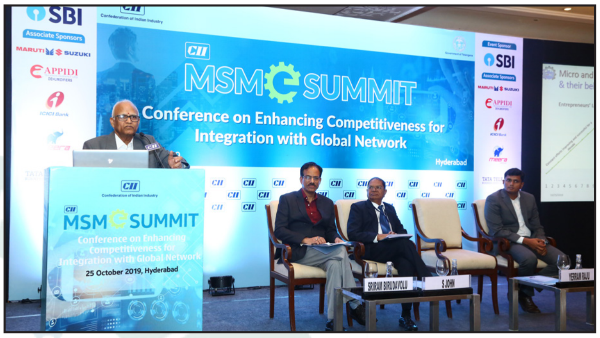
TIHCL & ICC will jointly work for identifying and handholding incipient sick and sick MSEs

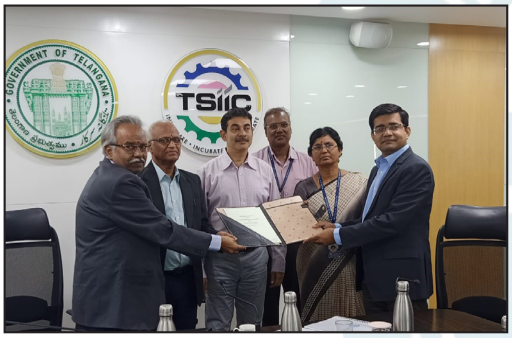
TIHCL will be joining the ICC in the promotional and awareness conference held once in two months

ICC will work with the PSUs also to prevent sickness in and revival of incipient sick MSEs.

MSME- DEVELOPMENT INSTITUTE

MSME-DI will provide awareness to the entrepreneurs on the functions and role of TIHCL. To cater to this, both the parties would mutually share the various Awareness Programmes and Capacity building through EDC in the entire state of Telangana.





STATE BANK OF INDIA (SBI)

MoU with SBI covers adherence to timelines for revival and restructuring of manufacturing MSEs; appropriate handholding to ensure the success of revival package; monitoring and follow up to release of stress of the enterprise. Also provides for creating awareness and setting up a co-working platform for the benefit of manufacturing MSEs

MOU with ALEAP (Association of Lady Entrepreneurs of India): It envisages

- To support and encourage women entrepreneurs
- To share resources of both the organizations
- To disseminate knowledge and transfer of technology
- Organize awareness program for the benefit of MSEs
- To refer the stressed manufacturing MSMEs who are the members of ALEAP

MOU with COWE (Confederation of Women Entrepreneurs): It covers

- Awareness Programs for member industries of COWE, INDIA - Telangana Chapter by TIHCL with focus on financial literacy and compliance culture.
- Participation of the parties in the exhibitions and trade fairs conducted by both parties.
- Referral of sick/ stressed enterprises by COWE to TIHCL
- Participation in the meetings of COWE to apprise the activities of TIHCL.

CURRENT MSME SCENARIO

The Micro, Small and Medium Enterprises (MSME) sector contributes significantly to the economic and social development of the country by fostering entrepreneurship and generating large employment opportunities. The MSMEs in India are playing a crucial role by providing employment at a comparatively lower capital cost as well as through industrialization of rural & backward areas, inter alia, reducing regional imbalances, assuring more equitable distribution of national income and wealth.

Distribution of MSME Units by Category-wise in Rural and Urban Areas

					Numbers in Lakhs
1	2	3	4	5	6
Sector	Micro	Small	Medium	Total	Share (%)
Rural	324.09	0.78	0.01	324.88	51
Urban	306.43	2.53	0.04	309.00	49
All	630.52	3.31	0.05	633.88	100

Source: Ministry of MSME Annual Report 2019-20

Distribution of Employment by type of Enterprises in Rural and Urban Areas

					Numbers in Lakhs
1	2	3	4	5	6
Sector	Micro	Small	Medium	Total	Share (%)
Rural	489.30	7.88	0.60	497.78	45
Urban	586.88	24.06	1.16	612.10	55
All	1076.19	31.95	1.75	1109.89	100

Source: Ministry of MSME Annual Report 2019-20

Micro sector with 630.52 lakh estimated enterprises provided employment to 1076.19 lakhs that in turn accounts for around 97% of total employment in the sector. Small sector with 3.31 lakh and Medium sector with 0.05 lakh estimated MSMEs provided employment to 31.95 lakh (2.88%) and 1.75 lakh (0.16%) persons of total employment in MSME sector, respectively.

Impact of COVID-19 on MSME Sector-

The pandemic, COVID-19, has impacted both the people and economy of the country. The consequences of the pandemic are particularly harsh on MSME sector. The impact on the MSME sector is far more difficult to gather and conclude due to the very nature of these micro and small enterprises and majority of them in unorganized sector. The cascading effect is difficult to measure. The MSME sector accounts for 33.4% of India's manufacturing output, employing about 120 million and contributing 45% of India's exports. Considering the sector as growth engine of the nation, the Government of India took certain measures to combat the loss incurred due to the pandemic. Revival measures were announced for MSMEs under Aatma Nirbhar Bharat Abhiyaan. The definitions of MSMEs have also been redefined as of 1st June 2020.

The Measures are:

1. Union Cabinet Approved Revised Definition of MSME

   (i) The classification of MSME as Manufacturing Enterprise and Service Enterprise has been abolished and merged under one category of MSME.

   (ii) A new dimension has been introduced in the definition apart from investment in plant and machinery which is of turn over.

   (iii) As per the new classification the following are the new norms for classification of MSME.

Classification	Investment	Turn Over
Micro Enterprise	Rs. 1 crore	Rs. 5 crores
Small Enterprise	Rs. 10 crores	Rs. 50 crores
Medium Enterprise	Rs. 20 crores	Rs. 100 crores

2. Rs 3 lakh crore worth of collateral-free automatic loan for MSMEs. Borrowers with up to Rs. 25 crores outstanding and Rs. 100 crore turnovers are eligible.
3. Stressed MSMEs are provided with a new scheme, i.e., Sub-ordinate Debt. Government earmarked Rs. 20,000 crores towards this scheme.
4. Equity infusion for MSMEs through 'Fund to Fund', to be operated through a Mother Fund and a few Daughter Funds. This is to help extend the MSMEs size and capacity.
5. Global tenders to be disallowed in government procurement of garments up to Rs. 200 crores.
6. e-commerce markets to be provided for MSMEs. Central Public Sector Enterprises and government to honor every MSME

CHAMPIONS: Technology Platform to Empower MSMEs

The portal is for making the smaller units big by solving their grievances, encouraging, supporting, helping and handholding. It is a one-stop-shop solution of MSME Ministry.

Objectives:

Grievance Redressal: To resolve the problems of MSMEs including those related to finance, raw materials, labour, regulatory permissions etc particularly in the COVID created difficult situation.

To help them capture new opportunities: including manufacturing of medical equipment and accessories like PPEs, masks, etc and supply them in National and International markets.

To identify and encourage the sparks: i.e. the potential MSMEs who can withstand the current situation and can become national and international champions

INDUSTRY IN TELANGANA

According to the Annual Survey of Industries (ASI) 2016-17, there is significant growth in the registration of new industrial units in Telangana: total number of working manufacturing units in the state grew from 7,729 in 2009-10 to 12,476 in 2016-17, an increase of 61%. Production value has also increased from Rs.2,03,547crore in 2015- 16 to Rs.2,24,348 crore in 2016-17, an increase of 10.22% in just one year.

Major Government Initiatives in Industry

TS-iPASS The Government of Telangana has enacted the Telangana State Industrial Project Approval and SelfCertificate System (TS-iPASS) Act, 2014, for speedy processing of applications to setup industries in the state. The details concerning new investment proposals and phases of commencement are provided in the Table.

Investment and Employment under TS-iPASS up to 31.12.2019

SLNo	Progress	No. of Industries	Investment in Crs (Rs.)	Total Employment
1	Commenced Operations	9,020	85,125.83	6,23,071
2	Advanced Stage	764	28,116.96	2,87,112
3	Initial Stage	645	51,023.80	2,57,323
4	Yet to start construction	1,428	20,388.85	1,40,550
Total		11,857	1,84,655.44	13,08,056

Since the enactment of TS-iPASS, the state has received 11,857 new investment proposals with an investment outlay of Rs.1.85 lakh crore and creation of 13.08 lakh potential employment opportunities. Of the total proposals received, 9,020 units have commenced their operations with an investment outlay of Rs.85125.83 crore and creating 6.23 lakh employment opportunities.

T-IDEA The Telangana State Industrial Development Entrepreneur Advancement (T-IDEA) scheme seeks to encourage industrial entrepreneurship. Through various subsidies and incentives Details of are given in the Table

Incentives Provided under T-IDEA in 2019-20 (as of 31st December 2019)

SLN.	Nature of Relief	No. of cases	Amount Sanctioned (Rs. Crore)
1	Investment Subsidy	142	27.23
2	Sales Tax	472	174.48
3	Stamp Duty	64	1.93
4	Land Cost	15	0.92
5	Land Conversion	11	0.07
6	Mortgage Duty	4	0.04
7	Skill upgd / Training / Qlty cert	1	0.01
8	Power Cost Reimbursement	1174	71.53
9	PavalaVaddi	985	58.41
	Total	2868	334.62

MSME Sector in Telangana

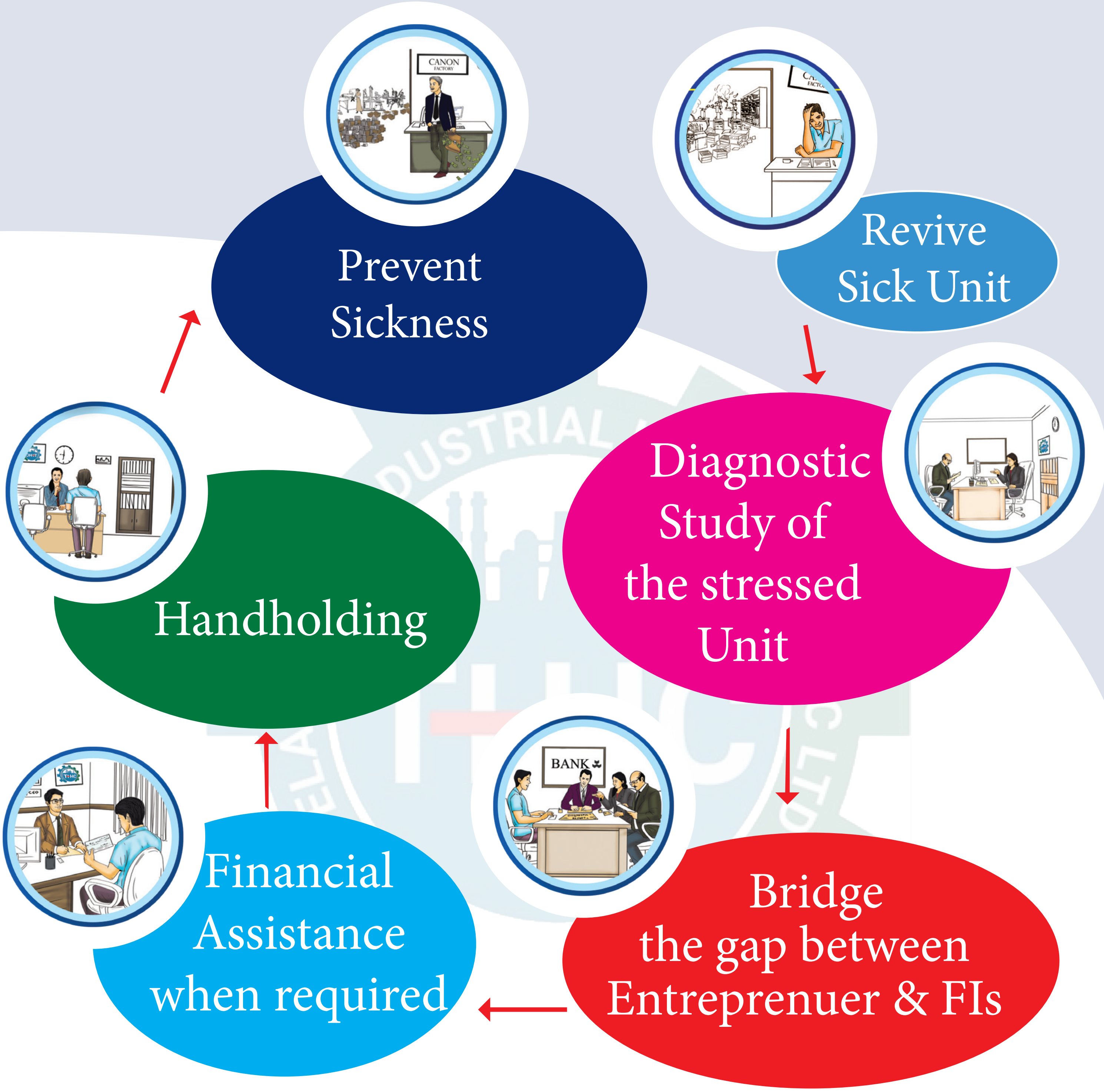
The Micro, Small and Medium Enterprises (MSME) sector has emerged as a highly vibrant and dynamic sector of Telangana's economy over the years. It provides complementary products to large industries and contributes enormously to inclusive growth and regionally balanced development of the state. There has been a steady growth in the number of MSME registrations over the years. As many as 8,435 MSME units have commenced their operations since formation of the state, with an investment of about Rs.11,487crore. Since January 2015, MSMEs have provided additional employment opportunities to approximately 1.59 lakh persons.

SLN.	Category	No. of Units	Investment in Rs. Crs	Employment Generation (in Numbers)
1	Micro	4,899	1,370	48,042
2	Small	3,271	7,288	88,383
3	Medium	265	2,829	23,074
Total		8,435	11,487	1,59,499

Source: Socio Economic Outlook 2020

While micro industries account for approximately 58.07% of total units, their share of investment and employment generation is comparatively less—11.92% and 30.12%, respectively. Small units account for 63.44% of total MSME investment and 55.41% of total MSME employment the highest for both categories.

HOW TIHCL SUPPORTS MSES



Preventing Sickness / Turning around the stressed MSEs in manufacturing space is the foundation of this organization and commitment to the purpose

Vision To Build and Develop Sustainable entrepreneurial ecosystem dealing with challenges of Manufacturing MSEs in the State of Telangana.

Values

- Dharma - Righteousness
- Loka Sangraha- Public Good
- Kaushalyam - Skill & Efficiency
- VaiVidhyatha- Innovation
- Jignasa – Learning

Mission To Guide, Mentor and Support Manufacturing MSEs.

OBJECTIVES

- To ENSURE healthy manufacturing MSEs through responsive counselling and responsible consulting and other mentoring services
- To ENGAGE Manufacturing MSE's with a strong and consistent in financial performance through better compliance standards
- To SUPPORT and ENRICH sustainable working environment that attracts, retains and develops committed team sharing common values
- To play the role of ADVOCACY in assuring prompt payment by the vendees of MSEs
- To PROPEL potential MSE's to equity platforms like NSE and BSE.

Our Product Offerings

1. Revival and Rehabilitation and Margin Loan Facilitation

TIHCL revives and rehabilitates the sick and incipient sick micro and small manufacturing enterprises in the State, by identifying the problems of the enterprise in diagnostic study and support them with handholding process. In cases where the entrepreneur is unable to bring in the additional margin money required by the bank for revival, TIHCL may grant a soft loan repayable along with bank finance for rehabilitation/ revival.

2. Credit Facilitation

Providing the supplementary finance or part-equity required by new enterprises in cluster locations at the stage of business commencement. Unsecured loans with high interest component upfront play a significant role in enterprises becoming sick at early stage. Our objective is to curtail this practice, by providing credit facilitation at concessional rate of interest and ensuring at the same time that the entrepreneur has adequate stake in the enterprise. Clusters have the advantage of forward and backward integration, thus having a higher benefit than units setup elsewhere.

3. Overdue Bill Purchase

TIHCL will provide finance to entrepreneur on bills which are overdue for payment after discounting with bank. The bill if not paid beyond 90 days after due date will lead to account being classified as NPA. TIHCL will provide finance to such bills by purchasing and help entrepreneur to distance from NPA trap. TIHCL will finance only bills drawn on PSU and government departments.

4. Critical Amount Funding (CAF)

TIHCL Provides loan facility for repayment of critical amount to stressed enterprises, which would prevent them slipping into NPA. In diagnostic study if the enterprise is viable for revival, a loan for the repayment of critical amount will be provided by TIHCL for onward payment to the bank to bail out unit from becoming NPA by taking Pari- Passu charge from the bank.

5. Stressed Asset Financing (SAF)

Based on the diagnostic study buttressed by TEV study where felt necessary, by TIHCL, if the applicant unit is found potentially viable, we would approach the unit's Bank to off-load the asset along with the collateral securities if any held by them towards that account. The decision on providing this facility to the enterprise completely at the discretion of TIHCL.

6. Bridge Finance

TIHCL will provide finance against sanctioned investment subsides (T-Idea). TIHCL will provide finance up to 75% of sanctioned investment subsidy generally and other subsidies on a case to case basis and on a very selective basis.

Women Specific Products

7. NARI (Nari Assistance Revival of Industry)

This product is devised for offering to Women Entrepreneurs at concessional rates.

We identify the problems of the enterprise in diagnostic study and support them along with handholding

8. WE (Women Enterprise) Loans

TIHCL will provide financial assistance to existing manufacturing enterprises managed and owned by women entrepreneurs in providing Counselling and guidance to run and/or expand Manufacturing Activity

9. SWASHAKTI (for new units)

TIHCL will provide financial assistance to new manufacturing enterprises managed and owned by women entrepreneurs in providing Pre-entry project assistance, counselling and helping hand and guidance in compliance to start and run a Manufacturing Industrial enterprise

With our understanding while dealing with MSEs and stress caused by lockdown imposed to curb Novel COVID Virus, TIHCL has expanded its product offerings to meet the sector requirements to deal with post lockdown issues

10. Priority Sanction

TIHCL studies and recommends early release of sanctioned investment subsidy (T-Idea). On enquiry received from Industries and commerce department, TIHCL will conduct a study on the Enterprise & provide recommendations to the I&C dept in its Study Report.

Risk Management

TIHCL, a Non-Banking Financial Company –Non-Systemically Important Non-Deposit taking- is promoted basically to revive and rehabilitate stressed Micro and Small manufacturing units with co-financing as its lending model. However, in exceptional cases we may consider sole financing also.

The Company recognizes the importance of Risk Management in terms of identification, measurement, mitigation and monitoring. Our risks in the areas of Credit risk and Market risks as prime and operational risk as secondary. Besides Credit, other risks , going forward, would be liquidity, interest rate and reputational risk, as per the extant model. With the directives of RBI as regards applicability of NBFC norms even to Government Companies, the compliance risk is also significant. TIHCL is having required systems in line with the portfolio to address and take care of the risks.

TIHCL has chosen Microsoft as our Technology Partner, the systems which are deployed will help mitigate operational risks to a large extent as manual interventions are likely to be minimized. All the MOUs and Loan documents are being vetted by company's empaneled legal counsel to minimize legal risks.

New products as and when introduced are weighted in the light of comprehensive risks associated with the product, mitigation thereof and priced suitably. While co-financing is explored first, before our banking upon sole financing products.

Human Resources

Our main moto is to Guide, Mentor and Support the stressed manufacturing MSMEs. This activity needs highly empathetic attitude with novel thinking for the HR working in the Organization as there is nothing similar in the past to bank upon. We are driven by the values of Righteousness, Efficiency, Skill, Learning and Innovation and Organizational culture that represents our collective values, beliefs and principles.

TIHCL believes in 'Knowledge is Power, and Energy is Accelerator.' Towards this, TIHCL operates with a diverse team of young and energetic workforce who are administered by knowledgeable resources retired as Senior Executives from Financial Sector. To maintain the lean structure, well experienced, competent functional specialists supplement the activity in identifying and resolving complex challenges much faster and easier. The company has provided more than equal opportunity to the female workforce in the recruitment policy and always respects and encourages them. We will continue to be a lean organization till we grow and more grounded. The senior leaders will continue to play a major role in the development of an agile and a competent Organization.

TIHCL is a learning organization, where the employees are empowered through skill development and upgradation in the areas of customer handling and best lending practices. It is a great challenge for a fintech NBFC like us to deal with less educated customers who are already psychologically down with the stress in their unit. It strives hard to retain potential talent with right attitude and aptitude who would be a value addition to the organization. Our employees have been always on an ongoing mode of learning and are benefitted throughout the process of exploration Thus, TIHCL could develop 'in house' a few new products by understanding the diverse needs of sick industries to optimise their potential for revival.

Way Forward

Structure driven traction with the help of existing institutional mechanism, i.e. banks, NBFCs local bodies etc., continues to prove challenging. While meeting this challenge the way forward in the space of revival will be

- Direct and continuous engagement with the enterprises
- Provision of services like consultancy, Advisory and co-ordination with the lending institutions
- Efforts to improve the eco system

DIRECTORS' REPORT

Dear Members

Telangana Industrial Health Clinic Limited

Your Directors have pleasure in presenting the 03rd Annual Report on the business and operations of the Company together with the Audited Statement of Accounts of your Company for the financial year ended March 31, 2020.

FINANCIAL HIGHLIGHTS

The Company's financial performance, for the year ended 31st March 2020 is summarized below:

(Amount in Rs.)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from Operations	56,78,620	11,26,358
Other Income	12,00,523	40,91,055
Total Revenue	**68,79,143**	**52,17,413**
Expenses	2,06,56,156	1,72,49,186
Depreciation	15,15,547	3,58,257
Total Expenses	**2,21,71,703**	**1,76,07,443**
Profit/ (loss) before exceptional and extraordinary items and Tax	(1,52,92,560)	(1,23,90,030)
Less: exceptional and extraordinary items	0	0
Profit/ (loss) Before Taxation	(1,52,92,560)	(1,23,90,030)
Less: - Current Tax - Income Tax (Earlier years) - Deferred Tax	- - 1,59,834	- - 5,098
Profit / (loss) After Tax	(1,54,52,394)	(1,23,95,129)

STATE OF THE COMPANY'S AFFAIRS AND FUTURE OUTLOOK

During the financial year ended 31st March 2020, the company has earned a total revenue of Rs.68,79,143/- as against Rs. 52,17,413/- in the last financial year. The loss incurred was Rs.1,54,52,394 as against Rs.1,23,95,129 due to normal administrative expenses and additional provisions and depreciation. However, it is expected to do better during the next financial year.

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

However, the Covid-19 pandemic has an adverse impact on the company s efforts to carry on its activities in view of nation-wide lock downs, shutting down of businesses etc. The repercussions are expected to be harsh for the financial year 2020-21 also.

The company has strictly implemented all the precautions / required actions to contain spread of the Covid infection

DIVIDEND

In view of the loss being suffered, no dividend is being recommended.

TRANSFER TO RESERVES

No amount was transferred to the reserves during the financial year ended 31st March 2020.

DEPOSITS

The Company is a non-deposit taking NBFC, and thus has not accepted any public deposits during the Financial year 2019-20.

SHARE CAPITAL

The Authorised Share Capital of the Company is Rs.11,00,00,000/- divided into 11,00,000 equity shares of Rs. 100/- each.

The Paid-up capital of the company is Rs.10,02,60,000/- divided into 10,02,600 equity shares of Rs. 100/- each.

The Paid-up capital of the company was increased from Rs.7,52,60,000/- to Rs.10,02,60,000/-. Company has allotted 25,00,000 shares of Rs. 100/- each to State Government of Telangana.

MEETINGS OF THE BOARD OF DIRECTORS

During the financial year ended 31st March 2020, 4 (four) Meetings of the Board of Directors of the Company were convened and held on 28.05.2019, 03.08.2019, 28.08.2019 & 23.12.2019.

The intervening gap between the Meetings was within the period of 120 days as prescribed under the Companies Act, 2013.

LOANS, GUARANTEES AND INVESTMENTS

Details of loans covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements of the company.

DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture, or an Associate Company.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year ended 31st March 2020 were on an arm’s length basis and were in the ordinary course of business. Therefore, the provisions of Section 188 of the Companies Act, 2013 were not attracted.

Further, there are no materially significant related party transactions during the year under review made by the Company with Promoters, Directors, Key Managerial Personnel, or other designated persons which may have a potential conflict with the interest of the Company at large. Thus, disclosure in Form AOC-2 is not required.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO:

A. Conservation of Energy, Technology Absorption

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 in respect of conservation of energy and technology absorption have not been furnished considering the nature of activities undertaken by the company during the year under review.

B. Foreign Exchange Earnings and Outgo: NIL

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in form No.MGT-9 (Annexer-1) as required under Section 92 of the Companies Act, 2013 for the financial year ending March 31, 2020 is made available on the website of the Company http://tihcl.telangana.gov.in

RISK MANAGEMENT

The Company is in the process of developing and implementing a comprehensive risk management policy which identifies major risks which may threaten the existence of the Company. The same to be adopted by your Board will also be subject to its review from time to time. Risk mitigation process and measures are also being formulated and clearly spelled out in the said policy.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

The Company has in place adequate internal financial controls with reference to financial statements. During the year under review, such controls were tested and no reportable material weaknesses in the design or operation were observed, nevertheless such systems are continuously and from time to time evaluated for their efficacy and improvements, if any, required are implemented.

VIGIL /WHISTLE BLOWER MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, a Vigil Mechanism for directors and employees to report genuine concerns has been established.

DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

There has been change in the constitution of Board during the year under review i.e. the structure of the Board is as follows:

S.No	Name of Director	Designation
1	Jayesh Ranjan	Director
2	Sriramshetty Srinivasa Rao	Director
3	Sudhir Reddy Kondaveeti	Director
4	Behara Yerram Raju	Whole-time Director
5	Kinnera Murthy Bhagavatula	Director

6	K. Manicka Raj	Director
7	E. Venkat Narsimha Reddy Ettireddy	Director
8	Krishna Mohan Nori	Director
9	Venkateswara Prabhath Sreerama	Director
10	Sanjaya Maruvada	CEO and Managing Director

During the year Mr. Manicka Raj, IAS was appointed as Director of the Company in place of Mr. Ahmed Nadeem Ansari.

Mr. M Sanjaya has demitted the office as Managing Director of the company on 1st June, 2020 and Mr. Suresh Kumar Devalam Venkata has been appointed as new Managing Director of the Company in place of Mr. M Sanjaya.

Committees of the Company

1. *Management Committee*
2. *Share Allotment Committee*
3. *Complaints Committee*
4. *Investment Committee*

The Independent Directors of the Company have submitted a declaration that each of them meets the criteria of independence as provided in Section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Pursuant to MCA Notification dated 05th June 2015, the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is not applicable to a Government Company.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS

No significant and material order has been passed by the regulators, courts, tribunals impacting the going concern status and Company's operations in future.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual

Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, no case of sexual harassment was reported.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions w.r.t. CSR is not applicable to the Company. Therefore, the Company had not constituted CSR committee during the year 2019-20.

STATUTORY AUDITORS

M/s. **N K R & Co**, Chartered Accountants, Hyderabad, were appointed as Statutory Auditors under section 139 of the Companies Act, 2013 by the Comptroller and Auditor General of India to audit the Accounts of the Company for the period from 01.04.2019 to 31.03.2020

REPORTING OF FRAUDS BY AUDITORS

During the year under review, statutory auditors has not reported to the Board, under Section 143 (12) of the Companies Act, 2013, any instance of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report.

BOARD'S COMMENT ON THE AUDITORS' REPORT

The observations of the Statutory Auditors, when read together with the relevant notes to the accounts and accounting policies are self-explanatory.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

(a) in the preparation of the annual accounts for the year ended 31st March 2020, the Company has followed the applicable accounting standards and there are no material departures from the same.

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March 2020 and of the profit and loss of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) the Directors have prepared the annual accounts on a 'going concern' basis;

(e) the Company being unlisted, sub clause (e) of section 134(5) of the Companies Act, 2013 pertaining to laying down internal financial controls is not applicable to the Company.

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors wish to place on record their deep sense of appreciation for the committed contribution made by the employees at all levels, to the continued growth and prosperity of the Company.

Your Directors also wish to place on record their sincere appreciation for the assistance and co-operation received from the business associates, Government authorities, customers, vendors, banks and other financial institutions and shareholders of the Company for their continued support.

For and on behalf of the Board of Directors
Telangana Industrial Health Clinic Limited

Suresh Kumar D. V.	Jayesh Ranjan
Managing Director & CEO	Chairman &
DIN: 08748499	DIN: 00003692

Date: 06-11-2020
Place: Hyderabad

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. **REGISTRATION AND OTHER DETAILS:**

1	CIN	U74999TG2017SGC117624
2	Registration Date	07/06/2017
3	Name of the Company	Telangana Industrial Health Clinic Limited
4	Category/Sub-category of the Company	Company limited by shares/State Government Company
5	Address of the Registered Office & contact details	Parishrama Bhavan, 5-9-58/8, Fateh Maidan Road, Hyderabad - 500029 Telangana
6	Whether listed company	Unlisted
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Nil

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

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1.	Other financial service activities, except insurance and pension funding activities	649	100%

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

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ASSOCIATE	% of shares held	Applicable Section
NIL					

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian		-	-	-	-	-	-	-	-
a) Individual/ HUF	-	8	8	0.01	-	8	8	0.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)		7,49,992	7,49,992	99.64		9,99,992	9,99,992	99.73	0.09
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	-	7,50,000	7,50,000	99.65	-	10,00,000	10,00,000	99.74	0.09
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI									
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	-	7,50,000	7,50,000	99.65	-	10,00,000	10,00,000	99.74	0.09
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks/FI									
c) Central Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs									
h) Foreign Venture Capital Funds	- -	- -	- -	- -	- -	- -	- -	- -	- -
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	2600	2600	0.35	-	2600	2600	0.26	-0.09
ii) Individual shareholders holding nominal share capital in excess of₹ 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify) **Sub-total**	-	2600	2600	0.35	-	2600	2600	0.26	-0.09
(B)(2):- Total Public Shareholding (B) = (B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)		7,52,600	7,52,600	100	-	10,02,600	10,02,600	100	-

(ii) Shareholding of Promoters

Sl.No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
	S/shri	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1.	**Honourable Governor, State of Telangana**	7,49,992	99.64	NIL	9,99,992	99.73	NIL	0.09
2.	**Jayesh Ranjan**	1	0.000001	NIL	1	0.000001	NIL	0
3.	**Ahmed Ansari (K.Manica Raj)**	1	0.000001	NIL	1	0.000001	NIL	0
4.	**E.Venkata Narasimha Reddy**	1	0.000001	NIL	1	0.000001	NIL	0
5.	**Yerram Raju**	1	0.000001	NIL	1	0.000001	NIL	0
6.	**Chittaranjan Kumar Rayasam**	1	0.000001	NIL	1	0.000001	NIL	0
7.	**Maruvada Sanjaya**	1	0.000001	NIL	1	0.000001	NIL	0
8.	**Nageshwar Reddy Tadasina**	1	0.000001	NIL	1	0.000001	NIL	0
9.	**Mavella Shrinivas**	1	0.000001	NIL	1	0.000001	NIL	0
TOTAL		**7,50,000**	**99.65**	**NIL**	**10,00,000**	**99.74**	**NIL**	**0.09**

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

Sl. No.		Shareholding at the beginning ofthe year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Honourable Governor, State of Telangana**	7,49,992	99.64	2,50,000	0.09
	Date wise Increase /Decrease inPromoters Shareholding during the year specifying the reasons for increase/ decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Allotment of 2,50,000 of shares on 05thDecember, 2019			
	At the End of the year	9,99,992	99.73	9,99,992	99.73

(iv)**Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Raine Aluminium Pvt Ltd**				
	At the beginning of the year	500	0.05	500	0.05
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	500	0.05	500	0.05
2	**GundlapalliJagadamba**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
3	**Anu Textiles**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
4	**Boddula Lakshmi**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the	No Change			

	reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year	100	0.01	100	0.01
5	**DubalaPushpalatha**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
6	**Thatikonda Lalitha**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
7	**KokkulaSavithri**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
8	**Thatikonda Pusha**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
9	**MeruguNarsavva**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01
10	**Shree Tex**				
	At the beginning of the year	100	0.01	100	0.01
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the end of the year	100	0.01	100	0.01

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Mr. Jayesh Ranjan**				
	At the beginning of the year	1	0.001	1	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the end of the year	1	0.001	1	0.001
2	**Mr. Behara Yerram Raju**				
	At the beginning of the year	1	0.001	1	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the end of the year	1	0.001	1	0.001
3	**Mr. Ahmad Nadeem Ansari (Mr. K. Manica Raj)**				
	At the beginning of the year	1	0.001	1	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the end of the year	1	0.001	1	0.001
4	**Mr. E. Venkat Narsimha Reddy Ettireddy**				
	At the beginning of the year	1	0.001	1	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the end of the year	1	0.001	1	0.001
5	**Mr. Maruvada Sanjay**				
	At the beginning of the year	1	0.001	1	0.001
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment / transfer / bonus/ sweat equity etc.):	No Change			
	At the end of the year	1	0.001	1	0.001

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	1,61,76,524	NIL	1,61,76,524
Total (i+ii+iii)	**NIL**	**1,61,76,524**	**NIL**	**1,61,76,524**
Change in Indebtedness during the financial year • Addition • Reduction	NIL	NIL	NIL	NIL
Net Change	**NIL**	**NIL**	**NIL**	**NIL**
Indebtedness at the end of the financial year i) Principal Amount ii) Interest due but not paid iii) Interest accrued but not due	NIL	1,61,76,524	NIL	1,61,76,524
Total (i+ii+iii)	**NIL**	**1,61,76,524**	**NIL**	**1,61,76,524**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri M. Sanjaya (Managing Director)	**Shri B.Yerram Raju (Whole time Director)**	-
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify (Professional capacity)	20,00,000	15,60,000	35,60,000
	Total (A)	**20,00,000**	**15,60,000**	**35,60,000**

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration		Name of Directors				Total Amount
		DR. S.V. Prabhath	DR. B. Kinnera Murthy	S. Srinivas Rao	Dr.N. Krishna Mohan	K. Sudheer Reddy	
	Independent Directors						
	• Fee for attending board committee meetings •Commission • Others, please specify (Sitting fees)	40,000 10,000	5,000 15,000	20,000 15,000	45,000 15,000	Nil 10,000	1,10,000 65,000
	Total (1)	**50,000**	**20,000**	**35,000**	**60,000**	**10,000**	**1,75,000**
	4. Other Non-Executive Directors						
	• Fee for attending board committee meetings • Commission • Others, please specify						
	Total (2)						
	Total (B) = (1 + 2)	50,000	20,000	35,000	60,000	10,000	1,75,000
	Total Managerial Remuneration	**50,000**	**20,000**	**35,000**	**60,000**	**10,000**	**1,75,000**
	Overall Ceiling as per the Act	Maximum of Rs, 1,00,000 per director per meeting					

C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD: **NIL**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT /COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Not Applicable				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	Not Applicable				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	Not Applicable				
Punishment					
Compounding					

For and on behalf of the Board of Directors
Telangana Industrial Health Clinic Limited

Suresh Kumar Devalam Venkata
Managing Director & CEO
DIN: 08748499

Jayesh Ranjan
Chairman & Director
DIN: 00003692

Date: 6-11-2020
Place: Hyderabad

सत्यमेव जयते

OFFICE OF THE PRINCIPAL ACCOUNTANT GENERAL (AUDIT)
Telangana, Hyderabad

Lr. No.AG (Audit)/TS/TSC/A.A/TIHCL/2019-20/171 Date: 06.10.2020

To

The Managing Director & CEO,

Telangana Industrial Health Clinic Limited,

5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road,

Basheerbagh, Hyderabad - 500004

Sub: Comments of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act. 2013 on the financial Statements of the Telangana Industrial Health Clinic Limited for the year ended 31st March 2020.

Sir,

I am to forward herewith Non-Review Certificate of the Comptroller and Auditor General of India under Section 143(6) (b) of the Companies Act, 2013 on the financial statements of your Company for the year ended 31st March 2020 for necessary action.

2. The date of placing of 'Non-Review' Certificate along with Financial Statements and Auditors' Report before the shareholders of the Company may please be intimated and a copy of the proceedings of the meetings furnished.

3. The date of forwarding the annual report and financial Statements of the Company together with the Auditors' Report and Non-Review Certificate of the Comptroller and Auditor General of India to the State Government for the year 2019-20 for being placed before the Legislature may also be intimated. The date on which Annual Report is tabled in the Legislature may also be intimated.

4. Ten copies of the annual report for the year 2019-20 are to be furnished in due course without fail.

Yours faithfully

Sd/-

Deputy Accountant General/ AMG-II

Encl: As above

ANNEXURE-I

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THE TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED FOR THE YEAR ENDED 31st MARCH 2020.

The preparation of the financial statements of the Telangana Industrial Health Clinic Limited for the year ended 31st March 2020 in accordance with financial reporting framework prescribed under Companies Act. 2013 (Act) is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act are responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the Standards on auditing prescribed under "section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report 29.08.2020.

I, on behalf of the Comptroller & Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of the Telangana Industrial Health Clinic Limited for the year ended 31stMarch 2020 under Section 143 (6) (a) of the Act

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

Sd/-

Accountant General (Audit)

Place: Hyderabad

Date:06-10-2020

NKR & CO
CHARTERED ACCOUNTANTS

A/17-18, Everest Building, Tardeo Road,
Tardeo, Mumbai- 400 034.
Tel: 2351 5414, Fax 2351 5527
E-mail: contact@nkrco.net
Website: www.nkrco.in

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED

Report on the Audit of the Standalone Financial Statements Opinion

We have audited the accompanying financial statements of TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process. Auditor's Responsibilities for the Audit of the Financial Statements Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(5) of the Act, we have considered the directions / sub-directions issued bythe Comptroller and Auditor General of India, the action taken thereon and its impact on the financialstatements of the Company are given in the Annexure B.

3. As required by Section 143(3) and 143(5) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i.The Company does not have any pending litigations which would impact its financial position.

ii.The Company did not have any long-term contracts including derivative contracts for which there were anymaterial foreseeable losses.

iii.There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For N K R & CO
Chartered Accountants
(Firm Registration No. 127820 W)

Sd/-
T.N.V. Visweswara Rao
Partner M.No. 204084

Place: Hyderabad
Date: 29-08-2020

ANNEXURE ‘A’ REFERRED TO IN PARAGRAPH 1 ‘REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS’OF OUR REPORT TO THE MEMBERS OF TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2020

(i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;

(b) The fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification with in the books of account;

(c) The company is not having any immovable properties in the name of the company hence this clause is not applicable.

(ii) Since the company does not have inventory Clause (ii) is not applicable.

(iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.

(v) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.

(vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

(vii) (a) According to the records of the company, the company is generally regular in depositing undisputed statutory dues of Income Tax, Provident Fund with the appropriate authorities. According to the records of the company, the company does not have undisputed statutory dues of employees’ state insurance, sales-tax, duty of customs, duty of excise, value added tax and cess. There were no arrears of statutory dues as at March 31, 2020 outstanding for a period of more than six months from the date they became payable.

(b) According to the records of the company, there are no dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments).

(x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the course of our audit.

(xi) The Managerial remuneration paid / provided is within the limits prescribed under the provisions of the Companies Act.

(xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(xiv) According to the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

(xv) According to the records of the company and in our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and accordingly, compliance with the provisions of Section 192 of Companies Act, 2013 does not arise.

(xvi) The company is registered with the Reserve Bank of India as a Non Banking Finance Company.

For N K R & CO
Chartered Accountants
(Firm Registration No. 127820 W)

Sd/-
T.N.V. Visweswara Rao
Partner M.No. 204084

Place: Hyderabad
Date: 29-08-2020

ANNEXURE'B' REFERRED TO IN PARAGRAPH 2 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR REPORT TO THE MEMBERS OF TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED OF EVEN DATE FOR THE YEAR ENDED MARCH 31, 2020.

We report that:

Sl.No.	Directions given by Comptroller & Auditor General of India	Replies
1.	Whether the Company has clear lease title / lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title / lease deeds are not available.	Not Applicable. The company is not having any freehold and leasehold land in its Books of Account during the year under Audit
2	Whether there are any cases of waiver / write off of debts / loans / interest etc., If yes, the reasons there for and the amount involved.	Not Applicable. There are no such cases of waiver / write off debts / loans / interest etc during the year under Audit.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift / grant(s) from Govt. or other authorities	Not Applicable. We were informed that there are no Inventories of the Company lying with Third Parties. The company has not received any gift from Government or other authorities during the year under Audit.
4	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company is accounting all the transactions thru its Accounting Software viz., Tally ERP. During our Audit we have not come across any transactions outside IT system.
5	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Not Applicable.
6	Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.	Not Applicable.

For N K R & CO
Chartered Accountants
(Firm Registration No. 127820 W)

Sd/-
T.N.V. Visweswara Rao
Partner M.No. 204084

Place: Hyderabad
Date: 29-08-2020

ANNEXURE 'C' TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Telangna Industrial Health Clinic Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For N K R & CO
Chartered Accountants
(Firm Registration No. 127820 W)

Sd/-
T.N.V. Visweswara Rao
Partner M.No. 204084

Place: Hyderabad
Date: 29-08-2020

Telangana Industrial Health Clinic Limited

BALANCE SHEET AS AT 31ST MARCH 2020

		Amount in Rs.	
Particulars	**Note No.**	**As At 31st March, 2020**	**As At 31st March, 2019**
I. EQUITY AND LIABILITIES:			
(1) Shareholder's Funds			
(a) Share Capital	2	10,02,60,000	7,52,60,000
(b) Reserves and Surplus	3	(3,52,29,777)	(1,97,77,383)
		6,50,30,223	**5,54,82,617**
(2) Non-Current Liabilities			
(a) Long Term Borrowings	4	1,61,76,524	1,61,76,524
(b) Deferred Tax Liabilities	5	1,91,844	32,009
(c) Long Term Provisions	6	16,60,119	1,74,622
		1,80,28,487	**1,63,83,155**
(3) Current Liabilities			
(a) Trade Payables	7	6,25,651	13,36,764
(b) Other Current Liabilities	8	12,28,232	22,63,701
		18,53,883	**36,00,465**
Total Equity & Liabilities		**8,49,12,593**	**7,54,66,237**
II.ASSETS:			
(1) Non-Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	9	12,72,897	15,77,607
(ii) Intangible Assets		64,42,252	14,093
(b) Long Term Loans & Advances	10	2,82,86,731	1,63,06,952
		3,60,01,880	**1,78,98,652**
(2) Current Assets			
(a) Current investments	11	3,78,00,000	-
(b) Cash and cash equivalents	12	91,72,959	5,29,85,481
(c) Short-term loans and advances	13	18,33,266	41,68,948
(d) Other Current Assets	14	1,04,488	4,13,156
		4,89,10,713	**5,75,67,585**
Total Assets		**8,49,12,593**	**7,54,66,237**
Significant Accounting Policies	1		

The Accompanying notes 2 to 29 form an integral part of these financial statements.

As per our attached report of even date

For N K R & CO

Chartered Accountants

Firm Reg. No: 127820W

Sd/-

T.N.V.Visweswara Rao

Partner

M.No. 204084

Place: Hyderabad

Date: 29.08.2020

For Telangana Industrial Health Clinic Limited

Sd/-	**Sd/-**
Managing Director	**Director**
DIN: 08748499	**DIN: 00003692**

Place: Hyderabad

Date: 29.08.2020

Telangana Industrial Health Clinic Limited

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

Particulars	Note No.	Year Ended 31st March 2020	Period Ended 31st March 2019
		Amount in Rs.	
Revenue from operations	15	56,78,620	11,26,358
Other Income	16	12,00,523	40,91,055
Total Revenue - (A)		**68,79,143**	**52,17,413**
<u>Expenses:</u>			
Employee Benefit Expenses	17	1,12,79,924	1,06,51,341
Finance Costs	18	5,294	1,774
Depreciation and Amortization Expense	9	15,15,547	3,58,257
Other Expenses	19	93,70,938	65,96,071
Total Expenses - (B)		**2,21,71,703**	**1,76,07,443**
Profit before exceptional and extraordinary items and tax - (A) -(B)		**(1,52,92,560)**	**(1,23,90,030)**
Exceptional and extraordinary items		-	-
Profit Before Tax		**(1,52,92,560)**	**(1,23,90,030)**
Tax expense:			
(a) Current Tax		-	-
(b) Deferred Tax - Liability / (Asset)		1,59,834	5,098
Profit/(Loss) for the Year / Period		**(1,54,52,394)**	**(1,23,95,129)**
Earning per equity share:			
(a) Basic	20	**(17.78)**	**(26.24)**
Significant Accounting Policies	1		

The Accompanying notes 2 to 29 form an integral part of these financial statements.

As per our attached report of even date

For N K R & CO
Chartered Accountants
Firm Reg. No: 127820W

Sd/-
T.N.V.Visweswara Rao
Partner
M.No. 204084

Place: Hyderabad
Date: 29.08.2020

For Telangana Industrial Health Clinic Limited

Sd/-
Managing Director
DIN: 08748499

Sd/-
Director
DIN: 00003692

Place: Hyderabad
Date: 29.08.2020

Telangana Industrial Health Clinic Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

(Amt in Rs.)

PARTICULARS		2019-20		2018-19
A) CASH FLOW FROM OPERATING ACTIVITIES:				
Net Profit after Tax		(1,54,52,394)		(1,23,95,129)
Adjustment for:				
Depreciation	15,15,547		3,58,257	
Deferred Tax	1,59,834		5,098	
Finance Costs	5,294		1,774	
Interest received	(10,60,569)		(40,91,055)	
Provision for Standard Assets	(10,803)		40,767	
Provision for Gratuity	(1,33,854)		1,33,854	
Provision for NPA	16,30,156		-	
Loss on Sale of Fixed Assets	19,913		-	
Profit from sale mutual fund	(26,68,112)		-	
		(5,42,595)		(35,51,304)
Operating profit before working capital changes		**(1,59,94,989)**		**(1,59,46,433)**
Adjustment for change in Working Capital				
Decrease/(Increase) in Short Term Loans & Advances	23,35,682		(32,20,061)	
Increase/ (Decrease) in Trade Payables	(7,11,113)		3,44,945	
Increase/ (Decrease) in Short Term Borrowings	-		(29,14,157)	
Increase/ (Decrease) in Other Current Liabilities	(10,35,469)		(4,33,76,383)	
Decrease/(Increase) in Other Current Assets	3,08,668		(4,13,156)	
		8,97,768		(4,95,78,812)
Cash Generated from Operations		**(1,50,97,221)**		**(6,55,25,246)**
Less:				
Aggregate Direct Taxes paid/(Refund)	-		-	
		-		-
Net Cash from Operating Activities		**(1,50,97,221)**		**(6,55,25,246)**
B) CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of Fixed Assets	(76,61,408)		(6,34,031)	
Interest Received	10,60,569		40,91,055	
Bank Deposits not considered as cash and cash equivalents	4,42,30,027		1,64,88,307	
Sale of Fixed assets	2,500		-	
Investment in mutual funds	(3,78,00,000)		-	
Profit from sale of mutual funds	26,68,112		-	
		24,99,799		1,99,45,331
Net Cash generated through Investing Activities		**24,99,799**		**1,99,45,331**
C) CASH FLOW FROM FINANCING ACTIVITIES:				
Proceeds from Share Capital Including Share Premium	2,50,00,000		4,52,60,000	
Proceeds from borrowings	-		1,61,76,524	
Loans & Advances given	(1,19,79,779)		(1,63,06,952)	
Finance Costs	(5,294)		(1,774)	
		1,30,14,927		4,51,27,798
Net cash generated through financing activities		**1,30,14,927**		**4,51,27,798**

Telangana Industrial Health Clinic Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2020

Net Increase/(Decrease) in Cash and equivalents (A+B+C)	**4,17,504**		**(4,52,117)**
Cash & Cash Equivalents at the Beginning of the Year	**29,439**		**4,81,555**
Cash & Cash Equivalents at the End of the Year	**4,46,943**		**29,439**
Note-:			
(i). The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard -3 'Cash Flow Statements'.			
(ii). Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:			
	2019-20		**2018-19**
Cash and cash equivalents at the end of the year as per cash flow statement	4,46,943		29,439
Cash and cash equivalents at the end of the year as per Note:	**4,46,943**		**29,439**

As per our attached report of even date

For N K R & CO
Chartered Accountants
Firm Reg. No: 127820W

Sd/-
T.N.V.Visweswara Rao
Partner
M.No. 204084
Place: Hyderabad
Date:

For Telangana Industrial Health Clinic Limited

Sd/-
Managing Director
DIN:

Sd/-
Director
DIN:

Place: Hyderabad
Date:

Notes attached to and forming part of accounts for the year ended on 31st March, 2020

Corporate Information

Telangana Industrial Health Clinic Limited ('the company') was incorporated on 7th June 2017 as public limited company under the Companies Act 2013. The company is primarily engaged in the business of Non-Bnking Finance Company and to finance, Consultant to Finance all MSEs in the state of Telangana and for that purpose lend and advance money to entrepreneurs, promoters, industrial and other business concerns on such terms and conditions and with or without security as may be considered approprate and also to act as a Financial Company.

Note 1

SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of Accounting :

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") notified under section 133 of the companies act 2013.The financial statements are prepared on accural basis and under historical cost conventions

1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and estimated useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

1.3 Revenue Recognition

Revenue is recognised on accrual basis.

1.4 Property, Plant and Equipment

Tangible Assets are stated at actual cost, less accumulated depreciation and net of impairment. Cost includes all expenses incurred to bring the assets to its present location and condition. Subsequent expenses on tangible assets after its purchase is capitalised only if such expenses results in an increase in the future benefits from such assets beyond the previous announced standards of performances.

The cost and the accumulated depreciation for tangible assets sold, retired or otherwise disposed-off are removed from the stated values and the resulting gains and losses are included in the Statement of Profit and Loss.

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulated amortisation and impairment.

1.5 Depreciation

Depreciation on tangible assets is provided on a straight-line method over their estimated useful lives at the rates as prescribed under Schedule II of the Companies Act, 2013. Depreciation is charged on pro-rata basis from the date of capitalisation. Losses arising from retirement, gains or losses arising from disposal of tangible assets which are carried at cost are recognised in the statement of Profit and Loss.

1.6 Earnings Per Share

The company reports basic Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per share". Basic EPS is computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Dilutive Potential Equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares where applicable

1.7 Retirement and other Employee benefits:

Employee benefits include provident fund, employee's state insurance scheme, gratuity fund and leave enacashment, if any.

Contributions in respect of Employees Provident Fund and Employee State Insurance which are defined contribution schemes, are made to a fund administered and managed by the Government of India and are charged as incurred on accrual basis to the Statement of Profit and Loss.

The Company accounts for its liability towards Gratuity based on actuarial valuation made by an independent actuary as at the balance sheet date based on projected unit credit method.

Actuarial gains / losses are immediately taken to the Statement of Profit and Loss.

1.8 Cash and Cash Equivalents:

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1.9 Segment Reporting :

The Company is primarily engaged in the business of Rendering Financial Services to SME's. The primary segment of the company is Rendering Financial Services which in the context of Accounting Standard 17 on "Segment Reporting" constitutes reportable segment.

1.10 Taxes on Income

Tax expenses comprises both current and deferred taxes. Provision for current tax is made based on the applicable tax rates and tax laws with respect to that year. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognised in the profit and loss account in the year of change. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

1.11 Contingent Liabilities & Provisions

A Provision is recognised when an enterprise has a present obligation as a result of past event i.e. it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligatiion at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the copany or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The company does not recognise a contingent liability but discloses its existence in the financial statements.

Note : 2 Share Capital	Amount in Rs.	
Particulars	**As At 31st March 2020**	**As At 31st March 2019**
AUTHORIZED CAPITAL 10,00,000 Equity Shares of Rs. 100/- each with Voting rights	11,00,00,000	10,00,00,000
ISSUED, SUBSCRIBED & FULLY PAID UP CAPITAL 1002600 (P.Y. 752600) Equity Shares of Rs. 100/- each with Voting Rights	10,02,60,000	7,52,60,000
Total	**10,02,60,000**	**7,52,60,000**

Equity Shares

The Company has only one class of equity shares having a par value of Rs. 100 per share. Each Shareholder is eligible for one vote per share. The dividend proposed if any by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion of their shareholding.

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
At the Beginning of the year	7,52,600	7,52,60,000	3,00,000	3,00,00,000
Issued during the year (Equity Shares each Rs.100/-)	2,50,000	2,50,00,000	4,52,600	4,52,60,000
Outstanding at the end of the year	10,02,600	10,02,60,000	7,52,600	7,52,60,000

b. Details of Share Holders holding More than 5% of Equity Shares in the Company

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	%age of Holding	No. of Shares	%age of Holding
H.E.Hon'ble Governor - Telangana state (together with nominees)	10,00,000	99.7407%	7,50,000	99.6545%

Note : 3 Reserves & Surplus	Amount in Rs.	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Surplus / (Deficit) in Statement of Profit and Loss		
Balance at the beginning of the year / period	(1,97,77,383)	(73,82,254)
Add: Profit / (Loss) for the year / period	(1,54,52,394)	(1,23,95,129)
Total	**(3,52,29,777)**	**(1,97,77,383)**

Telangana Industrial Health Clinic Limited
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note: 4 Long Term Borrowings	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Unsecured Loans - (Refer Note.23)	1,61,76,524	1,61,76,524
Total	**1,61,76,524**	**1,61,76,524**

Note : 5 Deferred Tax Liabilities	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Deferred Tax Liabilities on account of Depreciation	1,91,844	32,009
Total	**1,91,844**	**32,009**

Note : 6 Long Term Provisions	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Provision for Contingency for Standard Assets	29,964	40,767
Provision for Gratuity	-	1,33,854
Provision for Non-Performing Assets	16,30,156	-
Total	**16,60,119**	**1,74,622**

Note : 7 Trade Payables	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Trade Payables other than Acceptances:		
Dues to micro enterprises and small enterprises	-	-
Others	6,25,651	13,36,764
Total	**6,25,651**	**13,36,764**

Note : 8 Other Current Liabilities	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Statutory Liabilities	2,13,482	2,68,787
Book overdraft	-	19,94,914
Return of processing fees	64,750	-
Sundry Advances	9,50,000	-
Total	**12,28,232**	**22,63,701**

Telangana Industrial Health Clinic Limited
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note 9
Property, Plant and Equipment

Note 9

S.No.	PARTICULARS	GROSS BLOCK				DEPRECIATION					Net Block	
							For the Year					
		As At 1st April 2019	Additions	Deletions / Adjustments	As at 31st March, 2020	As At 1st April 2019	On opening balances	On Additions	Deletions / Adjustments	As at 31st March, 2020	As At Mar 2019	As At Mar 2020
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Tangible Assets												
1	Computers	5,59,036	-	-	5,59,036	2,22,433	1,77,028	-	-	3,99,461	3,36,603	1,59,575
2	Furniture & Fixtures	4,46,070	-	-	4,46,070	57,353	42,377	-	-	99,729	3,88,717	3,46,341
3	Printers	1,61,142	81,356	24,576	2,17,922	16,932	10,539	4,061	2,163	29,369	1,44,210	1,88,553
4	Office Equipment	1,99,559	12,800	-	2,12,359	30,086	37,916	326	-	68,327	1,69,473	1,44,032
5	Air Conditoners	4,87,012	-	-	4,87,012	53,755	46,266	-	-	1,00,021	4,33,257	3,86,991
6	UPS - Hitachi	1,82,970	-	-	1,82,970	77,624	57,941	-	-	1,35,564	1,05,346	47,406
	Total	**20,35,789**	**94,156**	**24,576**	**21,05,369**	**4,58,182**	**3,72,067**	**4,387**	**2,163**	**8,32,472**	**15,77,607**	**12,72,897**
In Tangible Assets												
1	Tally software	18,220	-	-	18,220	4,127	6,073	-	-	10,200	14,093	8,020
2	I -Health Software	-	75,67,252	-	75,67,252	-	-	11,33,020		11,33,020	-	64,34,232
	Total	**18,220**	**75,67,252**	**-**	**75,85,472**	**4,127**	**6,073**	**11,33,020**	**-**	**11,43,220**	**14,093**	**64,42,252**
	Grand Total	**20,54,009**	**76,61,408**	**24,576**	**96,90,841**	**4,62,309**	**3,78,140**	**11,37,407**	**2,163**	**19,75,692**	**15,91,700**	**77,15,149**

Note : 10 Long Term Loans and Advances (Secured Considered Good)	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Others	2,82,86,731	1,63,06,952
Total	**2,82,86,731**	**1,63,06,952**

Note:

1. The company has given the loans to Siricilla Weavers and Other industries. These loans are repayable in 60 equal installments in the case of Siricilla Weavers with a moratorium of 6 months. In the case of other industries the repayment is in Equall Instalments and Bullet Repayments on a case to case basis.
2. These loans are secured by Hypothecation of Plant & Machinery in the case of Siricilla Weavers and in the case of other various Assets of those companies
3. Includes Non-Performing Assets of Rs.16,301,560

Note : 11 Current investments	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Investment in Franklin Templetin Mutual Funds - (Refer Note No.25)	50,00,000	-
Investment in HDFC Short Term Debt Fund	50,00,000	-
Investment in ICICI Prudential Gilt Fund	75,00,000	-
Investment in IDFC Mutual Fund	15,00,000	-
Investment in Nippon India Gilt Securities Fund	60,00,000	-
Investment in SBI Magnum Gilt Fund	38,00,000	-
Investment in Sbi Magnum Income Fund	50,00,000	-
Investment in SBI Magnum Ultra Short Duration Fund	40,00,000	-
Total	**3,78,00,000**	**-**

Note : 12 Cash & Cash Equivalent	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Cash on Hand	19,446	19,439
<u>Balances with Banks</u>		
-In Current Accounts with Banks	4,27,497	10,000
	4,46,943	**29,439**
<u>Other Bank Balances</u>		
In Deposit account with Banks	87,26,015	5,29,56,042
	87,26,015	**5,29,56,042**
Total	**91,72,959**	**5,29,85,481**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements	**4,46,943**	**29,439**

Telangana Industrial Health Clinic Limited
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note : 13 Short Terms Loans and Advances (Unsecured Considered Good)	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Balance with Revenue authorities	15,68,769	17,47,655
Prepaid expenses	1,48,512	46,288
Advance to Supplier	-	3,75,005
Advance for Purchase of Investments	-	20,00,000
Accrued interest	50,412	-
Handholding Charges Recievable	46,479	-
Loan Documnet Charges Recievable	19,095	-
Total	**18,33,266**	**41,68,948**

Note : 14 Other Current Assets	**Amount in Rs.**	
Particulars	**As At 31st March, 2020**	**As At 31st March, 2019**
Interest recievable on Loans	1,04,488	4,13,156
Total	**1,04,488**	**4,13,156**

Note : 15 Revenue from operations	**Amount in Rs.**	
Particulars	**For Year Ended 31st March, 2020**	**For Period Ended 31st March, 2019**
Interest from Loans	2,68,068	4,13,156
Processing fee	21,87,430	7,13,202
Profit From Sale of Mutual Funds	26,68,112	
Ancilliary Services	63,560	-
Application Fee - IHealth	46,120	-
Diagnostic Fees	1,75,000	-
Handholding Charges	62,211	-
Loan Documentation Charges	1,24,046	-
Processing fee -Others	84,073	-
Total	**56,78,620**	**11,26,358**

Telangana Industrial Health Clinic Limited
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note : 16 Other Income	**Amount in Rs.**	
Particulars	**For Year Ended 31st March, 2020**	**For Period Ended 31st March, 2019**
Income From Sale of Asset	-	
Excess Amount Paid	-	
Interest on IT Refund	36,114	-
Interest on Bank Deposits	10,24,455	40,91,055
Incentive Release Registration Income	5,000	-
Liability No longer required written back	1,33,854	-
Others	1,100	-
Total	**12,00,523**	**40,91,055**

Note : 17 Employee Benefit Expenses	**Amount in Rs.**	
Particulars	**For Year Ended 31st March, 2020**	**For Period Ended 31st March, 2019**
Salaries and Allowances (including contract employees)	77,19,924	70,77,487
Remuneration to Managing Director & Advisor	35,60,000	34,40,000
Contribution to Gratuity	-	1,33,854
Total	**1,12,79,924**	**1,06,51,341**

Note :18 Finance Costs	**Amount in Rs.**	
Particulars	**For Year Ended 31st March, 2020**	**For Period Ended 31st March, 2019**
Bank & Finance Charges	5,294	1,774
Total	**5,294**	**1,774**

Telangana Industrial Health Clinic Limited
Notes Forming Integral Part of the Balance Sheet as at 31st March, 2020

Note : 19 Other Expenses	**Amount in Rs.**	
Particulars	**For Year Ended 31st March, 2020**	**For Period Ended 31st March, 2019**
Books & Periodicals	16,390	12,940
Postage & Telegram	8,667	8,908
Business promotion expenses	2,70,888	10,32,731
Communication expenses	1,06,586	1,27,232
Certification Expenses	34,121	-
Printing & stationery	1,26,074	3,33,787
Legal Expenses	4,89,100	3,95,000
Professional & consultancy fee - (including Auditors Remuneration -Ref Note-20)	11,67,471	11,46,012
Travelling & Conveyance expenses	7,92,120	8,17,982
Registration & filing fee	27,600	39,050
Directors Sitting Fee	2,77,000	1,92,000
Subscription expenses	26,580	70,800
Electricity charges	1,83,319	1,85,978
Office Maintenance	3,18,552	3,74,607
Rent, Rates & Taxes	24,14,668	12,93,882
Repairs & Maintenance	7,40,334	1,59,574
Web Maintenance Charges	54,000	88,500
Reversal of Earlier years Income due to NPA (Siricilla Weavers)	4,08,912	-
Provision for Contingency for Standard Assets (@0.25%)	-10,803	40,767
Provision for Non Performing Assets	16,30,156	-
General Expenses	2,69,290	2,76,321
Loss on sale of Asset	19,913	-
Total	**93,70,938**	**65,96,071**

Note: 20

Earnings per Share:

The following is computation of earnings per share and a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share.

Particulars	**For the Year ended March 31, 2020**	**For the Year ended March 31, 2019**
Proft / (Loss) for calculating the Earnings per share (Rs.)	(1,54,52,394)	(1,23,95,129)
Weighted average number of equity shares	8,69,038	4,72,360
Basic / Diluted Earnings per share	(17.78)	(26.24)

Note: 21
Payments to Auditors

(Amount in Rs.)

Particulars	**2019-20**	**2018-19**
Statutory Audit Fee (Net of GST)	60,000	60,000
Total	**60,000**	**60,000**

Note: 22

The compay is recognised as a Non-Banking Financial Company (NBFC) with Reserve Bank of India(RBI). However the company can carry on the business of non-banking fianciatial institution without accepting Public Deposits.

Note: 23

During the Financial year 2018-19 the company has received Rs. 242.70 lacs from the Government of Telangana State towards the Siricilla Weavers Loan revival and restructring vide G.O.Rt.No.109 dtd 26/07/2018. According to the said G.O. the amount received would be adjusted against the oustanding loan balances of SiricillaWeavers payable to SBI for those approved in the scheme of revival in the said G.O. Further as per the said G.O. 10% of the outstanding loan balances will be waived by the Government of Telangana State, 60% will be waived by the SBI, 10% will be contributed by the borrower and 20% will be provided as Loan thru the company by the Government of Telangana State. As there is no provision for Interest in the said G.O. the company has not considered any provision for Interest on the Outstanding amount. In the absence of details, In view of amount lent by the company to the weavers are of long term nature the amount received from Government of Telangana State (Net) is treated as Long term Borrowings in the Financial Statements.

Note: 24

The Company has estimated the Gratuity Liability of the Employees and recognised the same in the Financial Statements during the financial year 2018-19. As the Payment of Gratuity is Act is not applicable to the company at present the same is reversed during the year under Audit and the same is shown under Other Income.

Note: 25 - Investment in Mutual Funds

The company has invested its funds in the Units of Frankling India Ultra Short Bond Fund managed by Franklin Templeton Asset Management (India) Private Limited. Subsequent to the Balance Sheet date the company has received a communication from the Franklin Templeton AMC stating that the said fund has been wound up and will have implications in redeeming the same. In these circumstance the exit from the investment will depend upon monetisation of the Assets by the Franklin Templeton AMC. However there is no provision created against the said investment during the year under Audit due to non availability of information relating to the decrease in value.

Note: 26

The business segments have been identified based on the nature of business carried out and services provided by the Company to its clients. The Company is primarily in the business of Rendering Financial Services to SME's.

Note: 27

Disclosure of Related Party Transactions as required by Accounting Standard - 18 "Related Party Disclosures".

(1) Other related parties commonly controlled or influenced by major shareholders / directors of the company

Telangana State Industrial Development Corporation Limited (TSIDC)

(2) Key Managerial Personnel

Dr. N. Krishna Mohan - Director

Dr. B. Kinnera Murthy - Director

Dr. B.Yerram Raju - Advisor & Director

Shri M.Sanjaya - Managing Director&CEO

(Amount in Rs.)

Transactions with Related parties during the year

Particulars	2019-20	2018-19
Rent to TSIDC	12,41,289	11,81,672
Honarorium fee paid to Independent directors	-	8,000
Sitting Fee paid to Independent directors	1,35,000	85,000
Remuneration to Key Managerial Personnel - Shri M.Sanjaya	20,00,000	20,00,000
Remuneration to Key Managerial Personnel - Dr. B.Yerram Raju	15,60,000	14,40,000
Outstanding Balances - Credit	1,26,052	5,17,281

Note: 28 - Dues To Micro, Small And Medium Enterprises

The Company has not received any memorandum (as required to be filed by the suppliers with the notified authority under Micro, Small and Medium Enterprises Development Act 2006) claiming their status as micro, small or medium enterprises. Consequently, the amount paid/payable to these parties is considered to be NIL.

Note: 29

For Telangana Industrial Health Clinic Limited

As per our attached report of even Date

For NKR & Co
Chartered Accountants
Firm Registration No.127820W

Sd/-
T.N.V.Visweswara Rao
Partner
M. No.204084

Date: 29.08.2020
Place: Hyderabad

Sd/-
Managing Director
DIN: 08748499

Sd/-
Director
DIN: 00003692

Date: 29-08-2020
Place: Hyderabad

N K R & CO
CHARTERED ACCOUNTANTS

A/17-18, Everest Building, Tardeo Road,
Tardeo, Mumbai- 400 034.
Tel: 2351 5414, Fax 2351 5527
E-mail: contact@nkrco.net
Website: www.nkrco.in

NON - BANKING FINANCIAL COMPANIES AUDITORS' REPORT

To
The Board of Directors,
Telangana Industrial Health Clinic Ltd.,
Parishrama Bhavan, Basheerbagh,
Hyderabad - 500 004

We have audited the attached Balance Sheet of Telangana Industrial Health Clinic Limited (the 'Company') as at March 31, 2020 and also the Statement of Profit and Loss and the Cash Flow Statement for the year then ended. As required by the Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016, issued by the Reserve Bank of India ('RBI') vide Notification No. DNBS. PPD.03/66.15.001/2016-17 dated September 29, 2016 as amended from time to time; we report hereunder on the matters specified in paragraphs 3 and 4 of the said directions, to the extent applicable:

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies 9Accounts) Rules, 2014. 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.

Auditors Responsibility

Pursuant to the requirements of Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 2016 (the Directions) it is our responsibility to examine the books and records of the Company and report on the matters specified in the Directions to the extent applicable to the Company

We conducted our examination in accordance with the Guidance Note on Special Purpose Audit Reports and Certificates issued by Institute of Chartered Accountants of India

Based on our examination of the Books of and records of the Company as produced for our examination and information and explanations given to us:

1 We certify that the Company is engaged in the business of a Non-Banking Financial Institution and it has obtained Certificate of Registration (CoR) from RBI.

2. Based on income and asset pattern as at March 31, 2020, the Company is entitled to continue to hold the Certificate of Registration.

3. The company is meeting the required net owned fund requirement as laid down in Master Directions

4. The Board of Directors' of the company have passed a resolution for non-acceptance of any public deposit.

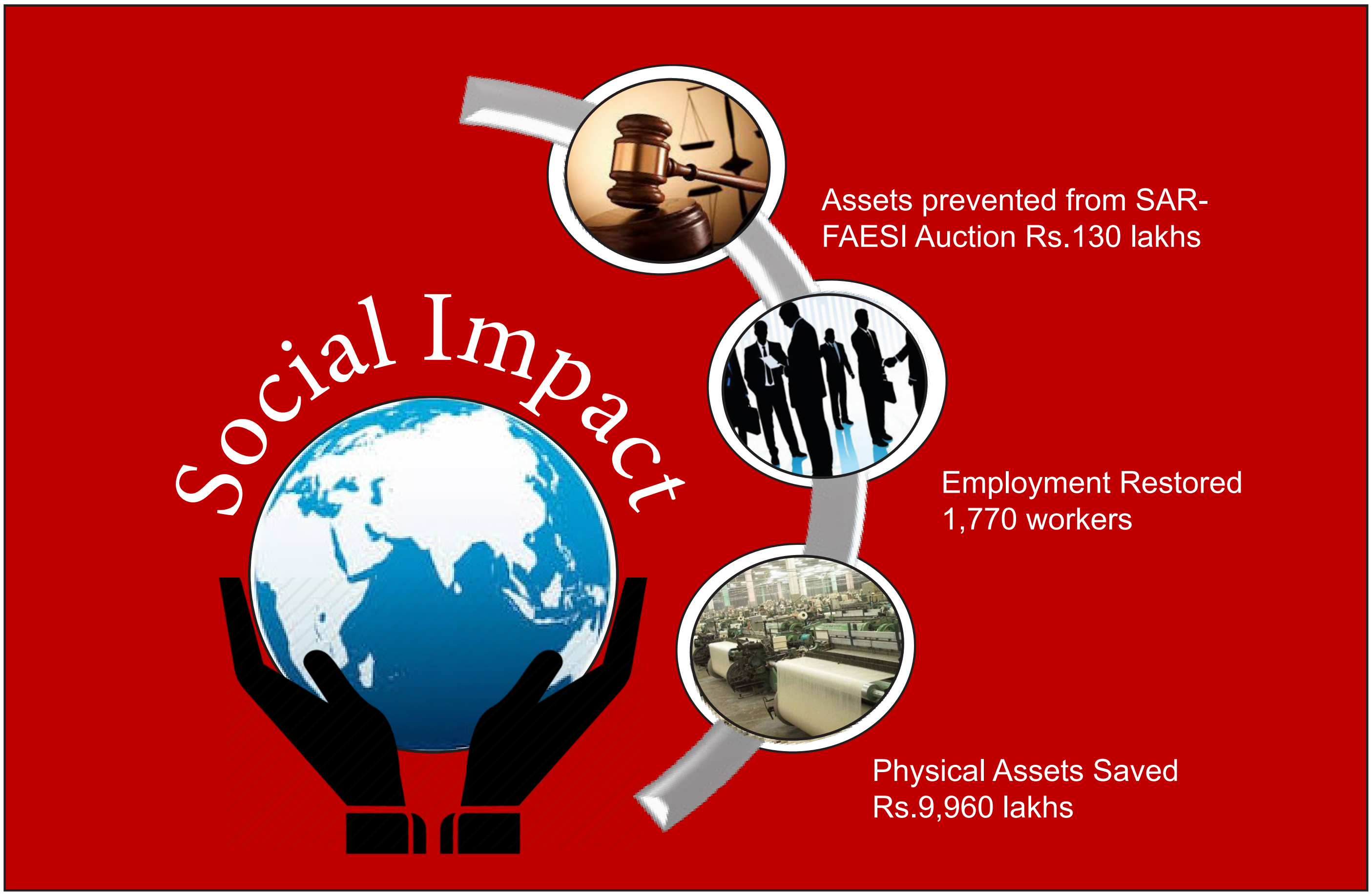
5. The Company has not accepted any public deposits during the year ended March 31, 2020.

6. The Company has complied with the prudential norms relating to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts, as applicable to it in terms of Non-Banking Finance (Non-Deposit taking company) (Reserve Bank) Directions, 2016.

For NKR & Co
Chartered Accountants
Firm Registration No. 127820W

Date: 29.08.2020
Place: Hyderabad

Sd/-
T. N.V.Visweswara Rao
Partner M. No.204084



DISTRICT	EMPLOYMENT RESTORED
Hyderabad	530
Jangoan	20
Kamareddy	300
Khammam	45
Medchal	165
Nalgonda	45
Ranga Reddy	77
Sanga Reddy	36
Siricilla	212
Warangal	310
Yadadri Bhuvangiri	30
TOTAL	1,770

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No Need To Visit TIHCL Office To Seek Support

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TIHCL Accepts Online Application!

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Fill your registration form-
http://tihcl.telangana.gov.in/

Contact Our Customer Oriented Executives

CH Divya Sai Sree	79016 74861
M Bhavani Sri Ramya	79016 74856
Nidhi Mishra	79016 74855
T Arjun Reddy	79016 74862

Write to us - contact@tihcl.org

Join Us Innovation to save MSE's

TELANGANA INDUSTRIAL HEALTH CLINIC LIMITED
5-9-58/B, Parishrama Bhavanam, Fateh Maidan Road, Basheer Bagh,
Hyderabad 500 004. Tel : 040-23298799
www.tihcl.telangana.gov.i

OUR PURPOSE IS SOCIAL AND OBJECTIVE COMMERICIAL